



**DEPARTMENT
of HEALTH
and HUMAN
SERVICES**

Fiscal Year

2024

Office of Inspector General

*Justification of Estimates for
Congress*



Department of Health and Human Services
Office of Inspector General

Fiscal Year 2024

**Justification of
Estimates for
Congress**

A Message From Inspector General Christi A. Grimm

I am pleased to present the Department of Health and Human Services (HHS or the Department), Office of Inspector General (OIG) fiscal year (FY) 2024 budget request. OIG would use requested funding to protect the integrity, effectiveness, and efficiency of more than 100 HHS programs as well as the health and welfare of the people they serve.

For FY 2024, OIG requests a total of \$514.8 million for independent, objective oversight of HHS programs. The request includes \$123.3 million for oversight of HHS's Public Health and Human Services (PHHS) programs and \$391.5 million for oversight of the Medicare and Medicaid programs, including Health Care Fraud and Abuse Control (HCFAC) Program activities and law enforcement activities coordinated with HHS and the Department of Justice.



With the requested FY 2024 resources, OIG would continue to conduct mission-critical oversight and enforcement to combat fraud, waste, and abuse in HHS programs through, for example, the detection of fraud schemes, misspent funds, and improper payments. The requested resources would advance OIG's longstanding oversight in key PHHS areas including the health and safety of infants and children served by HHS programs; the quality, safety, and integrity of services provided by public health programs; and grants and contracts management. OIG would continue its extensive oversight of the Medicare and Medicaid programs, focusing on key areas such as improving nursing homes; ensuring the integrity of growing managed care programs; addressing high costs of prescription drugs; and advancing access to care while reducing disparities. Across our work, we use a risk-based approach to target high-impact opportunities to improve health, promote well-being, enhance program integrity, and identify potential savings.

Additionally, the FY 2024 budget includes rebasing essential mandatory HCFAC funding for investigative, enforcement, and oversight activities to address urgently needed resources, including OIG criminal investigative agents, to combat serious health care fraud and abuse in Medicare, Medicaid, and the Children's Health Insurance Program. Furthermore, resources requested in the FY 2024 budget would support new investment in OIG's oversight of HHS's emergency preparedness, response, and recovery activities, and in enforcement activities targeting emergency-related fraud and abuse.

OIG delivers positive results for the American people. OIG holds accountable bad actors who harm people and steal from taxpayer-funded programs. OIG's audits and evaluations identify program weaknesses and recommend program improvements. OIG uses data analytics to identify trends and potential program vulnerabilities. To foster compliance and integrity, OIG produces guidance and other resources for industry stakeholders. The FY 2024 budget request would enable OIG to remain an agile organization that pivots quickly to address emerging oversight needs.

OIG appreciates the continued support of Congress and HHS to advance the OIG mission to protect the health and well-being of all Americans.

/s/

Christi A. Grimm

Inspector General

Table of Contents

A Message From Inspector General Christi A. Grimm.....	2
AGENCY OVERVIEW	6
Mission, Vision, and Values	6
Organizational Chart.....	7
Organizational Components.....	8
SECTION I: EXECUTIVE SUMMARY.....	11
Preface to FY 2024 Budget Request	11
FY 2024 Budget Request Overview.....	14
Overview of Performance	16
All Purpose Table	17
Appropriations Language.....	18
Nonrecurring Expenses Fund (NEF).....	19
SECTION II: BUDGET EXHIBITS	22
Summary of Changes.....	22
Budget Authority by Activity.....	23
Amounts Available for Obligation.....	24
Program Authorization Legislation.....	25
Appropriations History	26
SECTION III: BUDGET NARRATIVES.....	29
Adjustments to Base Funding Requirements	29
PHHS Oversight and Enforcement	31
<i>Initiative: Emergency Preparedness, Response, and Recovery</i>	32
HCFAC Oversight and Enforcement	39
SECTION IV: SUPPORTING EXHIBITS.....	45
Object Classification Tables	45
Detail of FTE	53
Detail of Positions.....	54
Resources for Cyber Activities	56
Recent Accomplishments.....	57
Performance for Priority Outcomes	62
Physicians' Comparability Allowance	78
SECTION V: OIG SPECIAL REQUIREMENTS.....	79

Acronyms

ACF	Administration for Children and Families
ACL	Administration for Community Living
ARP	American Rescue Plan
AHRQ	Agency for Healthcare Research and Quality
AI/AN	American Indian and Alaska Native
BA	Budget Authority
CDC	Centers for Disease Control and Prevention
FDA	Food and Drug Administration
FTE	Full Time Equivalent
FY	Fiscal Year
HCFAC	Health Care Fraud and Abuse Control
HHS	Department of Health and Human Services
HRSA	Health Resources and Services Administration
IJA	Infrastructure Investment and Jobs Act
IT	Information Technology
MSI	Mission Support and Infrastructure
NIH	National Institutes of Health
OAS	Office of Audit Services
OCIG	Office of Counsel to the Inspector General
OEI	Office of Evaluation and Inspections
OI	Office of Investigations
OIG	Office of Inspector General
OMP	Office of Management and Policy
PB	President's Budget

PHHS	Public Health and Human Services
PL	Program Level
SAMHSA	Substance Abuse and Mental Health Services Administration

AGENCY OVERVIEW

Mission, Vision, and Values

The Department of Health and Human Services (HHS), Office of Inspector General (OIG) conducts independent oversight of HHS programs that provide health insurance, promote public health, respond to public health emergencies, protect the safety of food and medical products, and fund medical research, among other activities. OIG’s goals are to fight fraud, waste, and abuse; promote quality, safety, and value in HHS programs and for HHS beneficiaries; and advance excellence and innovation. OIG’s roadmap to accomplish this work is detailed in our [HHS-OIG Strategic Plan 2020–2025](#).

Mission: OIG’s mission is to provide objective oversight to promote the economy, efficiency, effectiveness, and integrity of HHS programs, as well as the health and welfare of the people they serve. OIG is an independent, objective oversight organization that fights fraud, waste, and abuse. We work to ensure that Federal dollars are used appropriately and that HHS programs well serve the people who depend on them.

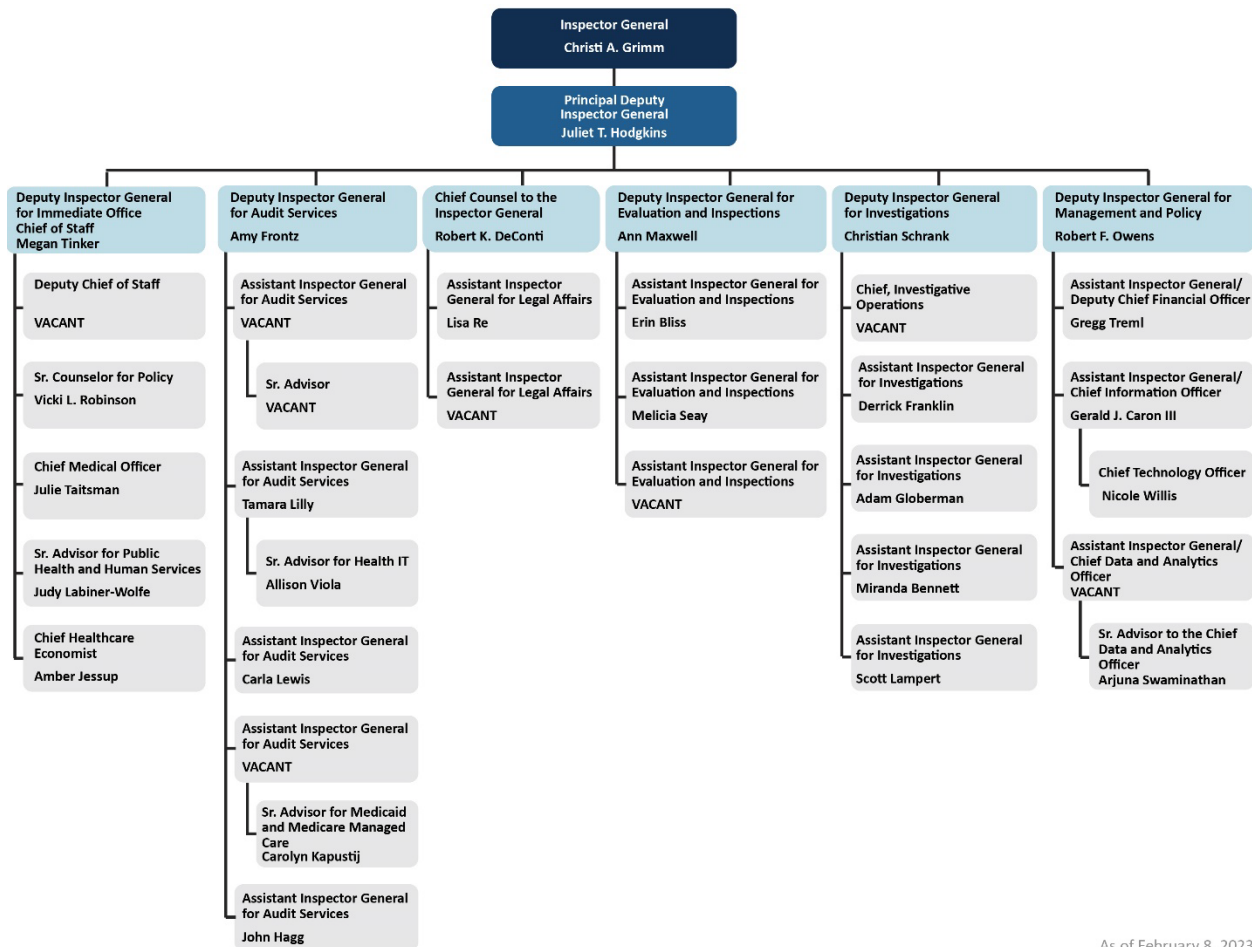
Vision: OIG’s vision is to drive positive change in HHS programs and in the lives of the people served by these programs. We pursue this vision through independent oversight of HHS programs and operations, and by providing HHS and Congress with objective, reliable recommendations and information for use in policymaking. We assess the Department’s performance, administrative operations, and financial stewardship. We audit the performance of providers, grantees, and contractors participating in HHS programs. We evaluate risks to HHS programs and beneficiaries and recommend improvements. We also investigate fraud and abuse affecting HHS programs and beneficiaries and hold wrongdoers accountable for their actions.

Values: OIG strives to be impactful, innovative, and people-focused. We apply these values to our work by using modern, cutting-edge tools and methods, and providing decisionmakers with actionable information to help them improve HHS programs and operations. We provide the results of our work to the public to foster transparency and consumer awareness.

OIG’s goals and objectives aim to drive positive change in the lives of all Americans. Accompanying each goal below are relevant objectives related to OIG’s work.

GOALS AND OBJECTIVES		
Fight Fraud, Waste, and Abuse <ul style="list-style-type: none">• Prevent, detect, and deter fraud, waste, and abuse• Foster sound financial stewardship and reduction of improper payments• Hold wrongdoers accountable and recover misspent public funds	Promote Quality, Safety, and Value <ul style="list-style-type: none">• Foster quality, safety, and value of HHS-funded services• Promote public health and safety• Support high-performing health and human service programs	Advance Excellence and Innovation <ul style="list-style-type: none">• Maximize value by improving efficiency and effectiveness• Promote security and effective use of data and technology• Encourage implementation of OIG recommendations

Organizational Chart

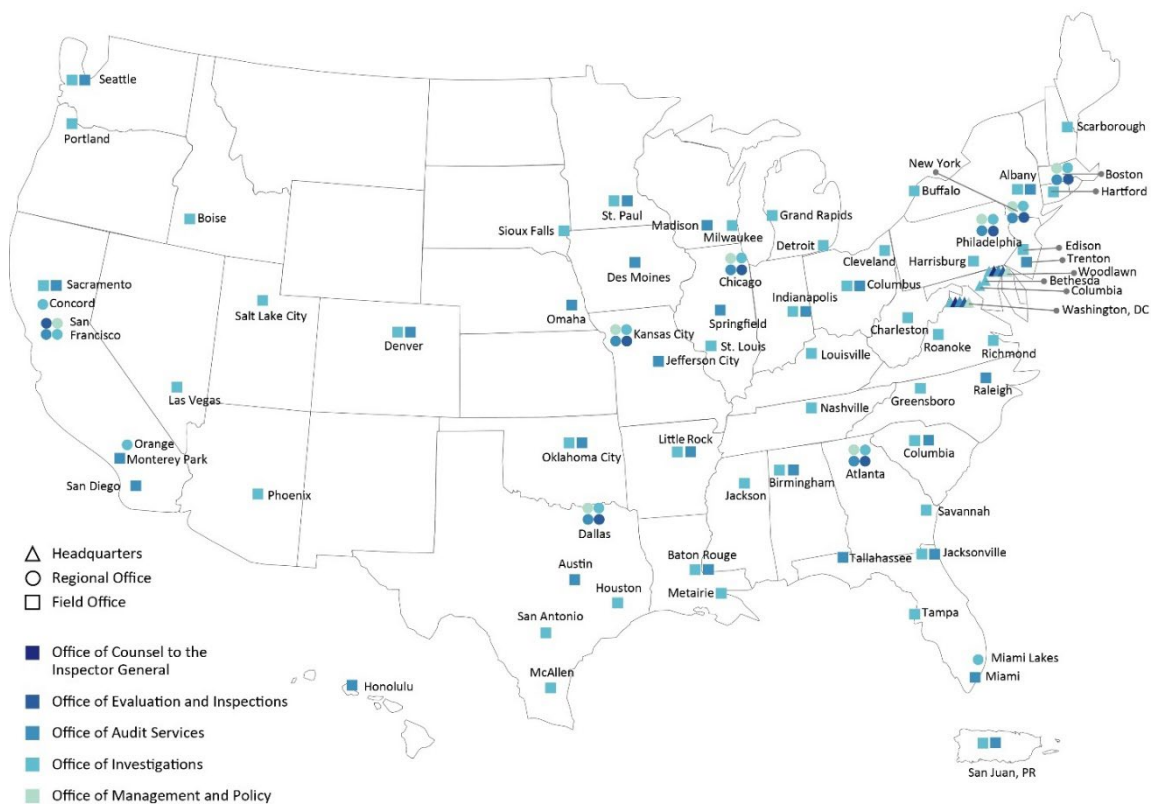


As of February 8, 2023

Organizational Components

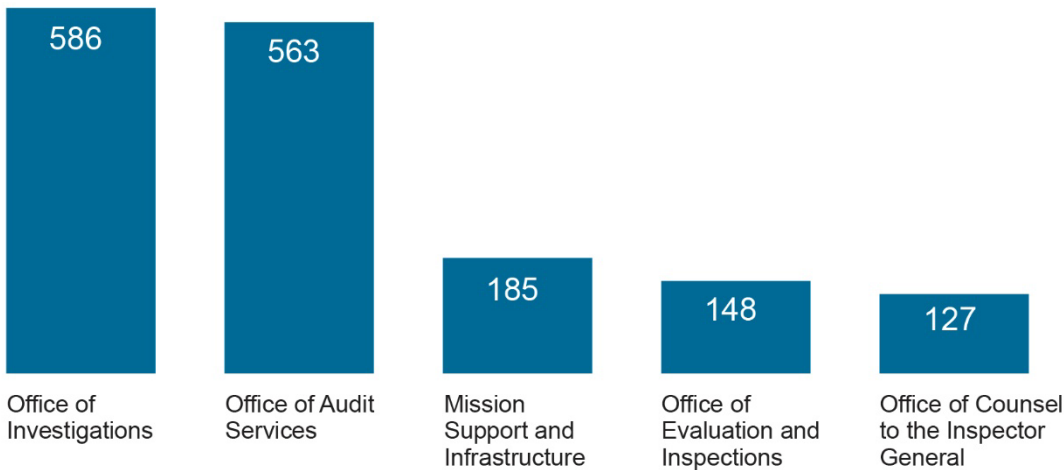
OIG’s multidisciplinary workforce is composed of investigators, auditors, evaluators, analysts, attorneys, program specialists, clinicians, economists, digital and technology specialists, and other experts. This workforce integrates diverse professional skills, tools, and perspectives to tackle complex health and human services issues and sophisticated fraud schemes. For example, OIG pairs criminal investigators and digital analysts—armed with data and technology—to detect and investigate complex fraud cases more effectively. OIG uses its workforce strategically to address fraud and abuse through prevention, detection, and, when necessary, enforcement.

OIG maintains a Washington, DC, office and a nationwide network of regional and field offices. (See map below.) More than 70 percent of OIG's employees work outside the Washington metropolitan area.



In FY 2022, OIG's total funding supported 1,609 full-time equivalents (FTEs) across OIG's 5 components.

FTE by OIG Component



Office of Audit Services

OAS is the largest civilian audit agency in the Federal Government and conducts independent audits of HHS programs and/or HHS grantees and contractors. OAS examines the performance of HHS programs and/or its grantees and contractors in carrying out their respective responsibilities and provides independent assessments of HHS programs and operations. These audits help reduce waste, abuse, and mismanagement, and promote economy and efficiency throughout HHS. OAS also oversees HHS's annual financial statement audits conducted under the Chief Financial Officers Act and HHS's annual Federal Information Security Modernization Act audits.

Office of Investigations

OI actively collaborates with the Department of Justice (DOJ) and other Federal, State, Tribal, and local law enforcement authorities to conduct criminal, civil, and administrative investigations of fraud and misconduct related to HHS programs, operations, beneficiaries, and employees. OI special agents have full law enforcement authority and effect a broad range of actions, including the executions of search warrants and arrests. With investigators covering every State, the District of Columbia, Puerto Rico, and other Territories, OI utilizes traditional as well as state-of-the-art investigative techniques and innovative data analysis to fulfill its mission to protect the integrity of the programs administered by HHS. OI's investigations lead to criminal convictions, False Claims Act resolutions, and administrative sanctions including, but not limited to, civil monetary penalties.

Office of Evaluation and Inspections

OEI conducts national evaluations to provide HHS, Congress, and the public with timely, useful, and reliable information on significant issues. These evaluations focus on preventing fraud, waste, and abuse, and promoting the economy, efficiency, and effectiveness of departmental programs. To promote impact, OEI reports also present practical recommendations for improving program operations.

Office of Counsel to the Inspector General

OCIG provides general legal services to OIG, rendering advice and opinions on HHS programs and operations, and providing all legal support for OIG's internal operations. OCIG represents OIG in all civil and administrative fraud and abuse cases involving HHS programs including False Claims Act, program exclusion, and civil monetary penalty cases. In connection with these cases, OCIG also negotiates and monitors corporate integrity agreements. OCIG renders advisory opinions, issues compliance program guidance, publishes fraud alerts, and provides other guidance to the health care industry concerning the anti-kickback statute and other OIG enforcement authorities.

Mission Support and Infrastructure

MSI is composed of the Immediate Office of the Inspector General and the Office of Management and Policy. MSI provides mission support that includes setting the vision and direction for OIG's priorities and strategic planning; ensuring effective management of budget, finance, human resource management, and other operations; and serving as a liaison to HHS, Congress, and other stakeholders. MSI plans, conducts, and participates in a variety of cooperative projects within HHS and with other Government agencies. MSI also provides critical data analytics, data management, and information technology (IT) infrastructure that enable OIG components to work efficiently and effectively. MSI includes a team of highly trained data analysts, scientists, and statisticians who collaborate closely with our other components' investigators, auditors, attorneys, and evaluators to uncover anomalies and detect potential fraud, waste, and abuse affecting HHS programs and beneficiaries. This team deploys self-service tools, provides advanced analytics support, and builds data operations infrastructure that puts "data at the fingertips" of OIG staff to better identify and target high-risk programs and health care providers as well as support data-driven decision making.

SECTION I: EXECUTIVE SUMMARY

Preface to FY 2024 Budget Request

OIG is at the forefront of the Nation’s efforts to fight fraud, waste, and abuse in HHS programs, with an exceptional record of success in providing independent, objective, data-driven, high-impact oversight that protects and strengthens HHS programs. OIG marshals its resources to deliver actionable recommendations and insights to HHS, Congress, and the public; foster transparency; and hold wrongdoers accountable for their actions. OIG’s work supports Department priorities, including protecting and strengthening access to high-quality and affordable health care; strengthening social well-being, equity, and economic resilience; improving capabilities to prepare for and respond to public health emergencies; sustaining strong financial stewardship of HHS resources; and promoting effective enterprise governance.

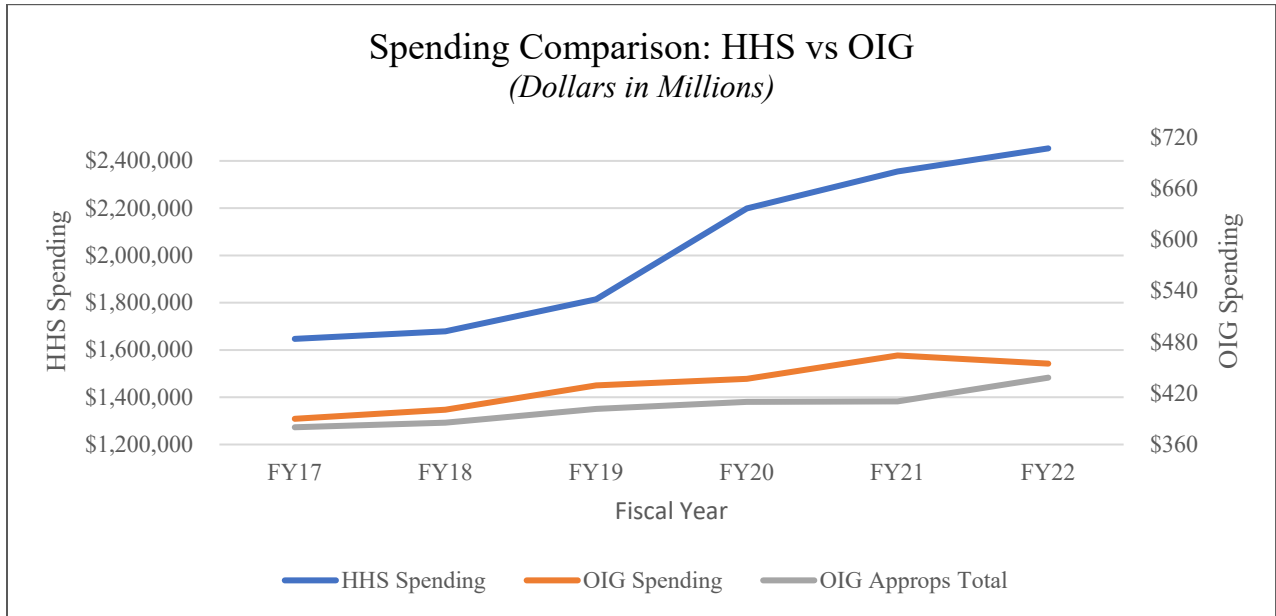
In FY 2022, OIG’s investigative work led to approximately \$2.73 billion in expected investigative recoveries and 710 criminal actions. OIG excluded 2,332 untrustworthy individuals and entities from Federal health care programs, including those convicted of patient abuse, neglect, and fraud. In addition, OIG assessed monetary penalties against 681 individuals and entities. A total of 157 reports were issued that included 445 new recommendations to encourage positive change in HHS programs. HHS implemented 424 OIG recommendations to drive positive impact for HHS programs and enrollees.

To enhance our impact, OIG is working to make program integrity and compliance easier by proactively providing technical assistance to help programs implement safeguards against fraud and abuse, and by offering compliance resources and training. In addition, OIG is modernizing how we deliver our publicly available resources to maximize their usefulness, timeliness, and accessibility. To do so, we are developing impactful and innovative solutions to make it easier to access and use OIG’s public information that are based on feedback we have been gathering from stakeholders who use it.

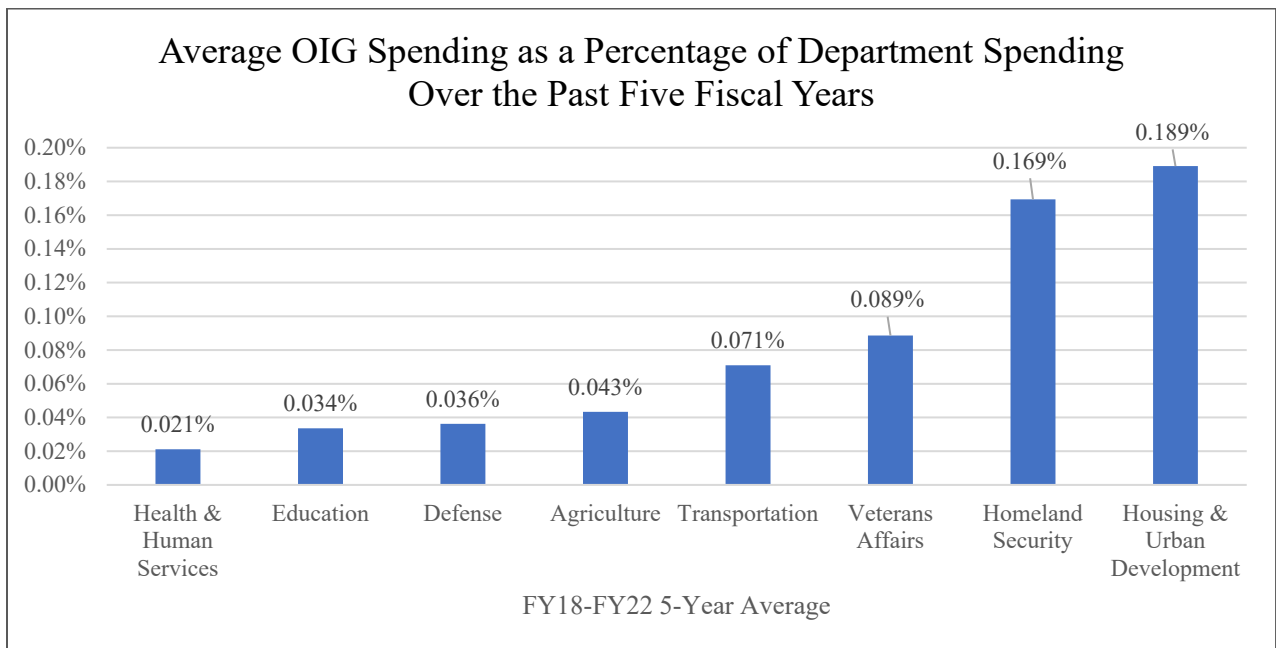
OIG’s oversight responsibilities have increased substantially, especially during the past two fiscal years, because of massive new HHS funding for the pandemic response and expanded HHS program operations. In FY 2022, HHS had the highest expenditures among all Federal agencies, including the Department of Defense, at \$2.5 trillion. HHS delivered new and expanded programs and services in response to, for example, the pandemic and the surge in unaccompanied children at the U.S. southern border.

Oversight of these and other HHS programs is essential to ensure that funds are spent as per program requirements and that programs operate as intended. More enforcement is needed to detect and stop emerging fraud schemes and prevent harm to patients. The growth of OIG’s oversight and enforcement budget has not kept pace with growth in HHS’s budget authority and expenditures, straining OIG’s ability to provide appropriate enforcement and oversight, including crucial retrospective audits of past HHS expenditures and investigations to uncover covert fraud

schemes. Total OIG spending includes supplemental Nonrecurring Expenses Fund (NEF) and HCFAC Wedge funding, in addition to annual mandatory and discretionary appropriations. Even with the helpful support from NEF and Wedge funding, the rate of HHS’s spending significantly outpaced OIG spending over the past 5 fiscal years, as depicted below:



Notably, HHS-OIG’s oversight and enforcement funding ratio ranks as one of the lowest among the Cabinet-level departments and their corresponding OIGs.



The chart above shows the 5-year oversight spending averages from USASpending.gov for each of the largest departments for FY 2018 through FY 2022. These 5 fiscal years include spending for years before and during the COVID-19 pandemic. Over the past 5 fiscal years, HHS-OIG's average spending was approximately 0.021 percent of HHS spending. Comparably, the average spending during this time for the eight largest Cabinet-level Inspectors General, including HHS, was 0.082 percent of department spending. On average, each of our peers has almost four times the oversight budget as a percentage of respective department spending. With just 2 cents to oversee every \$100 spent by HHS, HHS-OIG needs to make hard choices about what and at what depth we provide oversight to the more than 100 programs at HHS—programs that touch the lives of all Americans.

This FY 2024 funding request provides needed additional resources for OIG to oversee HHS's growing expenditures, programs, and risks. OIG work consistently yields a positive return on investment. However, at current resource levels OIG's investigators, auditors, and evaluators are unable to keep pace with growth in fraud schemes and other program integrity risks. Underfunding OIG means missed opportunities for returns on the investment in OIG, as well as missed opportunities to protect people from harm and show bad actors there are consequences to defrauding HHS, potentially emboldening bad actors in the future.

OIG ensures that: fraud schemes are detected and stopped; bad actors are removed from HHS programs; defrauded and misspent HHS funds are found and returned; taxpayer funds are appropriately accounted for; risks and vulnerabilities in complex programs are identified; and people who depend on HHS programs are protected from grievous harms, such as elder abuse, sex trafficking of vulnerable children, and substandard nursing home and hospice care. OIG's enforcement and oversight helps the Department ensure that the Government is getting what it pays for and bolsters congressional and public confidence in investments in HHS programs.

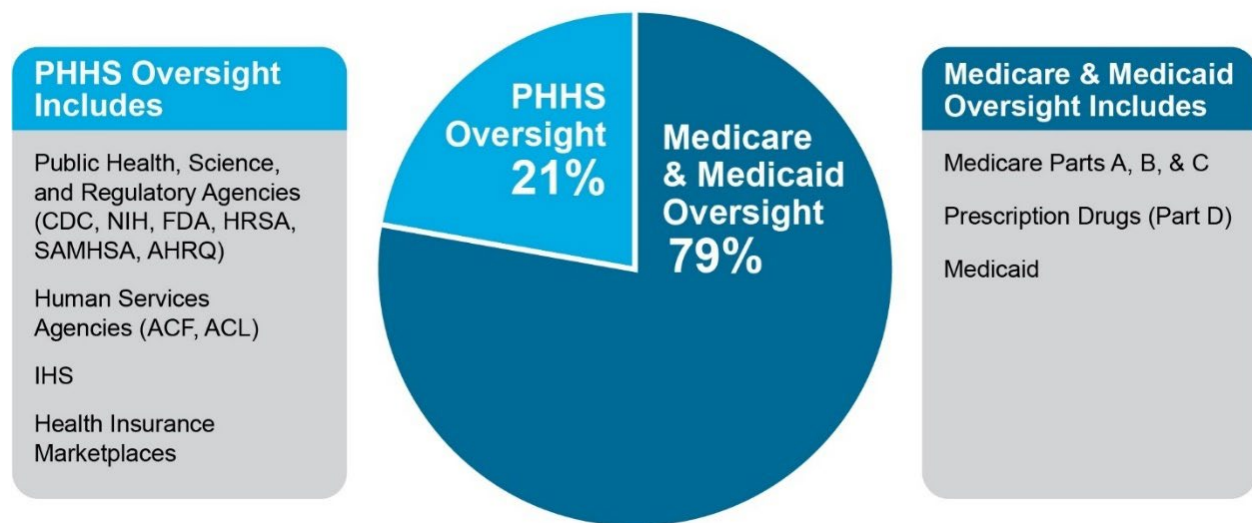
FY 2024 Budget Request Overview

The total FY 2024 budget submission for OIG is \$514.8 million, an \$82.3 million increase from the enacted FY 2023 Omnibus. This accounts for both mandatory and discretionary funding sources. OIG’s core mission and this budget request align with the vision of the President’s Management Agenda to “focus on strategies to advance . . . equitable, effective, and accountable Government that delivers results for all Americans.”¹

OIG’s funding and oversight work is divided into two, legally defined categories:

PHHS Oversight. Currently, 21 percent of OIG funding supports oversight of HHS’s broad and diverse portfolio of PHHS programs and services, including, among others, programs that help the Nation plan for, respond to, and recover from emergencies; health care funded by the Indian Health Service (IHS); research and other initiatives funded by the NIH; FDA efforts to ensure the safety of foods, drugs, and medical devices; and programs that address mental health and substance use disorders, and protect the health and well-being of children.

HCFAC Program Oversight (Medicare and Medicaid). Seventy-nine percent of OIG’s funding supports oversight of the Medicare and Medicaid programs.



¹ [The Biden-Harris President’s Management Agenda Vision.](#)

PHHS Oversight and Enforcement

Budget Submission: \$123.3 Million (+\$29.8 Million Above FY 2023 Omnibus)

The \$29.8 million in additional resources represents a timely investment in the oversight of critical areas of risk to PHHS programs and the people they serve. This investment will further Goal 2 (Public Health) of HHS's Strategic Plan by focusing oversight on improving capabilities to predict, prepare for, and respond to public health emergencies. The requested level also reflects \$19.4 million in resources for cybersecurity improvements requested in the FY 2022 Budget and the FY 2023 Budget, but that remain unfunded. To summarize:

- \$5.3 million will invest in a new strategic *Emergency Preparedness, Response, and Recovery* oversight initiative to increase the effectiveness of these HHS functions.
- \$19.4 million will invest in cybersecurity and digital technology expansion. This funding will provide vital resources to hire specialized personnel from a competitive cybersecurity job market, enhance OIG's cybersecurity efforts, support needed expansions in digital technology, modernize OIG's IT infrastructure, and further promote an AI-ready workforce.
- \$5.1 million will invest in the OIG workforce by funding estimated federally mandated pay and benefits increases.

Medicare and Medicaid Oversight and Enforcement²

Budget Submission: \$391.5 Million (+\$52.5 Million Above FY 2023 Omnibus)

- \$267.7 million in HCFAC Mandatory funds (\$42.9 million above FY 2023)
- \$112.4 million in HCFAC Discretionary funds (\$7.3 million above FY 2023)
- \$11.3 million in estimated HCFAC Collections (\$2.3 million above FY 2023)³

The additional \$52.5 million represented in both the HCFAC Mandatory and Discretionary requested appropriations represents a timely investment in OIG's enforcement and oversight work to protect and strengthen the Medicare and Medicaid programs and the people they serve.

- \$37.9 million will address the debilitating shortfall in current OIG investigative personnel and non-personnel resources needed to tackle pervasive, harmful health care fraud.
- \$14.6 million will invest in the OIG workforce by funding estimated federally mandated pay and benefits increases.

² Medicare and Medicaid oversight and enforcement is funded using HCFAC resources.

³ HCFAC Collections are post-sequestration estimates based on a given years' case load. While they are not funds that are a part of the budget request, they are listed here to provide a full picture of OIG's funding posture.

Overview of Performance

OIG delivers results for taxpayers by safeguarding programs from fraud, waste, and abuse and protecting people served by HHS programs from harm. Working with our law enforcement and agency partners, we return more than \$4 for taxpayers for every \$1 invested in HCFAC.⁴

OIG continues to modernize its infrastructure capacity to manage, analyze, and deliver high-quality, timely, and actionable data. OIG develops measures to track our outcomes and key results. OIG deploys data-driven decision making to achieve outcome-focused results.

OIG focuses on fraud and financial risks, as well as vulnerabilities in the quality and safety of services provided by HHS programs—work that is not readily quantifiable in dollars but is critically important for the lives of people served by HHS programs.

OIG Priority Outcomes

OIG's priority outcomes are selected based on findings from past and ongoing OIG work, top management and performance challenges facing HHS, the availability of data, and the ability to influence outcomes. For each priority outcome, OIG develops strategies, drives action, unleashes organizational creativity, and measures impact to provide solutions and improve outcomes for HHS programs and beneficiaries. More information about OIG's priority outcomes can be found on page 64.

⁴ [HCFAC FY 2021 report](#), p. 8. The HCFAC ROI is calculated by dividing the total monetary results to the Federal Government (not including relator payments) by the annual appropriation for the HCFAC Account each year.

All Purpose Table

OIG ⁵ (dollars in millions)	FY 2022		FY 2023		FY 2024		FY 2024 vs. FY 2023	
	Enacted	FTE	Enacted	FTE	PB	FTE	Amount	FTE
PHHS Oversight								
Discretionary Budget Authority (BA)	\$82.400		\$87.000		\$116.801		\$29.801	
FDA Transfer	\$1.500		\$1.500		\$1.500			
NIH Transfer	\$5.000		\$5.000		\$5.000			
Subtotal, PHHS BA	\$88.900	328	\$93.500	350	\$123.301	422	\$29.801	72
HCFAC Oversight								
HCFAC Mandatory BA ⁶	\$214.630		\$224.811		\$267.704		\$42.893	
HCFAC Discretionary BA	\$102.145		\$105.145		\$112.434		\$7.289	
Subtotal, HCFAC BA⁷	\$316.775		\$329.956		\$380.138		\$50.182	
HCFAC Collections ⁸	\$10.517		\$9.000		\$11.316		\$2.316	
Subtotal, HCFAC PL	\$327.292	1,271	\$338.956	1,223	\$391.454	1,342	\$52.498	119
TOTAL BA	\$405.675		\$423.456		\$503.439		\$79.983	191
TOTAL PL	\$416.192	1,599	\$432.456	1,573	\$514.755	1,764	\$82.299	191

⁵ This table does not include non-HCFAC reimbursable funding. See Object Classification Tables for reimbursable information.

⁶ Reflects a 5.7 percent sequestration.

⁷ OIG's HCFAC funding is drawn from the Medicare Hospital Insurance Trust Fund (§ 1817(k)(3) of the Social Security Act) and is requested and provided through the CMS budget.

⁸ Actual collections vary each year and, thus, so does the amount of sequestration.

Appropriations Language

For expenses necessary for the Office of Inspector General, including the hire of passenger motor vehicles for investigations, in carrying out the provisions of the Inspector General Act of 1978, [\$87,000,000] \$116,801,000: *Provided*, That of such amount, necessary sums shall be available for providing protective services to the Secretary and investigating non-payment of child support cases for which non-payment is a Federal offense under 18 U.S.C. 228: *Provided further*, That of the amount appropriated under this heading, necessary sums shall be available for carrying out activities authorized under section 3022 of the PHS Act (42 U.S.C. 300jj–52).

Nonrecurring Expenses Fund (NEF)

Budget Summary
(Dollars in Thousands)

	FY 2021	FY 2022	FY 2023	FY 2024 ⁹
Notification¹⁰	\$0	\$15,760	\$13,400	\$14,500

Authorizing Legislation:

Authorization..... Section 223 of Division G of the Consolidated Appropriations Act, 2008

Allocation Method..... Direct Federal, Competitive Contract

Program Description and Accomplishments

The Nonrecurring Expenses Fund (NEF) permits HHS to transfer unobligated balances of expired discretionary funds from FY 2008 and subsequent years into the NEF account. Congress authorized use of the funds for capital acquisitions necessary for the operation of the Department, specifically information technology (IT) and facilities infrastructure acquisitions.

To protect the integrity of HHS programs and the health and welfare of the people they serve, OIG’s nationwide staff relies on various technologies to prevent fraud, waste, and abuse. Fraud schemes are becoming more sophisticated, and health care systems are increasingly complex. HHS programs continue to grow in scope and complexity, including through new legislation such as the Inflation Reduction Act. In these circumstances, appropriate technology and facility infrastructure is crucial to maximizing the impact of OIG’s work.

Budget Allocation FY 2021

The FY 2021 NEF investment helped OIG align technology strategy with essential elements of the President’s Management Agenda for IT modernization in the areas of evidence-based decision making and accountability, improved customer and partner experiences, and supporting the transition from low-value to high-value work. OIG has been able to establish and maintain

⁹ This represents the total amount to be notified as a planned use of funds in a FY 2024 notification letter.

¹⁰ Pursuant to Section 223 of Division G of the Consolidated Appropriation Act, 2008, notification is required of planned use.

our low-code platforms. We have modernized several legacy applications to our cloud platforms for evaluation, legal, data analytics, and human capital functions.

The NEF funds enabled OIG to establish its integrated data platform (IDP), an enabling factor in the OIG environment permitting OIG staff to build self-service tools, query data, and create data visualizations. IDP currently houses 82 data sources that feed OIG tools and applications that facilitate the oversight of HHS grants, contracts, and pandemic-related programs, as well as Medicare and Medicaid.

Budget Allocation FY 2022

The FY 2022 NEF investment helped OIG NEF funds enabled OIG to continue the modernization of the portfolio of legacy audit, evaluation, legal, and data analytics that were near the end of life. In FY 2022, we began modernization efforts for several Medicaid Fraud Control Units (MFCUs) Annual Statistic reporting, Subpoena tracking, and FOIA applications. In addition, the funding allowed us to migrate our legacy investigation management system to our AWS cloud environment and upgrade our network equipment. In FY 2022, we also continued development of the integrated data platform (IDP) and began development of the Data Workbench, a cloud-native workspace for HHS OIG staff to connect to enterprise datasets and conduct analytics securely. This work has facilitated the decommissioning of the OIG on premises data warehouse, which will be completed in FY 2023.

Budget Allocation FY 2023

The FY 2023 NEF investment helped OIG NEF funds enabled OIG to continue the modernization of the portfolio of legacy audit evaluation, legal, and data analytics that were near the end of life. The FY 2023 NEF investment helped OIG complete the modernization projects for several applications for Medicaid Fraud Control Units (MFCUs) Annual Statistic reporting applications, Subpoena tracking applications, and FOIA. In addition, the funding allowed us to optimize our cloud architecture and build a more secure and cost-effective platform for business and data applications.

Examples include:

1. applications in the GeoPortal, such as the Behavioral Health Treatment Viewer and COVID-19 Hospitalizations Story Map, to help States, policymakers, and the public understand resources and gaps in behavioral health services as well as pandemic-related impacts on hospitals and nursing homes;
2. tools such as the Contracts and Grants Analytics Portal, which streamlines access to contract and grants-related data and delivers a comprehensive view of HHS awards and A-133 single audit findings, and the Discretionary Funding Search Tool, which provides agents with data regarding pandemic funding from multiple funding streams, including the Provider Relief Fund and Uninsured Program; and
3. support for investigations and prosecutions of inappropriate opioid prescribing through the Medicare and Medicaid Opioid Overdose Dashboard.

More than 500 OIG staff leverage the enterprise business intelligence and geospatial products in IDP applications to execute nearly 32,000 actions to support OIG's audits, evaluations, investigations, and provider compliance monitoring in calendar annually,

Budget Allocation 2024

With FY 2024 NEF funding, OIG will be able to complete the following critical project to support its mission:

Secure Cloud Solutions and Zero Trust, \$14.5 million

OIG will implement new software capabilities on secure cloud platforms and implement a Zero Trust Architecture. Enhancing OIG's cybersecurity architecture and secure cloud applications will significantly increase infrastructure resiliency, stabilize and modernize cybersecurity capabilities, and reduce the cycle of time-to-delivery for new mission capabilities. This project complies with the Executive Order on Improving the Nation's Cybersecurity and encompasses tools and solutions to adopt security best practices to advance toward Zero Trust cybersecurity architecture, accelerate movement to secure cloud services, and centralize and streamline access to cybersecurity data to drive analytics for identifying and managing cybersecurity risks under the Data Center Optimization Initiative.

OIG will focus on cybersecurity, cloud migration, data analytics, cloud engineering services, and cloud storage. OIG would leverage a combination of new and existing contracts and employ agile development strategies to solicit the projects as soon as funding becomes available. Exercising task orders typically takes about 90 to 225 days from fund availability.

The FY 2024 NEF funding of \$14.5 million will enable OIG to modernize cybersecurity, data and analytics architecture, platform, and capabilities. OIG is an ideal testbed for validating IT modernization and sharing the results of our investments with other HHS Operating Divisions and Staff Divisions. We will leverage modern, effective cloud technologies in a flexible environment in which we can experiment and scale to meet future needs. This will enable solutions that put data in the hands of OIG staff and enhance OIG's ability to deliver innovative data analytics and machine learning capabilities. The funds will help OIG build more scalable data architectures and pipelines to provide quick access to mission and operational data.

SECTION II: BUDGET EXHIBITS

Summary of Changes

OIG <i>(dollars in thousands)</i>	
FY 2023 Enacted	
PHHS Discretionary Budget Authority	\$93,500
FY 2024 President's Budget	
PHHS Discretionary Budget Authority	\$123,301
Net Change	\$29,801

OIG <i>(dollars in thousands)</i>	FY 2023 Enacted		FY 2024 President's Budget		FY 2024 +/- FY 2023	
	FTE	BA	FTE	BA	FTE	BA
Increases						
A. Built-in:						
1. Salaries	350	\$49,837	422	\$62,984	72	+\$13,147
2. Benefits		\$20,477		\$26,676		+\$6,199
3. Contracts		\$14,616		\$20,891		+\$6,275
4. Training, Travel, Materials		\$8,570		\$12,749		+\$4,180
Subtotal, Built-in Increases		\$93,500		\$123,301		+\$29,801

Budget Authority by Activity

OIG <i>(dollars in thousands)</i>	FY 2022 Final	FY 2023 Enacted	FY 2024 President's Budget
PHHS Oversight			
Discretionary BA ¹¹	\$88,900	\$93,500	\$123,301
Subtotal, PHHS Oversight	\$88,900	\$93,500	\$123,301
Medicare and Medicaid Oversight¹²			
HCFAC Mandatory BA	\$214,630	\$224,811	\$267,704
HCFAC Discretionary BA	\$102,145	\$105,145	\$112,434
Subtotal, Medicare and Medicaid Oversight BA	\$316,775	\$329,956	\$380,138
HCFAC Collections	\$10,517	\$9,000	\$11,316
Subtotal, Medicare and Medicaid Oversight PL	\$327,292	\$338,956	\$391,454
Total, BA	\$405,675	\$423,456	\$503,439
Total, PL	\$416,192	\$432,456	\$514,755
FTE¹³	1,599	1,573	1,764

¹¹ Like prior tables, FY's include one-time NIH and FDA transfers.

¹² Like prior tables, FY 2022 includes actual sequestration for HCFAC Mandatory and HCFAC Collections; FY 2023 and FY 2024 reflect estimated sequestration.

¹³ Does not include reimbursable or supplemental FTE's.

Amounts Available for Obligation

OIG <i>(dollars in thousands)</i>	FY 2022 Final	FY 2023 Enacted	FY 2024 President's Budget
General Fund Discretionary Appropriation			
Annual Appropriation (Labor/HHS)	\$82,400	\$87,000	\$116,801
Total, Discretionary Appropriation	\$82,400	\$87,000	\$116,801
Transfers			
Transfer from NIH	\$5,000	\$5,000	\$5,000
Transfer from FDA	\$1,500	\$1,500	\$1,500
Total, Transfers	\$6,500	\$6,500	\$6,500
Trust Fund HCFAC Discretionary			
Trust Fund HCFAC Discretionary Appropriation	\$102,145	\$105,145	\$112,434
Total, HCFAC Discretionary	\$102,145	\$105,145	\$112,434
Trust Fund HCFAC Mandatory			
Trust Fund HCFAC Mandatory Appropriation	\$220,945	\$238,400	\$279,134
Trust Fund HCFAC Mandatory Sequestration	-\$6,314	-\$13,589	-\$11,430
HCFAC Collections	\$10,826	\$9,544	\$12,000
HCFAC Collections Sequestration	-\$309	-\$544	-\$684
Previously Sequestered, but Available	\$256	\$309	544
Total, HCFAC Mandatory	\$225,404	\$234,120	\$279,564
Total Amount Sequestered	-\$6,623	-\$14,133	-\$12,114
Carryover			
Unobligated Balance, Start of Year	\$10,266	\$25,022	\$5,000
Unobligated Balance, End of Year	\$25,022	\$5,000	\$5,000
Unobligated Balance, Lapsing	\$300	\$300	\$300
TOTAL OBLIGATION AVAILABILITY	\$416,449	\$432,765	\$515,299

Program Authorization Legislation

OIG <i>(Dollars in Thousands)</i>	FY 2023 Amount Authorized	FY 2023 Amount Appropriated	FY 2024 Amount Authorized	FY 2024 President's Budget
Inspector General Act (IG Act) of 1978 (P.L. No. 95-452, as amended)				
IG Act, as amended, PHHS Discretionary	Indefinite	\$82,400	Indefinite	\$116,801
Health Insurance Portability and Accountability Act of 1996 (HIPAA) (P.L. No.104-191, as amended)				
HIPAA, as amended, HCFAC Mandatory	\$224,811	\$224,811	\$237,175	\$267,704
HIPAA, as amended, HCFAC Discretionary	Enabling Only	\$105,145	Enabling Only	\$112,434
HIPAA, as amended, HCFAC Collections	Enabling Only	Indefinite	Enabling Only	Indefinite

Appropriations History

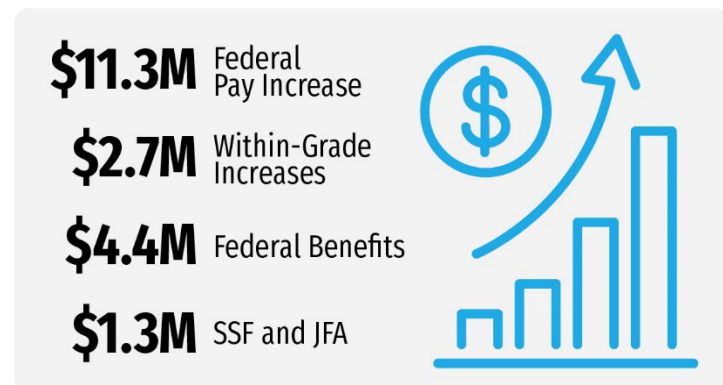
Fiscal Year	Details	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
2015	Direct Discretionary	\$75,000,000		\$72,500,000	\$72,500,000
	HCFAC Discretionary Allocation Adjustment	\$28,122,000	-	\$112,918,000	\$67,200,000
	HCFAC Mandatory	\$285,129,000	-	-	\$200,718,000
	Sequestration				(\$14,652,449)
	<i>Subtotal</i>	<i>\$388,251,000</i>	-	<i>\$185,418,000</i>	<i>\$325,765,555</i>
2016	Direct Discretionary	\$83,000,000	\$75,000,000	\$72,500,000	\$76,500,000
	HCFAC Discretionary Allocation Adjustment	\$118,631,000	\$67,200,000	\$77,275,000	\$67,200,000
	HCFAC Mandatory	\$203,262,000	-	-	\$201,305,000
	Sequestration				(\$13,688,377)
	<i>Subtotal</i>	<i>\$404,893,000</i>	<i>\$142,200,000</i>	<i>\$149,775,000</i>	<i>\$331,316,623</i>
2017	Direct Discretionary	\$85,000,000	\$86,500,000	\$76,500,000	\$76,500,000
	Rescission	-	-	-	(\$145,427)
	HCFAC Discretionary Allocation Adjustment	\$121,824,000	\$67,200,000	\$79,355,000	\$67,200,000
	HCFAC Mandatory	\$200,273,000			\$199,684,560
	Sequestration				(\$13,778,235)
	<i>Subtotal</i>	<i>\$407,097,000</i>	<i>\$153,700,000</i>	<i>\$155,855,000</i>	<i>\$329,460,898</i>
2018	Direct Discretionary	\$68,085,000	\$81,500,000	\$81,500,000	\$81,500,000
	HCFAC Discretionary Allocation Adjustment	\$74,246,000	\$82,132,000	\$84,398,000	\$84,398,000
	HCFAC Mandatory	\$203,842,374	-	-	\$203,842,374
	Sequestration	-	-	-	(\$13,453,597)
	<i>Subtotal</i>	<i>\$346,173,374</i>	<i>\$163,632,000</i>	<i>\$165,898,000</i>	<i>\$356,286,777</i>

Fiscal Year	Details	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
2019	Direct Discretionary	\$80,000,000	\$81,500,000	\$86,500,000	\$86,500,000
	HCFAC Discretionary Allocation Adjustment	\$87,230,000	\$87,230,000	\$86,664,000	\$87,230,000
	HCFAC Mandatory	\$208,289,651	-	-	\$195,755,000
	Sequestration				(\$12,939,024)
	<i>Subtotal</i>	<i>\$375,519,651</i>	<i>\$168,730,000</i>	<i>\$173,164,000</i>	<i>\$356,545,976</i>
2020	Direct Discretionary	\$80,000,000	\$85,000,000	\$86,500,000	\$86,500,000
	HCFAC Discretionary Allocation Adjustment	\$98,000,000	\$93,000,000	\$89,625,000	\$93,000,000
	HCFAC Mandatory (including suspension)	\$213,248,000	\$200,082,000	\$200,082,000	\$212,626,959
	Sequestration (including suspension)				(\$7,300,773)
	<i>Subtotal</i>	<i>\$391,248,000</i>	<i>\$378,082,000</i>	<i>\$376,207,000</i>	<i>\$384,826,186</i>
2021	Direct Discretionary	\$90,000,000	\$86,500,000	\$86,500,000	\$86,500,000
	HCFAC Discretionary Allocation Adjustment	\$101,644,000	\$98,000,000	\$100,000,000	\$99,000,000
	HCFAC Mandatory	\$215,574,000	\$215,574,000	\$215,574,000	\$213,886,600
	Sequestration (including suspension)				(\$0)
	<i>Subtotal</i>	<i>\$407,218,000</i>	<i>\$400,074,000</i>	<i>\$402,074,000</i>	<i>\$399,386,600</i>
2022	Direct Discretionary	\$106,500,000	\$106,500,000	\$96,500,000	\$88,900,000
	HCFAC Discretionary Allocation Adjustment	\$102,145,000	\$109,145,000	\$102,145,000	\$102,145,000
	HCFAC Mandatory	\$208,863,000	\$208,863,000	\$208,863,000	\$220,944,180
	Sequestration				(\$6,314,180)
	<i>Subtotal</i>	<i>\$417,508,000</i>	<i>\$424,508,000</i>	<i>\$407,508,000</i>	<i>\$405,675,000</i>
2023	Direct Discretionary	\$112,829,000	\$100,900,000	\$93,900,000	\$93,500,000
	HCFAC Discretionary Allocation Adjustment	\$109,612,000	\$109,612,000	\$112,145,000	\$105,145,000
	HCFAC Mandatory	\$224,811,000	\$224,811,000	\$224,811,000	\$238,399,772
	Sequestration				(\$13,588,772)
	<i>Subtotal</i>	<i>\$447,252,000</i>	<i>\$435,323,000</i>	<i>\$430,856,000</i>	<i>\$423,456,000</i>

Fiscal Year	Details	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
2024	Direct Discretionary	\$123,301,000			
	HCFAC Discretionary Allocation Adjustment	\$112,434,000			
	HCFAC Mandatory	\$279,134,000			
	Sequestration (including suspension)	(\$11,430,000)			
	<i>Subtotal</i>	<i>\$503,439,000</i>			

SECTION III: BUDGET NARRATIVES

Adjustments to Base Funding Requirements



OIG requests \$19.7 million to offset mandatory cost increases related to civilian pay and benefits. OIG’s mission is supported by the work of 1,609 professionals who not only perform investigations, audits, and evaluations, but also maintain the integrity of our independent IT infrastructure, perform complex data analysis that supports critical field operations, and impose administrative

sanctions for fraud and other misconduct, including excluding bad actors from participating in Federal health care programs. Seventy-five percent of OIG’s operating budget is dedicated to civilian pay and benefits.

From FY 2017 to FY 2021, OIG received no additional appropriations for its base PHHS discretionary budget while continually facing mandatory cost increases such as the Federal pay raise, within-grade increases, and benefits rate increases. This resulted in a 25-percent decrease in buying power. In FY 2022 and 2023, OIG received a \$2.4 million and \$4.6 million increase respectively, which helped to cover most mandatory cost increases expected in those years.

A detailed breakdown of estimated mandatory increases to OIG’s expenses appears below:

Federal Pay Raise **+\$11.3 Million**

FY 2024 OMB guidance mandates that Federal agencies request a 5.2-percent pay raise for the Federal workforce. The requested funding will cover the expenses associated with this increase.

Within-Grade Increases **+\$2.7 Million**

Each fiscal year, OIG’s permanent Federal workforce meeting certain requirements is eligible for within-grade increases, or step increases. These are periodic increases in a GS employee’s rate of basic pay from one step of the grade to the next-higher step of that grade. Each grade has 10 step rates that are each worth approximately 3 percent of an employee’s salary.¹⁴

¹⁴ <https://www.opm.gov/policy-data-oversight/pay-leave/pay-systems/general-schedule/>.

Federal Benefits **+\$4.4 Million**

OIG is responsible for contributing to employees' Federal civilian benefit programs, e.g., Federal Employees Health Benefits, Federal Employees Retirement System, and the Thrift Savings Plan. The requested funding will cover the expenses associated with this increase.

JFA and SSF **+\$1.3 Million**

OIG participates in Joint Funding Agreements (JFAs) with HHS and relies on the Service and Supply Fund (SSF). The SSF is a revolving fund administered by HHS to provide for consolidated operation, financing, and accounting for business-type activities involving the provision of common and shared services and commodities to OIG. These services include human resource functions and tools, financial management services, administrative services, IT services, and Federal Occupational Health services. The requested funding will cover the estimated increases in expenses associated with JFA and SSF.

As a result of our budgeted FY 2024 resource level splits between HCFAC (74 percent) and PHHS (26 percent), this funding will be commensurately spread. Without this funding, these mandatory costs will result in this further decline of FTEs:

- PHHS: \$5.1 million (equivalent to 24 FTEs) and
- HCFAC: \$14.6 million (equivalent to 69 FTEs).

PHHS Oversight and Enforcement

Header Table

OIG (Dollars in Thousands)	FY 2022 Final	FY 2023 Enacted	FY 2024 President's Budget	FY 2024 +/- FY 2023
Budget Authority	\$82,400	\$87,000	\$116,801	\$29,801
FDA Transfer	\$1,500	\$1,500	\$1,500	-
NIH Transfer	\$5,000	\$5,000	\$5,000	-
Total, PHHS BA	\$88,900	\$93,500	\$123,301	\$29,801
FTE	328	350	422	72

Five-Year Funding Table

Fiscal Year	Amount
FY 2020	\$86,500,000
FY 2021	\$86,500,000
FY 2022	\$88,900,000
FY 2023 Enacted	\$93,500,000
FY 2024 President's Budget	\$123,301,000

Program Description

PHHS programs represent approximately \$100 billion in HHS spending each year and include programs led by, among others, HHS’s public health and human services, science and regulatory agencies, and IHS. OIG uses funding from its annual direct discretionary appropriation to strengthen PHHS programs by leveraging data, modern technology, specialized expertise, and strategic partnerships to target high-risk areas, thus maximizing the effectiveness and outcomes of these critical programs. We use advanced data analytics and multidisciplinary, state-of-the-art investigative techniques to address program integrity in PHHS grant programs and contract services. OIG uses an enterprisewide data strategy to more effectively detect fraud that touches multiple programs.

Of this request, \$19.4 million will support expansion of OIG’s cybersecurity and digital technology capabilities consistent with requests made, but not yet funded, in the FY 2022 and FY 2023 Budgets. These resources are needed to combat increasingly sophisticated cybercrime, accelerate integration of AI into OIG’s investigative and oversight processes. These resources will support personnel (including hiring from a competitive cybersecurity job market),

contractual support, training, software, and investigative costs. These investments will have a substantial, positive impact on HHS programs and the health care system, directly increasing the potential for greater efficiency, effectiveness, transparency, and accountability.

With the requested resources, OIG will continue its longstanding oversight in other key areas, including the health and safety of children served by HHS programs; the quality, safety, and integrity of services provided by PHHS programs; grants and contracts management; health insurance marketplaces; and emergency preparedness and response activities, including those related to the COVID-19 pandemic. In addition to this oversight and enforcement work, OIG agents continue to provide physical protection for the Secretary.

Initiative: Emergency Preparedness, Response, and Recovery

\$5.3 Million | 20 Positions

The Challenge

The COVID-19 pandemic exposed deep fissures and deficiencies in the Nation’s public health infrastructure and laid bare the many ways that HHS was not prepared to respond to a public health emergency. Tragically, more than 1.1 million Americans have died of COVID-19, and the Nation has suffered significant human, mental health, and economic costs because of harms and instability associated with the virus. The outbreak of monkeypox, which was declared a Public Health Emergency, reinforced the need for effective preparedness and response. It is urgent for HHS to learn from experiences and better prepare for inevitable threats presented by future public health emergencies.

When the COVID-19 pandemic swept across our Nation, OIG acted swiftly to protect people from harm and to protect the millions of dollars flowing to or through HHS programs—such as the Provider Relief Fund and the Uninsured Fund—by preventing, detecting, and combating fraud. There is still significant oversight needed to, such as: (1) account for the more than \$462.6 billion in Federal funds appropriated to HHS for COVID-19 relief and (2) hold accountable those who attempt to unlawfully enrich themselves. OIG has been appropriated only \$19 million for COVID-19 relief oversight, which amounts to 0.004 percent of the \$462.6 billion appropriated to HHS.

HHS’s emergency preparedness and response is a top management challenge as well as high-risk area,^{15, 16} and lead agencies are undergoing reorganizations at a time when natural disasters are

¹⁵ 2021 Top Management and Performance Challenges Facing HHS, <https://oig.hhs.gov/reports-and-publications/top-challenges/2021/2021-tmc.pdf#page=6>. Emergency preparedness and response was also listed in OIG’s 2019 and 2020 Top Management Challenges.

¹⁶ COVID-19: Significant Improvements Are Needed for Overseeing Relief Funds and Leading Responses to Public Health Emergencies. <https://files.gao.gov/reports/GAO-22-105291/index.html#appendix18>.

becoming more frequent and intense because of climate change, the United States is responding to multiple public health emergencies, and the occurrence of disease outbreaks is projected to increase.¹⁷

This budget request of \$5.3 million is a modest investment that OIG can strategically leverage to reduce fraud, waste, and abuse, and improve HHS's emergency preparedness, response, and recovery.

Based on our experience, swift enforcement action that targets criminals seeking to exploit emergencies is vital to protect people and foster trust in the Government's public health response. OIG and its law enforcement partners perform critical work that stops scams and helps ensure that emergency resources reach individuals and communities that need them most. Applying our expertise in advanced data analytics, we identify and target the gravest risks. We pursue fraudsters who prey on fear and divert crucial resources from their intended purposes for personal gain. We engage in early emergency response efforts and protect responders and government officials who are performing their jobs.

For example, OIG and our law enforcement partners have received thousands of complaints related to COVID-19 fraud. We encountered scams in which: fraudsters set up fake testing sites in parking lots and in senior living facilities, using testing as a pretext to steal people's identities; providers billed an HHS COVID-19 program for services that never happened or that did not treat COVID-19, with one particularly egregious provider billing for \$100 million; and false attestations to the use of the HHS Provider Relief Fund resulted in diverting resources from the legitimate providers and businesses that these funds were intended to benefit.

During the pandemic, OIG has been using advanced data analytics to identify fraud across multiple HHS programs. OIG has the expertise to identify vulnerabilities in HHS programs and oversee whether the hundreds of billions of dollars expended are being used for their intended purposes.

OIG requires additional resources to build and sustain necessary oversight of HHS's public health emergency functions. OIG faces the difficult task of deciding whether to continue to prioritize emergency preparedness, response, and recovery work over oversight of other vital PHHS programs. Furthermore, without adequate resources OIG's ability to respond and provide oversight effectively will remain especially challenged when HHS faces multiple, concurrent emergencies.

¹⁷ According to the National Oceanic and Atmospheric Administration, there were 20 weather or climate disaster events in 2021 with losses exceeding \$1 billion each affecting the United States. During 1980–2021, there were 7.4 events on average per year; however, the annual average for the most recent 5 years (2017–2021) increased to 17.2 events. <https://www.ncdc.noaa.gov/billions/>. The United Nation's 2021 Intergovernmental Panel on Climate Change Report projects the climate change will result in increases in extreme events. <https://www.ipcc.ch/report/ar6/wg1/>.

The Response

Essential Reviews and Rapid Assessments: **\$2.8 Million | 14 Positions**

There is a pressing need for oversight to help HHS strengthen its leadership and coordination role for future public health emergencies. With the declaration of the COVID-19 Public Health Emergency, OIG shifted resources to enable an outsized focus on pandemic response, producing a COVID-19 strategic plan, maintaining a resource-rich COVID-19 web page, and publishing a total of 18 reports in FY 2020 and FY 2021. A lack of dedicated funding for emergency preparedness and response oversight will diminish OIG's capacity. Previous levels of investment limit OIG to producing on average 2.7 reviews per year regarding emergency preparedness and response, and, with a return to that level of oversight, we will lose out on a tremendous opportunity to offer insights on gaps in emergency preparedness programs and provide actionable feedback.

Additional funding will enable us to do work that identifies misspent funds and protects peoples' lives and well-being—including their physical and mental health—during future public health emergencies. As noted above, considerable work remains to be done to account for the more than \$462.6 billion in Federal funds appropriated to HHS for COVID-19 relief and to ensure that these funds were used as intended and not subjected to fraud. Furthermore, we can if given the resources engage in work that is intended to ensure that HHS is learning from past challenges and meaningfully enhancing its financial controls on distribution of future emergency funds and its readiness to effectively respond. We can conduct management reviews that identify issues and their root causes, including issues resulting in improper payments, and highlight opportunities to improve the delineation of intergovernmental roles and responsibilities, collaboration, and staffing and resources. OIG can help HHS more effectively prepare for, respond to, and recover from future emergencies.

OIG would use a risk-based approach to identify and undertake the most critical work. Greater funding for emergency preparedness and response oversight would enable us to examine public health infrastructure and financing, focusing on whether our country is moving beyond patchwork solutions and building sustainable tools and abilities to better prepare for future emergencies. This funding would also enable OIG to develop new capabilities to review Department programs during the immediacy of an emergency. With additional resources, we might, for example, assess the efficiency and effectiveness of newer efforts, such as the establishment of a Defense Production Act Investment Program to build and expand the health resources industrial base, and the creation of a Center for Forecasting and Outbreak Analytics that seeks to enhance the Nation's ability to use data, models, and analytics to enable timely, effective decision making in response to public health threats. Additionally, increasing evidence indicates that emergencies exacerbate health disparities, and we could perform work geared toward identifying opportunities to advance health equity.

In today's environment, which is rich with technology and tools that enable real-time communication and agile approaches to emergency responses, we have new opportunities to bring program integrity issues to the forefront faster so that they can be addressed expeditiously. For example, in FY 2021 our COVID-19 oversight included a pilot study in which we shared

up-to-date insights with HHS during an ongoing review of vaccine administration. This allowed OIG to provide HHS decisionmakers with timely information on any vulnerabilities encountered as they arose, enabling HHS to address potential issues right away rather than wait until our final report was complete. OIG's technical assistance has enabled CDC, in coordination with CMS and the Federal Emergency Management Agency, to address vaccination reporting data limitations, improve vaccination provider enrollment materials, and undertake efforts to ensure that national public messaging about vaccine safety and necessity is consistent.

With additional investment, we can develop a new capability to perform rapid assessments by building a team with the tools, skills, and training to provide objective oversight in a fast-paced, changing environment. Contractor support would be used to provide training and expert consultation. The team would establish review protocols, or modules, for emergency response and recovery work, and develop a suite of products designed for rapid deployment to assess an emergency.

Technology-Enabled Investigative Work: \$1 Million | 4 Positions

With better technology, OIG's special agents can respond more effectively in emergencies. Based on our experience, during emergencies brazen fraudsters prey on fear and divert crucial resources from their intended purposes. OIG investigations and enforcement actions protect people from harm and taxpayer dollars from misuse. It also builds the public's trust that there is accountability in HHS programs.

OIG's special agents are often deployed to work in rapidly evolving, dynamic situations. For example, they provide security in the immediate wake of public health emergencies and conduct wellness checks following natural disasters. When deployed, agents encounter weather changes, road closures, and dangerous situations. Operating during an emergency is challenging, as decisions that have immediate impact on lives and livelihoods are made in real time. Agents generally rely on calls, and emails to communicate with one another. Geographic information system (GIS) technology is a powerful tool that enables deployed agents to make better-informed decisions in real time. The GIS framework allows for gathering, managing, and analyzing data. OIG agents can use GIS to improve their planning, response times, collaboration, and communication during the most challenging, dynamic circumstances.

OIG requests resources for annual costs associated with approximately 500 specialized GIS licenses and 4, 1811-series FTEs to support our Office of Investigations and enable our special agents to do work powered by GIS capabilities. Currently, OIG only has resources to offer our agents GIS resources on an ad hoc basis, and availability is not guaranteed. A strong GIS program will enable agents to conduct operations that are more informed, efficient, and effective, while also keeping these mission-critical personnel safe.

OIG piloted GIS capability when conducting a 2020 COVID-19 Nursing Home Survey. Using application-based technology, nearly 200 people from OIG contacted more than 700 nursing home and emergency medical service providers in less than 1 work week. The phone application enabled communication to senior decisionmakers, providing them with a full perspective on this

field intelligence in real time. An organic GIS capability will allow OIG leadership to better assess situations and more effectively reallocate resources to support investigative activities.

Although GIS capabilities are vital for Special Agents during public health emergencies, the benefits that additional GIS capabilities will bring to OIG's agents go beyond public health emergencies. As law enforcers, OIG agents regularly encounter situations that can deteriorate rapidly, and may involve firearms, explosives, and/or other variables that present threats to safety. Utilization of dashboards and applications for coordination and as a tracking tool will continue to be valuable into the future. For major operations, the use of applications and dashboards provide agents a streamlined and efficient method to communicate to a "command center" the status of personnel involved in an enforcement operation, as well as information from interviews outreach, and any other form of engagement with the public.

Data-Driven Intelligence: \$1.5 Million | 2 Positions

OIG is a data-driven organization and, as such, benefits from strong data analytics and ongoing monitoring tools that help identify areas in which HHS emergency funding appears to be at risk. OIG will modernize its IT infrastructure, expand its data capabilities, and hire two data scientists to enhance our oversight and identification of fraud, waste, and abuse, as well as potential targets for enforcement. This funding will also allow OIG to utilize contractual resources to acquire new data sources and update existing datasets to include new emergency-related fields, analyze existing and new data sources to identify ways that OIG can discern risk within emergency grants or contracts, visualize emergency grant or contract information within existing tools, and build new tools to support OIG staff in accessing emergency information. In an emergency, data change frequently and investing in specialists and modern infrastructure will help ensure that OIG can expeditiously identify risk and provide needed oversight.

Using advanced data analytics, we can more efficiently and effectively target limited resources and uncover fraud, waste, and abuse, as well as program vulnerabilities that divert resources from people in need. For example, over the past few years OIG has used

data to identify fraud and abuse across multiple HHS programs, saving taxpayers billions of dollars.^{18, 19, 20, 21} In addition, OIG has used data for planning audits and evaluations related to hurricane response,²² emergency sheltering of unaccompanied minors,^{23, 24, 25, 26} and the COVID-19 emergency response.^{27, 28} Many of these data analyses have been static, one-time efforts. But by continuing to invest in dynamic, ongoing monitoring efforts to modernize our data analytics systems, OIG will have faster access to data and analytics and benefit from insights about these important programs.

Conclusion

Emergencies are a present and growing risk that threaten harm and cause instability. HHS is responsible for leading and coordinating all matters related to the Nation's medical and public health preparedness for, response to, and recovery from disasters and public health emergencies. We need rigorous enforcement and oversight of HHS programs to prevent and deter fraud during emergencies, hold wrongdoers accountable, and identify misspent funds. During a crisis, OIG's work protects people from harm and taxpayer dollars from fraud and misuse. It provides accountability essential to building public trust in Government. OIG's independent, objective oversight can help HHS improve its preparedness, response, and recovery efforts, which can decrease mortality and morbidity, sustain needed human service programs, and mitigate

¹⁸ <https://www.justice.gov/usao-sdny/pr/rye-ophthalmologist-sentenced-96-months-prison-prolific-seven-year-healthcare-fraud>.

¹⁹ <https://oig.hhs.gov/fraud/enforcement/dr-john-pierce-agreed-to-pay-18000-for-allegedly-violating-the-civil-monetary-penalties-law-by-falsely-certifying-to-his-eligibility-to-receive-cares-act-provider-relief-funds/>.

²⁰ <https://oig.hhs.gov/fraud/enforcement/lab-owner-pleads-guilty-to-69-million-genetic-testing-covid-19-testing-fraud-scheme/>.

²¹ <https://www.justice.gov/opa/pr/national-health-care-fraud-enforcement-action-results-charges-involving-over-14-billion>.

²² [Audit of Grantee's Expenditures Under the Additional Supplemental Appropriations for Disaster Relief Requirement Act, 2018 \(hhs.gov\)](#).

²³ [Office of Refugee Resettlement Influx Care Facilities and Emergency Intake Sites: COVID-19 Protocol and Reporting \(hhs.gov\)](#).

²⁴ [Office of Refugee Resettlement Influx Care Facilities and Emergency Intake Sites: Employee/Staff Background Screening \(hhs.gov\)](#).

²⁵ [Audit of the Administration for Children and Families Awarding and Monitoring of an Unaccompanied Children Program Sole Source Contract to Deloitte Consulting LLP \(hhs.gov\)](#).

²⁶ [Audit of the Administration for Children and Families Awarding and Monitoring of Unaccompanied Children Program Contracts for Emergency Intake Sites \(hhs.gov\)](#).

²⁷ [Hospital's Compliance With the Provider Relief Fund Balance Billing Requirement for Out - of - Network Patients \(hhs.gov\)](#).

²⁸ [Health Resources and Services Administration's Monitoring of High-Risk COVID-19 Grantees \(hhs.gov\)](#).

disruptions to the economy and other negative impacts caused by emergency events. OIG requires resources and a specialized set of tools and skills to conduct necessary enforcement and oversight in the immediacy and aftermath of an emergency. Additional resources will enable OIG to protect against fraud and harm, provide timely and actionable insights using data to focus our work, and help HHS make critical transformations to its emergency preparedness and response capabilities.

HCFAC Oversight and Enforcement

\$22 Million | 40 positions

Header Table

OIG <i>(Dollars in Thousands)</i>	FY 2022 Final	FY 2023 Enacted	FY 2024 President's Budget	FY 2024 +/- FY 2023
HCFAC Mandatory	\$214,630	\$224,811	\$267,704	\$42,893
HCFAC Discretionary	\$102,145	\$105,145	\$112,434	\$7,289
BA Total	\$316,775	\$329,956	\$380,138	\$50,162
HCFAC Collections	\$10,517	\$9,000	\$11,316	\$2,316
PL Total	\$327,292	\$338,956	\$391,454	\$52,498
FTE	1,271	1,223	1,342	+119

Five-Year Funding Table

Fiscal Year	Amount
FY 2020	\$310,078,000
FY 2021	\$323,987,000
FY 2022	\$327,292,000
FY 2023 Enacted	\$338,956,000
FY 2024 President's Budget	\$391,454,000

Program Description

The Health Insurance Portability and Accountability Act of 1996 amended the Social Security Act and established a comprehensive program to combat fraud committed against all health plans, both public and private. The legislation required the establishment of a national HCFAC program under joint direction of the Attorney General and the Secretary, acting through OIG. The HCFAC program is designed to: (1) coordinate Federal, State, and local law enforcement efforts to control fraud and abuse associated with health plans; (2) conduct investigations, audits, evaluations, and inspections of delivery and payment for health care in the United States; (3) facilitate enforcement of Federal health care fraud and abuse laws; (4) provide guidance to the health care industry in the form of advisory opinions, safe harbor regulations, and special fraud alerts; and (5) establish a national database of adverse actions against health care providers.

The funding OIG receives for HCFAC is available only for oversight of Medicare and Medicaid. These programs are the two largest, most complex health care programs at HHS. They offer benefits in multiple formats (fee-for-service, managed care, and newer models such as

accountable care organizations); cover a broad array of health conditions, providers, services, and settings; and operate pursuant to intricate statutory directives and regulatory schemes. More than 40 percent of Americans rely on these programs for their health insurance, including adults over 65 years of age, people with disabilities, individuals and families with low incomes, and patients with end-stage renal disease.

Medicare and Medicaid strive to provide enrollees with equitable access to high-quality, affordable health care. CMS, which administers both programs, must ensure strong financial stewardship, prudent use of resources, accountability, and transparency. Both programs have been on GAO's list of high-risk Government programs for years. Medicare and Medicaid accounted for 62.8 percent, or \$129.4 billion, of all governmentwide estimated improper payments reported in FY 2020. COVID-19 exacerbated many longstanding challenges for these programs and their beneficiaries, including safety in nursing facilities and health equity, and presented new opportunities, including expanded use of telehealth.

As the Government's leading expert in detecting and combating Medicare and Medicaid fraud—and with a specific statutory mission to prevent and detect fraud, waste, and abuse in HHS programs—OIG is uniquely positioned to provide independent, objective oversight that strengthens Medicare and Medicaid, promotes equitable access to high-quality, affordable health care, and builds trust, accountability, and transparency. OIG has the authorities, multidisciplinary expertise, agility, and experience to hold accountable wrongdoers engaged in increasingly sophisticated health care fraud schemes and to stay abreast of evolving trends signaling fraud, waste, or abuse. OIG uses sophisticated data analytics and state-of-the-art investigative, auditing, and evaluative techniques to prevent and detect fraud, waste, and abuse, and, where needed, take enforcement actions to protect programs and people. Moreover, OIG gets positive results by effectively leveraging important partnerships with CMS, DOJ, State Medicaid Fraud Control Units (MFCUs), the Healthcare Fraud Prevention Partnership, PRAC, and others.

Program Accomplishments

OIG has a proven record of success in protecting and strengthening Medicare and Medicaid. OIG routinely achieves exceptional investigative results in close coordination with our law enforcement partners. These results recently included the [April 2022 National COVID-19 Health Care Fraud Enforcement Action](#), [May 2022 Opioid Enforcement Action](#), and [July 2022 National Health Care Fraud Law Enforcement Action](#). In OIG's FY 2022 spring and fall releases of the Semiannual Report to Congress, we documented that Medicare and Medicaid investigations alone in FY 2022 resulted in 661 criminal actions and 726 civil actions against individuals or entities that engaged in offenses related to health care. OIG also reported more than \$2.1 billion in investigative receivables due to HHS and more than \$619.5 million in non-HHS investigative receivables, including civil and administrative settlements or civil judgments related to Medicare, Medicaid, and other Federal, State, and private health care programs.

In FY 2022, OIG’s expected recoveries identified in health care audits and investigations totaled nearly \$4 billion, which resulted in an ROI of about \$11 to \$1.²⁹ OIG’s oversight provides critical information to Congress, HHS, and other stakeholders about significant beneficiary safety, health, and welfare issues. Notably, a November OIG report found that one in four Medicare patients experienced harm events during their hospital stays. Other recent OIG work raised concerns that some nursing homes might falsely label residents as having schizophrenia to evade scrutiny of the nursing homes’ dangerous misuse of antipsychotic drugs; OIG made recommendations to CMS to strengthen its oversight. Across a broad portfolio of work addressing quality of care in nursing homes, OIG has a sizeable set of important findings and recommendations that policymakers can consult as they assess how to improve nursing home care.

CMS and Congress have implemented hundreds of OIG recommendations to improve and protect Medicare and Medicaid. Recent examples include CMS’s implementation of recommendations to improve follow-up care for children treated for attention deficit hyperactivity disorder; improve tracking of prescription refills to reduce abuse of Schedule II drugs that can result in severe psychological or physical dependence; and through new regulations increase the number of at-risk beneficiaries acquiring community-use versions of naloxone through Medicaid, thus expanding access to this lifesaving treatment. In the Consolidated Appropriations Act of 2021, Congress adopted OIG recommendations to establish new remedies for poorly performing hospices and require public disclosure of hospices’ deficiencies.

Budget Justification

Current HCFAC funding levels to combat fraud, waste, and abuse are helping to safeguard Federal Health programs, but more could be done to ensure the government is keeping pace with the size, scope, and complexity of the healthcare industry and federal programs. Without additional resources, HHS may have to forgo investigating serious instances of fraud, waste, and abuse. Aging of the American population in the next few decades will lead to more older adults in nursing homes or home and community-based care settings, increasing the risk of fraud, waste and abuse for this vulnerable population.

Right-Sizing OIG’s Investigative and Enforcement Capacity

OIG is seeking funding increases from both Discretionary and Mandatory HCFAC funding sources to address serious gaps in our current law enforcement posture:

- \$42.9 million is requested for OIG via a legislative proposal to increase the mandatory funding levels of all HCFAC funding partners, e.g., DOJ, CMS, and HHS-OIG. Each partner has articulated and quantified the impact of this proposal within their respective budget justifications. Below is a table that compares OIG’s current funding levels with that proposed in the legislative proposal:

²⁹ Expected recoveries and their impact on OIG’s ROI are calculated using a 3-year rolling average.

<i>(in millions)</i>											
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Current Level ³⁰	\$225	\$237	\$243	\$249	\$254	\$260	\$266	\$272	\$279	\$285	\$292
Proposed Level	\$225	\$268	\$286	\$305	\$312	\$319	\$327	\$334	\$342	\$350	\$358
<i>Annual Growth</i>		43	18	19	7	7	7	8	8	8	8

- \$7.3 million is requested through the normal President’s Budget process that falls under the jurisdiction of the respective appropriations committees.
- \$2.3 million is the estimated increase of our HCFAC collections based on post-pandemic expectations.

With this additional \$52.5 million in resources, OIG will first pay \$14.6 million of expected mandatory cost increases associated with pay and benefits increases for our workforce. Maintaining the current FTE level is the first step to ensuring that OIG’s HCFAC oversight work does not experience a widening gap. Then, to start closing the gap, the additional \$37.9 million will address a substantial shortfall in current OIG investigative resources for health care fraud cases.

The HHS-sponsored HCFAC Mandatory Rebasing Proposal, which is supported by OIG, CMS, and DOJ, would provide a meaningful, targeted investment over time starting in FY 2024. The proposal, if enacted, would provide OIG with funds necessary to begin addressing unmet demands for OIG investigative expertise to pursue fraud against HHS programs and the people they serve.

A large and growing number of potential health care fraud cases go uninvestigated and unprosecuted, resulting in absence of justice, weakened deterrence, and increased risk of harm to HHS programs and beneficiaries. DOJ officials and U.S. Attorney’s Office prosecutors nationwide regularly request additional OIG investigative resources to bring those who defraud HHS programs and beneficiaries to justice and recover taxpayer dollars. There is a critical shortage of skilled OIG investigators for DOJ fraud cases. OIG agents are in high demand because they have unparalleled expertise in HHS programs and complex health care fraud schemes, as well as the best tools and techniques to unravel those schemes.

At current funding levels, OIG has been turning down between 300 and 400 viable criminal and civil cases each year—enough cases for an additional 45 to 50 agents per year, supported by 8 to 10 digital investigators and investigative analysts. The viable cases OIG has been turning down annually for lack of resources include potentially serious criminal and civil cases involving

³⁰ Current Level HCFAC mandatory funding amounts reflect current law, whereas proposed amounts apply the A-19 proposed rebasing adjustment.

schemes such as billing for services not provided, identity theft, kickbacks, deceptive marketing, durable medical equipment fraud, and money laundering. Every year, OIG falls further behind. It can take 2 to 3 years to investigate a complex health care fraud case. To ensure timely investigations, each agent should have an average of no more than 8 active cases; OIG agents carry an average of 11 cases. As a result, the average amount of time to indictment for an OI investigation increased by almost a year, from 1.92 years in 2018 to 2.78 years in 2021. Even so, in 2021 the financial return for each nonsupervisory OIG agent was more than \$7 million.

To handle the existing cadence of untended, viable cases, OIG would need to hire (and have the infrastructure to hire) 150 agents and support personnel beginning in FY 2024. To keep up with expected growth in cases over the longer term, OIG will need a total of 230 new agents and support personnel. OIG's request pursues resources to help address this shortfall in an executable and operationally justifiable way.

Apart from the 300 to 400 viable cases noted above, in FY 2022 OIG turned down 648 cases from the major case coordination effort we have with CMS's Center for Program Integrity, nearly a 10% increase in percentage of cases declined from the prior year. These are referrals of potential fraud from the Unified Program Integrity Contractors and the Investigations Medicare Drug Integrity Contractor. Furthermore, OIG's Regional Offices reviewed and evaluated more than 1,780 Hotline complaints in FY 2021 and more than 3,562 in FY 2022 that might have developed into viable cases, but we did not have resources to open additional cases. This is a 100-percent increase in just 1 year of Hotline complaints that should but will not have investigative follow-up. The ability to ensure follow-up on Hotline complaints where appropriate is key to maintaining public and congressional trust in OIG's Hotline system as a means for reporting suspected fraud and misconduct.

A serious, emerging problem is the shortage of digital investigators and investigative analysts. Historically, agents could rely on boots-on-the-ground and paper records to conduct investigations. This is no longer true. Nearly every case requires digital investigative tools and capabilities. No other Federal investigators have OIG's level of specialized expertise and capability. The demand for digital investigators and investigative analysts, as well as for supporting technology, is skyrocketing. These resources are needed so that OIG can collect, process, and forensically analyze incredibly large volumes of electronic evidence related to health care cases. Over the past 5 years, OIG collected a yearly average of 701.4 terabytes of digital data. (Collecting decreased during the pandemic because of operational limitations on the field collection of evidence). One terabyte equals one tractor trailer full of paper documents. This volume is expected to grow as more health care is delivered through electronic means.

With these resources, OIG will hire and train needed agents, digital personnel, and other investigative support (lawyers, auditors, and data analysts) as well as address other critical oversight needs. These resources would bolster the effective HCFAC partnership in pursuit of fraud by providing all HCFAC partners with needed resources to support enforcement.

As noted earlier, growth in OIG's funding has not kept pace with enormous increases in HHS funding and the expansion of HHS programs. Inflationary costs have further reduced the number of personnel available for investigations. Over the past 2 years, OIG has grappled with an

explosion of COVID-related fraud, necessitating a diversion of investigative resources from other cases to protect HHS programs and consumers from egregious fraud schemes that have exploited the public health emergency. For example, OIG shifted agents from civil fraud cases to pandemic-related fraud, resulting in viable cases being delayed by months or longer. These civil cases include False Claims Act cases, which are a primary way the Government recovers misspent funds. Additional funding would allow OIG agents to work more civil fraud cases that have potentially significant impact on Medicare and Medicaid, and on the favorable HCFAC ROI.

With law enforcement and HHS partners, OIG agents maintain a rigorous focus on key priorities such as dangerous opioid-related fraud, massive telemarketing schemes for laboratory and genetic testing, and ensuring the security and safety of children in HHS programs. This work includes the highly successful Strike Forces, the newest of which will combat the scourge of opioid-related fraud in New England. Looking toward the future through a risk-assessment lens, OIG sees a tremendous, unmet need for additional enforcement and oversight to protect HHS programs from fraud, waste, and abuse. The tail of health care fraud is long, and we anticipate seeing the effects of health care fraud—including fraud related to the pandemic—far into the future. The introduction of drug price negotiation and redesign of Part D under the Inflation Reduction Act may present new program integrity risks and oversight needs. Further, if enacted the legislative proposal would enable OIG to expand oversight of the Affordable Care Act marketplaces.

A substantial infusion of HCFAC funding for OIG will enable more Strike Forces; ensure that reports of suspected fraud are followed up on; and expand OIG's capacity to provide CMS and State Medicaid agencies, as well as the MFCUs and other law enforcement partners, with tips, trends, and fast analytics to detect and thwart fraud.

OIG has the authorities, capability, agility, and experience to use additional HCFAC resources to combat increasingly complex health care fraud and stay ahead of wrongdoers who are armed with sophisticated schemes, tools, and technologies. Using technology, data, and risk-management approaches, OIG will continue to focus on the most egregious bad actors, including those committing opioid-related or public health emergency-related fraud, or who otherwise harm Medicare and Medicaid beneficiaries and steal from the programs. OIG will also target opportunities to strengthen the effectiveness and efficiency of Medicare and Medicaid in areas such as substance abuse treatment and serious mental illness, nursing homes, managed care, home and community-based services, and cybersecurity. OIG has proven experience working effectively with our HCFAC partners and will continue future collaboration and data sharing to achieve positive results.

SECTION IV: SUPPORTING EXHIBITS

Object Classification Tables

Total Budget Authority Direct (dollars in thousands)					
Object Class Code	Description	FY 2022 Final	FY 2023 Enacted	FY 2024 President's Budget	FY 2024 +/- FY 2023
11.1	Full-time permanent	\$209,006	\$211,839	\$250,597	+38,752
11.3	Other than full-time permanent	4,800	3,561	4,257	+696
11.5	Other personnel compensation	6,531	6,597	7,599	+1,002
11.7	Military personnel	\$0	\$0	\$0	0
11.8	Special personnel services payments	72	605	846	+241
Subtotal	Personnel Compensation	220,410	222,602	263,293	+40,691
12.1	Civilian personnel benefits	87,431	92,875	110,616	+17,741
12.2	Military benefits	-	-	-	0
13.0	Benefits for former personnel	347	534	620	+86
Total	Pay Costs	308,188	316,011	374,530	+58,519
21.0	Travel and transportation of persons	3,064	3,1297	3,982	+685
22.0	Transportation of things	2,574	2,717	3,382	+665
23.1	Rental payments to GSA	18,944	19,918	24,668	+4,750
23.2	Rental payments to others	3	4	4	0
23.3	Communications, utilities, and misc. charges	6,231	6,816	7,978	-1,161
24.0	Printing and reproduction	49	49	65	+16
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services from non-Federal sources	36,490	39,448	42,233	+785
25.3	Other goods and services from Federal sources	9,292	9,747	13,396	+3,649
25.4	Operation and maintenance of facilities	1,688	1,720	2,390	+690
25.5	Research and development contracts	-	-	-	-
25.6	Medical care	20	23	124	+101
25.7	Operation and maintenance of equipment	20,204	22,761	29,707	+6,946
25.8	Subsistence and support of persons	-	-	-	-
26.0	Supplies and materials	1,092	1,169	1,474	+306
31.0	Equipment	8,081	8,472	10,283	+1,811
32.0	Land and structures	156	178	389	+211
41.0	Grants, subsidies, and contributions	-	-	-	-
42.0	Insurance claims and indemnities	54	55	75	+20
44.0	Refunds	-	-	-	-
99.1	Expenditures	63	72	75	+4
Subtotal	Non-Pay Costs	108,004	116,445	140,225	+23,781
	TOTAL	\$416,192	\$432,456	\$514,755	+82,299

PHHS Budget Authority | Direct

(dollars in thousands)

Object Class Code	Description	FY 2022 Final	FY 2023 Enacted	FY 2024 President's Budget	FY 2024 +/- FY 2023
11.1	Full-time permanent	\$44,523	\$47,340	\$59,987	+12,647
11.3	Other than full-time permanent	1,023	764	1,014	+250
11.5	Other personnel compensation	1,391	1,717	1,769	+52
11.7	Military personnel	-	-	-	-
11.8	Special personnel services payments	15	16	214	+198
Subtotal	Personnel Compensation	46,951	49,837	62,984	+13,147
12.1	Civilian personnel benefits	18,625	20,477	26,676	+6,199
12.2	Military benefits	\$0	-	-	-
13.0	Benefits for former personnel	\$74	-	-	-
Total	Pay Costs	65,650	70,314	89,660	+11,500
21.0	Travel and transportation of persons	653	641	1,021	+380
22.0	Transportation of things	548	546	828	+282
23.1	Rental payments to GSA	4,035	4,071	5,777	+1,707
23.2	Rental payments to others	1	1	1	-
23.3	Communications, utilities, and misc. charges	1,327	1,301	2,073	+772
24.0	Printing and reproduction	10	11	16	+5
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services from non-Federal sources	7,763	7,808	10,369	+2,561
25.3	Other goods and services from Federal sources	-	-	-	-
25.4	Operation and maintenance of facilities	1,979	1,981	2,897	+915
25.5	Research and development contracts	360	356	558	+202
25.6	Medical care	4	4	9	+5
25.7	Operation and maintenance of equipment	4,547	4,467	7,059	+2,592
25.8	Subsistence and support of persons	-	-	-	-
26.0	Supplies and materials	233	227	367	+140
31.0	Equipment	1,732	1,712	2,5505	+843
32.0	Land and structures	33	34	75	+41
42.0	Insurance claims and indemnities	11	12	19	+7
44.0	Refunds	-	-	-	-
91.0	Confidential Expenditures	13	14	18	+4
Subtotal	Non-Pay Costs	23,237	23,172	33,623	+1,035
	TOTAL	\$88,900	\$93,500	\$123,301	+\$29,801

HCFAC Budget Authority Direct <i>(dollars in thousands)</i>					
Object Class Code	Description	FY 2022 Final	FY 2023 Enacted	FY 2024 President's Budget	FY 2024 +/- FY 2023
11.1	Full-time permanent	\$164,484	\$164,499	\$190,604	+26,105
11.3	Other than full-time permanent	3,778	2,797	3,243	+446
11.5	Other personnel compensation	5,140	4,880	5,830	+950
11.8	Special personnel services payments	57	589	632	+43
Subtotal	Personnel Compensation	173,459	172,765	200,309	+27,544
12.1	Civilian personnel benefits	68,807	72,398	83,940	-11,542
13.0	Benefits for former personnel	273	534	620	+86
Total	Pay Costs	242,538	245,697	284,870	+11,629
21.0	Travel and transportation of persons	2,411	2,656	2,961	+305
22.0	Transportation of things	2,025	2,171	2,554	+383
23.1	Rental payments to GSA	14,908	15,847	18,891	+3,044
23.2	Rental payments to others	2	3	3	-
23.3	Communications, utilities, and misc. charges	4,903	5,515	5,905	+390
24.0	Printing and reproduction	39	39	49	+11
25.2	Other services from non-Federal sources	28,727	31,640	31,864	+224
25.3	Other goods and services from Federal sources	7,313	7,765	10,499	+2,734
25.4	Operation and maintenance of facilities	1,328	1,364	1,832	+468
25.6	Medical care	16	19	115	+96
25.7	Operation and maintenance of equipment	15,657	18,294	22,648	+4,354
26.0	Supplies and materials	859	942	1,108	+166
31.0	Equipment	6,349	6,760	7,728	+968
32.0	Land and structures	123	144	314	+171
42.0	Insurance claims and indemnities	42	42	56	+14
99.1	Expenditures	49	58	57	-1
Subtotal	Non-Pay Costs	84,754	93,259	104,268	+1,318
	TOTAL	\$327,292	\$338,956	\$391,454	+\$52,499

Reimbursable Budget Authority					
<i>(dollars in thousands)</i>					
Object Class Code	Description	FY 2022 Final	FY 2023 Enacted	FY 2024 President's Budget	FY 2024 +/- FY 2023
11.1	Full-time permanent	\$2,058	\$2134	\$2,233	+98
11.3	Other than full-time permanent	-	-	-	--
11.5	Other personnel compensation	348	361	378	+17
11.7	Military personnel	-	-	-	-
Subtotal	Personnel Compensation	2,406	2,495	2,610	+115
12.1	Civilian personnel benefits	601	62	601	--
12.2	Military benefits	-	-	-	-
13.0	Benefits for former personnel	-	-	-	-
Total	Pay Costs	3,007	3,007	3,007	--
21.0	Travel and transportation of persons	122	122	122	--
22.0	Transportation of things	16	16	16	--
23.1	Rental payments to GSA	-	-	-	-
23.3	Communications, utilities, and misc. charges	-	-	-	-
24.0	Printing and reproduction	-	-	-	-
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services from non--Federal sources	-	--	--	--
25.3	Other goods and services from Federal sources	89	89	89	-
25.4	Operation and maintenance of facilities	17,743	17,631	17,488	-143
25.5	Research and development contracts	-	-	-	-
25.7	Operation and maintenance of equipment	-	-	-	-
25.8	Subsistence and support of persons	-	-	-	-
26.0	Supplies and materials	-	-	-	-
31.0	Equipment	-	-	-	-
32.0	Land and structures	6	6	6	-
33.0	Investments and Loans	17	17	17	
41.0	Grants, subsidies, and contributions	-	-	-	-
42.0	Insurance claims and indemnities	-	-	-	-
44.0	Refunds	-	-	-	-
Subtotal	Non-Pay Costs	17,993	17,881	17,738	-
Total	Budget Authority by Object Class	\$21,000	\$21,000	\$21,000	-

Salaries and Expenses Tables

Total Salaries and Expenses (dollars in thousands)					
Object Class Code	Description	FY 2022 Final	FY 2023 Enacted	FY 2024 President's Budget	FY 2024 +/- FY 2023
11.1	Full-time permanent	\$209,006	\$211,839	\$250,591	+\$38,752
11.3	Other than full-time permanent	4,800	3,561	4,257	+696
11.5	Other personnel compensation	6,531	6,597	7,599	+1,002
11.8	Special Personnel Services Payments	72	605	846	+241
Subtotal	Personnel Compensation	220,410	222,602	263,293	+40,691
12.1	Civilian personnel benefits	87,431	92,875	110,616	+17,741
12.2	Commissioned Corps benefits	-	-	-	--
13.0	Benefits for former personnel	347	534	620	+86
Total	Pay Costs	308,188	316,011	374,530	+58,519
21.0	Travel and transportation of persons	3,064	3,297	3,982	+685
22.0	Transportation of things	2,574	2,717	3,382	+665
23.3	Communications, utilities, and misc. charges	6,231	6,816	7,978	+1,161
24.0	Printing and reproduction	49	49	65	+16
25.2	Other services from non-Federal sources	36,490	39,448	39,917	+469
25.3	Other goods and services from Federal sources	9,292	9,747	13,396	+3,649
25.4	Operation and maintenance of facilities	1,688	1,720	2,390	+670
25.5	Research and development contracts	-	-	-	-
25.6	Medical care	20	23	124	+101
25.7	Operation and maintenance of equipment	20,204	22,761	29,707	+6,946
Subtotal	Other Contractual Services	67,695	73,698	85,533	+11,835
26.0	Supplies and materials	1,092	1,169	1,474	+306
Subtotal	Non-Pay Costs	80,703	87,747	102,415	+14,668
Total	Salary and Expenses	388,892	403,758	476,944	+73,187
23.1	Rental payments to GSA	18,944	19,918	24,668	+4,750
Total	Salaries, Expenses, and Rent	\$407,836	\$423,676	\$501,613	+77,937
	Direct FTE	656	760	800	+40

PHHS Salaries and Expenses					
<i>(dollars in thousands)</i>					
Object Class Code	Description	FY 2022 Final	FY 2023 Enacted	FY 2024 President's Budget	FY 2024 +/- FY 2023
11.1	Full-time permanent	\$44,523	\$47,340	\$59,987	+\$12,647
11.3	Other than full-time permanent	1,023	764	1,010	+250
11.5	Other personnel compensation	1,391	1,717	1,769	+52
11.7	Commissioned Corps personnel	-	-	-	-
11.8	Special personnel services payment	15	16	214	+198
Subtotal	Personnel Compensation	46,951	49,837	62,984	+13,147
12.1	Civilian personnel benefits	18,625	20,477	26,676	+6,199
12.2	Commissioned Corps benefits	-	-	-	-
13.0	Benefits for former personnel	74	-	-	-
Total	Pay Costs	65,650	70,314	89,660	+19,346
21.0	Travel and transportation of persons	653	641	1,021	+380
22.0	Transportation of things	548	546	828	+282
23.3	Communications, utilities, and misc. charges	1,327	1,301	2,073	+772
24.0	Printing and reproduction	10	11	16	+5
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services from non-Federal sources	7,763	7,808	10,369	+2,561
25.3	Other goods and services from Federal sources	1,979	1,981	2,897	+915
25.4	Operation and maintenance of facilities	360	356	558	+202
25.5	Research and development contracts	-	-	-	-
25.6	Medical care	4	4	9	+5
25.7	Operation and maintenance of equipment	4,547	4,467	7,059	+2,592
25.8	Subsistence and support of persons	-	-	-	-
Subtotal	Other Contractual Services	14,653	14,616	20,891	+6,275
26.0	Supplies and materials	233	227	367	+140
Subtotal	Non-Pay Costs	17,423	17,342	25,195	+7,853
Total	Salary and Expenses	43,073	87,656	114,855	+27,199
23.1	Rental payments to GSA	4,035	4,071	5,777	+1,707
Total	Salaries, Expenses, and Rent	\$87,109	\$91,727	\$120,633	+\$28,906
	Direct FTE	328	380	400	+20

HCFAC Salaries and Expenses					
<i>(dollars in thousands)</i>					
Object Class Code	Description	FY 2022 Final	FY 2023 Enacted	FY 2024 President's Budget	FY 2024 +/- FY 2023
11.1	Full-time permanent	\$164,484	\$164,499	\$190,604	+\$26,105
11.3	Other than full-time permanent	3,778	2,797	3,243	+446
11.5	Other personnel compensation	5,140	\$4,880	5,830	+950
11.7	Commissioned Corps personnel	-	-	-	0
11.8	Special personnel services payments	57	589	632	+43
Subtotal	Personnel Compensation	173,459	172,765	200,309	+27,544
12.1	Civilian personnel benefits	68,807	72,398	83,940	+11,542
12.2	Commissioned Corps benefits	-	-	-	0
13.0	Benefits for former personnel	273	534	620	+86
Total	Pay Costs	242,538	245,697	284,870	+39,173
21.0	Travel and transportation of persons	2,411	2,656	2,961	+305
22.0	Transportation of things	2,025	2,171	2,554	+383
23.3	Communications, utilities, and misc. charges	4,903	5,515	5,905	+390
24.0	Printing and reproduction	39	39	49	+10
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services from non-Federal sources	28,727	31,640	31,864	+224
25.3	Other goods and services from Federal sources	7,313	7,765	10,499	+2,734
25.4	Operation and maintenance of facilities	1,328	1,364	1,832	+468
25.5	Research and development contracts	-	-	-	-
25.6	Medical care	16	19	115	+96
25.7	Operation and maintenance of equipment	15,657	18,294	22,648	+4,354
25.8	Subsistence and support of persons	-	-	-	-
Subtotal	Other Contractual Services	53,042	59,082	66,958	+7,876
26.0	Supplies and materials	859	942	1,108	+166
Subtotal	Non-Pay Costs	63,280	70,404	79,535	+9,131
Total	Salary and Expenses	305,818	316,101	364,405	+48,304
23.1	Rental payments to GSA	14,908	15,847	18,891	+3,044
Total	Salaries, Expenses, and Rent	\$320,721	\$331,949	\$383,296	+\$51,347
	Direct FTE	1,271	1,223	1,342	+119

Reimbursable Salaries and Expenses <i>(dollars in thousands)</i>					
Object Class Code	Description	FY 2022 Final	FY 2023 Enacted	FY 2024 President's Budget	FY 2024 +/- FY 2023
11.1	Full-time permanent	\$2,058	\$2,134	\$2,233	+\$98
11.3	Other than full-time permanent	-	-	-	-
11.5	Other personnel compensation	348	361	378	+17
Subtotal	Personnel Compensation	2,406	2,495	2,610	+115
12.1	Civilian personnel benefits	601	623	652	+29
Total	Pay Costs	3,007	3,119	3,262	+143
21.0	Travel and transportation of persons	122	122	122	-
22.0	Transportation of things	16	16	16	-
23.3	Communications, utilities, and misc. charges	-	-	-	-
24.0	Printing and reproduction	-	-	-	-
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services from non-Federal sources	89	89	89	-
25.3	Other goods and services from Federal sources	17,743	17,631	17,488	-143
25.4	Operation and maintenance of facilities	-	-	-	-
Subtotal	Other Contractual Services	17,832	17,809	17,666	-143
26.0	Supplies and materials	6	6	6	-
Subtotal	Non-Pay Costs	17,976	17,953	17,810	-143
Total	Salary and Expenses	20,983	21,072	21,072	-
23.1	Rental payments to GSA	-	-	-	-
Total	Salaries, Expenses, and Rent	\$20,983	\$21,072	\$21,072	-
Total	Direct FTE	10	10	10	-

Detail of FTE

OIG ³¹	FY 2022			FY 2023			FY 2024		
	CIV	CC	Total	CIV	CC	Total	CIV	CC	Total
PHHS ³²	328		328	350		350	422		422
Reimbursable	10		10	10		10	10		10
PHHS Subtotal FTE	338		338	360		360	432		432
HCFAC Direct	1,271		1,271	1,223		1,223	1,342		1,342
HCFAC Subtotal FTE	1,271		1,271	1,223		1,223	1,342		1,342
OIG Total FTE	1,609		1,609	1,583		1,583	1,774		1,774
Average GS Grade			12.9			12.9			13.0

³¹ Abbreviation key: CIV—Civilian; CC—Commissioned Corps

³² PHHS includes FTE from COVID supplemental funding. See next table for additional details.

Detail of Positions

Direct Civilian Positions	FY 2022 Final	FY 2023 Enacted	FY 2024 President's Budget ³³
Executive Level (EX)			
EX Level I	-	-	-
EX Level II	-	-	-
EX Level III	-	-	-
EX Level IV	-	-	-
EX Level X	1	1	1
Subtotal, Executive Level Positions	1	1	1
Total, Executive Level Salaries	\$197,300	\$197,300	\$197,300
Senior Executive Service (SES) and Senior Level (SL)³⁴			
SES Positions	21	26	26
SL Positions	8	13	13
Subtotal, SES & SL Positions	29	39	39
Subtotal, SES & SL Salaries	\$5,719,748	\$8,008,275	\$8,422,656
Summary of EX, SES, and SL			
Total, SES & SL Positions	30	40	40
Total, SES & SL Salaries	\$5,917,048	\$8,205,574	\$8,619,956
General Schedule (GS)³⁵			
GS-15	144	144	146
GS-14	304	300	317

³³ All eligible positions in FY 2024 assume an annualized 5.2% civilian pay increase.

³⁴ OIG's OPM-approved hiring capacity is up to 26 SES and 13 SL.

³⁵ Includes GL and GM schedules.

Direct Civilian Positions	FY 2022 Final	FY 2023 Enacted	FY 2024 President's Budget ³⁶
General Schedule (GS)³⁷ (continued)			
GS-13	721	717	788
GS-12	241	241	295
GS-11	59	59	87
GS-10	0	0	0
GS-9	52	52	60
GS-8	3	3	3
GS-7	16	16	22
GS-6	1	1	1
GS-5	2	2	2
GS-4	8	8	13
Subtotal, GS Positions	1,551	1,543	1,734
Subtotal, GS Salaries	\$202,090,105	\$209,911,615	\$249,074,269
Total OIG Summary			
OIG Total Salaries	\$208,007,153	\$218,117,189	\$257,694,225
OIG Total Positions	1,581	1,583	1,774
Average Salary Information			
Average ES Level	II	II	II
Average ES & SL Salary	\$197,235	\$205,139	\$215,499
Average GS Grade	12.9	12.9	13.0
Average GS Salary	\$136,687	\$142,735	\$145,648
Average GL Salary	\$81,890	\$86,021	\$88,061
Average GM Salary	\$152,998	\$158,353	\$160,792

³⁶ All eligible positions in FY 2024 assume an annualized 5.2% civilian pay increase.

³⁷ Includes GL and GM schedules.

Resources for Cyber Activities

<i>(dollars in millions)</i>				
Cyber Category	FY 2022 Final	FY 2023 Enacted	FY 2024 President's Budget	FY 2024 +/- FY 2023
<i>Cyber Human Capital</i>			10.000	+10.000
<i>Sector Risk Management Agency (SRMA)</i>				--
<i>Securing Infrastructure Investments</i>				--
<i>Technology Ecosystems</i>				--
<i>Zero Trust Implementation</i>				--
Other NIST CSF Capabilities	9.213	28.572	32.021	+3.449
Detect	0.370	0.370	0.377	+0.007
Identity	1.381	3.321	3.387	+0.066
Protect	5.932	23.371	26.716	+3.345
Recover	0.231	0.236	0.241	+0.005
Respond	1.299	1.275	1.300	+0.025
Total Cyber Request³⁸	9.213	28.572	32.021	+3.449

³⁸ Amounts reflected on this table include TMF and Wedge funding. Total FY 2024 increase in OIG base cyber funding is \$19.4 million.

Recent Accomplishments

OIG's audits, evaluations, and investigations deliver results and actionable information and recommendations to program officials, policymakers, taxpayers, public and private partners, and consumers. OIG remains at the forefront of the Nation's efforts to fight fraud in HHS programs and hold wrongdoers accountable for their actions. In terms of annual spending, OIG has only about 2 cents for enforcement and oversight for every \$100 spent by HHS. The reach, range, and impact of our work and accomplishments are bounded only by our resources.

The following examples highlight several of OIG's significant, recent accomplishments. For a more detailed discussion of OIG's recent accomplishments, please see OIG's [Fall 2022 Semiannual Report to Congress](#) on our website.

Emergency Preparedness, Response, and Recovery Accomplishments

OIG has repeatedly identified strengthening emergency preparedness and response capabilities as a top management challenge for HHS. During the COVID-19 pandemic, OIG acted swiftly to protect people from harm and protect the millions of dollars flowing to or through HHS programs—such as the Provider Relief Fund and the Uninsured Relief Fund—by preventing, detecting, and combating fraud. It will be critical for HHS to learn from its experiences in responding to the COVID-19 pandemic and enhance its readiness for responding to future pandemics and other emergencies. OIG is using risk assessment and data analytics to identify, monitor, and target potential fraud, waste, and abuse affecting HHS programs and beneficiaries, and to promote the effectiveness of HHS's emergency response and recovery activities. Oversight efforts include close coordination with key government partners, including the Pandemic Response Accountability Committee (PRAC).

- [2022 National COVID-19 Health Care Fraud Law Enforcement Action](#). In April 2022, OIG and its law enforcement partners announced a sweeping, coordinated law enforcement action to combat COVID-19-related health care fraud. In total, 21 defendants nationwide were charged in connection with a variety of health care fraud schemes designed to exploit the pandemic and resulting in more than \$149 million in alleged false billings. The allegations against the defendants included: inducing patients to provide information and then using that information to submit false and fraudulent claims to Medicare for unrelated, medically unnecessary, and far more expensive tests or services; exploiting HHS's pandemic-related, increased access to care policies; and manufacturing and distributing fake COVID-19 vaccination cards.
- [Promoting Effective COVID-19 Response and Recovery Efforts](#). In May 2020, OIG published [OIG Strategic Plan: Oversight of COVID-19 Response and Recovery](#). OIG is publishing audits and evaluations to assess COVID-19 preparedness and response in HHS programs in ways that are consistent with the plan's goals of protecting people, funds, and infrastructure while promoting the effectiveness of HHS programs. As of January 2023, OIG has completed 51 reviews that cover a range of topics including testing and vaccine distribution, provider relief funds, telehealth, health equity, contracts and grants management, opioid use during the pandemic, health and safety in nursing

homes and other settings, and many others. For example, in September 2022 OIG released two reports related to our oversight of the Food and Drug Administration (FDA), [*FDA Repeatedly Adapted Emergency Use Authorization Policies To Address the Need for COVID-19 Testing*](#) and [*FDA's Work with the Tri-Agency Task Force for Emergency Diagnostics Helped Labs Implement COVID-19 Tests*](#), which examine FDA's early experiences with the COVID-19 pandemic. These reports provide actionable insights for future infectious disease emergencies for which tests may need to be designed and utilized.

Additional information about OIG's COVID-19 completed and ongoing oversight, consumer fraud alerts, and other work related to COVID-19 is available online on the OIG's [COVID-19 Portal](#).

PHHS Accomplishments

Roughly one-fifth of OIG's funding supports oversight of HHS's diverse portfolio of PHHS programs and management processes. This work addresses HHS activities that are not part of the Medicare and Medicaid programs. OIG's PHHS oversight includes a broad array of reviews on topics such as protecting the health and safety of children, providing high-quality health care to American Indians and Alaska Natives, preparing for and responding to emergencies, research integrity, and grants and contracts management. Significant, recent OIG work in PHHS oversight includes:

- *Securing Research Integrity.* OIG's oversight of programs at the National Institutes of Health (NIH) enhances the Federal Government's ability to detect, deter, and take enforcement action to ensure the proper stewardship of funds and the integrity of U.S. medical research. Based on concerns raised by Congress, NIH, and other Federal law enforcement agencies, OIG has four priority areas for NIH oversight: (1) research integrity and foreign threats; (2) NIH's management of its grants, contracts, and operations; (3) NIH award recipients' compliance with funding requirements; and (4) cybersecurity protections. In a recent review [*The National Institutes of Health and EcoHealth Alliance Did Not Effectively Monitor Awards and Subawards, Resulting in Missed Opportunities to Oversee Research and Other Deficiencies*](#), OIG found NIH did not effectively monitor potentially high-risk research. OIG oversight work has continually demonstrated that grant-awarding agencies' oversight of subrecipients, whether domestic or foreign, is challenging. The shortcomings OIG identified related to NIH's oversight of EcoHealth Alliance demonstrate continued problems. NIH concurred or generally concurred with OIG's recommendations and provided actions taken or planned to address them.
- *Protecting the Safety of Children in Foster Care.* OIG has devoted substantial oversight effort to protect people from harm including the elderly, children, and adults with developmental disabilities. In 2022, OIG completed significant work related to ensuring the health and safety of children in foster care including [*National Snapshot of State Agency Approaches To Reporting and Locating Children Missing From Foster Care*](#) and

In Five States, There Was No Evidence That Many Children in Foster Care Had a Screening for Sex Trafficking When They Returned After Going Missing. OIG made recommendations to better protect children in foster care from the dangers of sex trafficking and ensure that victims of sex trafficking are identified and provided with needed support services. ACF concurred with our recommendations.

- *Ensuring Safety and Efficacy of Products Regulated by the FDA.* As an example, in the September 2022 report *Delays in Confirmatory Trials for Drug Applications Granted FDA’s Accelerated Approval Raise Concerns*, OIG found that more than one-third of accelerated approval drug applications with incomplete confirmatory trials (trials required to show that approved drugs are effective) were past their trials’ original planned completion dates, including four drug applications that were more than 5 years past those dates. OIG found that Medicare and Medicaid spent more than \$18 billion from 2018 to 2021 for accelerated approval drugs with incomplete confirmatory trials past their trials’ original planned completion dates.

HCFAC Fund Accomplishments

OIG uses HCFAC funding solely for oversight of the Medicare and Medicaid programs. The HCFAC program coordinates Federal, State, and local law enforcement activities with respect to health care fraud and abuse. The most recent return on investment (ROI) for the HCFAC program is approximately \$4 returned for every \$1 invested.³⁹ This is a ratio of actual monetary returns to the Government to total HCFAC program appropriations. The HCFAC program’s continued success in returning more money than is spent demonstrates the soundness of a collaborative approach to identify and prosecute the most egregious instances of health care fraud, prevent future fraud, and protect people served by HHS programs.

Rigorous oversight and enforcement are urgently needed to protect the integrity of the Medicare and Medicaid programs and the people they serve. There are approximately 65 million people enrolled in Medicare; Medicaid is the primary source of health care for about 84 million people. More than 11 million people are dually eligible for Medicare and Medicaid. In 2021, Medicare spending grew 8.4 percent to \$900.8 billion and Medicaid spending grew 9.2 percent to \$734.0 billion.⁴⁰ Wasteful practices and illegal activity in the Medicare and Medicaid programs unnecessarily raise costs for these programs and put people at risk. OIG is committed to sustained, effective, agile oversight and enforcement to root out fraud, waste, and abuse in Medicare and Medicaid.

³⁹ The HCFAC ROI from the FY 2021 HCFAC Report is based on a 3-year rolling average. ROIs can vary over time for a variety of reasons including, for example, the size of settlements in a given year and the type and complexity of fraud schemes under investigation.

⁴⁰ CMS, “NHE Fact Sheet,” December 14, 2022. Accessed at: <https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nhe-fact-sheet>.

OIG's Law Enforcement Activities Protect HHS Programs and the People They Serve

Examples of recent law enforcement actions, and related stakeholder guidance, to safeguard Medicare and Medicaid programs and enrollees include:

- [*2022 National Health Care Fraud Enforcement Action*](#). OIG participated in the July 2022 nationwide coordinated law enforcement action that resulted in criminal charges against 36 defendants in 13 Federal districts across the United States in connection with more than \$1.2 billion in allegedly fraudulent cardiovascular and cancer genetic testing, and durable medical equipment schemes that exploited the growing acceptance of telehealth. The coordinated investigations primarily targeted schemes involving payments of illegal kickbacks by laboratory owners and operators in exchange for patient referrals by medical professionals working with fraudulent telehealth and digital medical technology companies. This enforcement action illustrates OIG's aggressive fraud fighting and commitment to investigating individuals who target Medicare enrollees and steal from taxpayers for personal gain. Furthermore, OIG is committed to ensuring that telehealth delivers quality, convenient care for patients and is not compromised by fraud.
- [*Special Fraud Alert*](#). In connection with the 2022 Health Care Fraud Enforcement Action, OIG issued a Special Fraud Alert and accompanying educational materials for health care providers that identifies suspect characteristics of potentially problematic arrangements and cautions providers to use heightened scrutiny when entering arrangements with companies that purport to provide telehealth-related services. This guidance helps the public and the health care industry avoid fraud scams that operate under the guise of telehealth.
- [*Preventing Opioid Misuse*](#). In June 2022, OIG and its law enforcement partners announced the establishment of the New England Prescription Opioid Strike Force to identify and investigate health care fraud schemes in the New England region, and to prosecute individuals involved in the illegal distribution of prescription opioids and other prescribed, controlled substances. This initiative builds on the success of the Appalachian Regional Prescription Opioid (ARPO) Strike Force, through which OIG has partnered with Federal and State law enforcement agencies and U.S. Attorneys' offices throughout Alabama, Kentucky, Ohio, Virginia, Tennessee, and West Virginia over the past 3 years to charge 111 defendants collectively responsible for issuing prescriptions for more than 115 million controlled-substance pills. More than 60 ARPO Strike Force defendants have been convicted.

OIG's Recommendations Improve Efficiency and Effectiveness at CMS

- [*Leveraging Oversight To Better Protect Nursing Home Residents*](#). Improving nursing home care is a top priority for OIG. Decades of OIG oversight of nursing homes revealed significant challenges and vulnerabilities, and the COVID-19 pandemic brought

challenges at nursing homes to the forefront. OIG's oversight work is guided by a three-part strategy:

- Performance. Understanding what drives nursing home performance—particularly, what contributes to poorly performing nursing homes.
- Residents First. Ensuring that nursing homes prioritize quality of care and quality of life for residents.
- Oversight. Ensuring that entities responsible for nursing home oversight—CMS and States—detect problems quickly and insist on rapid remediation.

Since 2020, OIG has completed 27 audits and evaluations about nursing homes, and currently has 24 reviews underway along with ongoing law enforcement activities. For example, a report published in November 2022, [*Long-Term Trends of Psychotropic Drug Use in Nursing Homes*](#), found that about 80 percent of Medicare's long-stay nursing home residents were prescribed a psychotropic drug and identified characteristics of nursing homes with higher use of such drugs. OIG's work has found that, as pressure to reduce off-label use of antipsychotic drugs ratchets up, there has been a corresponding increase in reported incidence of schizophrenia in nursing homes, raising concerns that some nursing homes may be falsely indicating diagnoses of schizophrenia to evade Federal oversight of dangerous misuse of medication. OIG has made recommendations to CMS to strengthen its program oversight and is conducting additional, in-depth work on this issue.

Information about ongoing nursing home oversight and enforcement work can be found on [OIG's Nursing Homes web page](#).

- *Promoting Integrity and Effectiveness in Medicare Advantage and Medicaid Managed Care*. Almost half of the people with Medicare are currently enrolled in Medicare Advantage (MA), and managed care is the predominant payment model in Medicaid. OIG is conducting work to promote enrollee access to high quality care and to provide comprehensive financial oversight. For example, in an April 2022 report [*Some Medicare Advantage Organization Denials of Prior Authorization Requests Raise Concerns About Beneficiary Access to Medically Necessary Care*](#), OIG identified MA plans' misuse of prior authorization in ways that prevent or delay enrollees from getting medically necessary care as a major concern. Subsequently, OIG [testified](#) about these concerns before the House Committee on Energy and Commerce, Oversight, and Investigations Subcommittee. CMS cited OIG's work in proposed rulemaking to restrict MA plans' ability to deny prior authorization requests.

Performance for Priority Outcomes

Priority Outcomes demonstrate our focus on strategically targeting oversight and achieving measurable results. The table below summarizes OIG’s measures for key Priority Outcomes. These outcomes and indicators are discussed in more detail following the table.

Priority Outcomes	Measure	Most Recent Results	FY 2023 Target	FY 2024 Target	Target Delta
Protect people served by HHS programs from substance use disorder	Reduce the number of Medicare Part D prescribers identified as having questionable prescribing practices (discontinued)	FY 2022 Target: 89 (-10% reduction from CY20) CY21 Results: 98 (-0%)	93 (-5%)	N/A	N/A
	Increase the percentage of people with Medicare who receive medication to treat their opioid use disorder	2022 Target: 17% Results: 18%	20%	22%	+2%
Promote patient safety and accuracy of payments in home and community-based settings (Status: Retiring)	Reduce level of critical incidents that go unreported by providers to States involving people with developmental disabilities residing in group homes (retiring at end of FY 2023)	2020 Baseline: 40%	35%	N/A	N/A
Improve emergency preparedness and COVID-19 response and recovery: Focus on Nursing Homes	Reduce the prevalence and severity of nursing home challenges related to transporting residents during emergencies	2022 Baseline: 27% (data collected every 2 years)	N/A	25%	-2%

Priority Outcomes	Measure	Most Recent Results	FY 2023 Target	FY 2024 Target	Target Delta
Strengthen Medicaid effectiveness and protections against fraud, waste, and abuse	Reduce Medicaid improper payments made to MCOs for people concurrently enrolled in multiple States	2020 Baseline ⁴¹ : \$1.4 billion	-2.5%	-5%	-2.5%
Promote quality care and comprehensive financial oversight of managed care programs (Status: New)	Increase referrals of MCO provider fraud to OIG and/or MFCUs	Baseline available in CY 2023	N/A	TBD	TBD
Strengthen HHS cybersecurity protection for systems and data	Reduce the backlog of HHS cybersecurity incidents reported that have been open for more than 30 days	Baseline available in CY 2023 ⁴²	N/A	TBD	TBD
	Improve the closure rate of new incidents to less than 30 days	Baseline available in CY 2023	50%	80%	TBD

⁴¹ In a 2022 audit report issued to the Centers for Medicare & Medicaid Services (CMS), we used 2020 data to develop our baseline of Medicaid improper payments totaling \$1.4 billion. We plan to take actions to promote a reduction in the baseline through additional reports issued to CMS and States, presentations to key stakeholders at the National Association of Medicaid Program Integrity Annual Conference, and coordination with CMS and State auditors. At the end of FY 2023, we will determine whether our target reduction of Medicaid improper payments was met and remeasure our baseline.

⁴² Baseline data for FY 2023 and FY 2024 targets are being analyzed and will likely be in place in 2023.

PRIORITY OUTCOME 1:

Protecting People Served by HHS Programs From Substance Use Disorder

Background

Prescription opioids can serve a useful role in treating certain kinds of pain. Opioids can also lead to significant adverse effects, including opioid use disorder (OUD) or fatal overdosing.

Recognizing that the benefits and risk of opioids vary from patient to patient and across situations, OIG uses a risk-based approach to focus its resources on addressing the opioid epidemic. Each year, OIG measures the number of Medicare Part D prescribers who are questionably prescribing opioids to high-risk enrollees. Identifying these questionable prescribers is an important first step in determining who could benefit from educational resources or warrants further oversight. The goal of this work is to help OIG Federal and State partners promote appropriate prescribing practices and reduce the misuse of opioids.

Along with recognizing the need to promote appropriate prescribing practices, OIG's approach to the opioid epidemic includes focusing on increasing access to effective treatment for individuals diagnosed with OUD. OUD is a chronic disease that impacts a patient's ability to abstain from using opioids. The FDA has approved three medications for the treatment of OUD. These medications are commonly referred to as medications for opioid use disorder (MOUD). In FY 2021, OIG reported that slightly more than 1 million people enrolled in Medicare had an OUD diagnosis, yet less than 16 percent received MOUD.

To advance our goal, OIG employs a multidisciplinary, data-driven approach, and uses the full range of our authorities including audits, evaluations, investigations, data analysis, and exclusions. OIG leverages key partnerships across the Federal, State, and private sectors to prevent and detect inappropriate prescribing, as well as hold bad actors accountable, while increasing access to safe and effective treatment.

Discussion of Progress

The number of prescribers with questionable prescribing for beneficiaries at serious risk remained steady at 98 in CY 2021, the same as in CY 2020. By contrast, between 2016 and 2020 the number of prescribers with questionable opioid prescribing declined by about 30 percent each year. OIG initiated criminal investigations into some of the 98 prescribers as warranted and referred others to CMS and other law enforcement partners for further action, as appropriate. Additionally, OIG excluded from participation in Federal health care programs 395 individuals and entities in CY 2021 for opioids-related offenses. The continued effort to pursue criminal investigations involving questionable prescribing resulted in 129 opioids-related criminal actions in FY 2021.

Although OIG aims to continue reducing questionable prescribing practices, this metric will be retired at the end of FY 2023. Further reduction beyond an additional 5 percent in FY 2023 could begin to impinge on legitimate care.

OIG is supporting CMS's efforts to educate high opioid prescribers about best practices in prescribing these drugs. CMS uses OIG's analytic methods to identify prescribers for

intervention. OIG also continues to prioritize supporting DOJ Strike Force efforts and DOJ Opioid Fraud and Abuse Detection Units—as well as the Appalachian Regional Prescription Opioid Strike Force and the New England Prescription Opioid Strike Force—with staff and resources.

OIG's efforts also contributed to an increase in the overall percentage of people with Medicare who receive medication to treat their opioid use disorder. In CY 2020, only about 16 percent of Medicare enrollees diagnosed with an OUD received MOUD in outpatient settings, compared to about 18 percent in CY 2021. The goal for FY 2023 is to increase this percent to 20 percent. OIG continues to support work such as audits and evaluations that identify opportunities to improve access to safe and effective treatment. In addition, OIG created and maintains the publicly available Behavioral Health–Medications for Opioid Use Disorder Viewer, which allows users to combine opioid overdose data and locations of facilities providing MOUD treatment to identify geographic areas potentially lacking access to MOUD treatment. Finally, OIG continues to play an integral role in developing and supporting the CDC's Opioid Rapid Response Program (ORRP). ORRP is a coordinated Federal effort to help mitigate overdose risks among patients who lose access to prescribers of opioids, MOUD, or other controlled substances such as benzodiazepines. This program has been instrumental in mobilizing State efforts to respond to disruptions in care. OIG utilized ORRP in 15 actions and participated in 5 tabletop exercises with the goal of generating discussion around a hypothetical emergency preparedness scenario to prepare States for these disruptions in care.

PRIORITY OUTCOME 2:

Promote Patient Safety and Accuracy of Payments in Home and Community-Based Settings (*retiring in FY 2023*)

Background

OIG identified serious vulnerabilities in both the fiscal integrity of payments made for services delivered and the quality of care received in home and community-based settings. As more Medicare and Medicaid patients seek and receive a growing volume and range of services at home, increased attention must be paid to risks of fraud and abuse.

OIG's first indicator in home and community-based settings was focused on reducing inappropriate Medicare spending on home health care. Using data analytics, OIG identified four geographic hotspots—Florida, Texas, and select areas in Southern California and the Midwest—that have large numbers of home health care providers with characteristics that OIG determined are commonly associated with suspected fraud or abuse, such as billing Medicare for significantly higher amounts and/or with greater frequency. OIG focused on reducing inappropriate Medicare spending to home health care providers in these geographic hotspots. After a noticeable reduction in Medicare home health care expenditures, OIG shifted focus for this priority area to measuring incidents affecting the safety of people with Medicaid residing in group homes.

Specifically, OIG has found that providers and State agencies did not always report potential incidents of abuse or neglect involving people with developmental disabilities residing in group

homes. For example, OIG audits have reported that providers and various State agencies did not report to the proper authorities between 58 percent and 99 percent of critical incidents. A critical incident is one that may include physical and/or sexual assault, a suicide attempt, unplanned hospitalization, near-drowning, serious injury, or even death. Failure to comply with reporting policies and procedures has put people residing in group homes at risk of serious harm.

OIG's work in several States found that residents in group homes often experienced critical incidents that resulted in emergency room visits or hospital stays. Individuals living in group homes are at a higher risk of abuse and neglect and may have limited access to police or support services. OIG's reviews also found that health and safety policies and procedures for group homes were not being followed.

To address these troubling findings OIG, the Administration for Community Living, the HHS Office for Civil Rights, and DOJ released in January 2018 the joint report [*Ensuring Beneficiary Health and Safety in Group Homes Through State Implementation of Comprehensive Compliance Oversight*](#). This report contains workable solutions that States can use to protect the health and safety of their residents living in group homes.

Discussion of Progress

OIG investigations, audits, evaluations, and other efforts contributed to an overall 20-percent decrease in Medicare home health care payments in the four geographic hotspots between the baseline year of CY 2015 and CY 2020. Nationally, the decrease in home health care spending over this same period was 11 percent. With the sizeable reduction in home health care expenditures, several of these hotspot spending levels are much closer to national expenditure levels.

For FY 2021 reporting, OIG focused on reducing the percentage of potentially critical incidents of abuse or neglect involving people with developmental disabilities residing in group homes that are not reported by State agencies to the proper authorities for investigation. Based on followup audits in two States, OIG's efforts had a positive effect on providers and States' reporting of critical incidents. These collective efforts in those two States showed a dramatic, overall reduction of 65 percent in unreported critical incidents, exceeding the targeted FY 2021 measure of a 5-percent overall reduction. The measure was discontinued because of data limitations.

As evidenced by the results reported in this section, OIG's efforts in this area have been successful. Our work has been at the forefront of promoting patient safety and the accuracy of payments in the selected home and community-based settings on which we focused. In FY 2023, OIG is retiring this Priority Outcome.

PRIORITY OUTCOME 3:

Improve Emergency Preparedness and COVID-19 Response and Recovery: Focus on Nursing Homes

Background

Natural and manmade disasters and public health emergencies present a broad range of human, social, economic, and environmental impacts, with potentially long-lasting effects on the Nation's health care system. These events often have significant implications for nursing homes, as evidenced by the impact of the COVID-19 pandemic on nursing home residents—during which the overall mortality rate in nursing homes rose 32 percent—and other negative outcomes after natural disasters. In September 2021, at least five nursing home residents in Louisiana died following a botched evacuation for Hurricane Ida during which residents were evacuated to an overcrowded and unsanitary warehouse. In September 2017, 12 nursing home residents in Florida died due to heat exposure after Hurricane Irma caused widespread power outages that left the nursing home without air conditioning for several days. When Hurricane Ian made landfall in Florida in September 2022 as one of the strongest and most destructive storms to ever hit the United States, more than 40 nursing homes evacuated more than 3,400 residents.

OIG work has identified gaps in nursing home emergency preparedness and community planning efforts despite CMS requirements that nursing homes develop and maintain emergency preparedness programs that address a wide range of issues. Our prior work found that, although nursing homes often met CMS guidelines for emergency planning, many nursing homes failed to follow their own plans, or their efforts were insufficient for responding to an actual emergency. Nursing homes were challenged to evacuate residents safely during emergencies due to many factors, including a lack of vehicles and competing demands in a community.

To improve emergency preparedness and COVID-19 response and recovery, OIG is focusing on improving the quality of response by nursing homes. This focus also supports OIG's commitment to improving care at nursing homes more generally. Specifically, OIG is committed to reducing the prevalence and severity of challenges related to safely transporting nursing home residents during public health emergencies and will measure progress over time. Nursing homes have identified this is a particularly pressing challenge.

Discussion of Progress

OIG in FY 2022 surveyed a random sample of 199 Medicare-certified nursing homes located in census tracts designated "very high-risk" or "relatively high-risk" for natural disasters by the Federal Emergency Management Agency. We received responses from 168 of the 199 nursing homes. The survey covered a wide range of challenges that limit nursing homes' abilities to ensure resident care needs are met during emergencies. We asked nursing homes to identify the most pressing challenges to their emergency preparedness efforts. The survey included topics regarding collaboration with community partners, resident transportation, infection control and quarantine, and staffing plans, among other emergency preparedness topics.

Given the concerns raised by nursing homes about resident transportation, and our past work identifying issues in this area, OIG established a Key Performance Indicator (KPI) to focus on

reducing the prevalence and severity of nursing home transportation challenges during emergencies. This KPI will be a composite of three, specific challenges related to transporting residents: (1) establishing exclusive agreements with transportation companies, (2) establishing agreements that ensure vehicles will meet resident needs, and (3) isolating contagious (e.g., COVID-19-infected) residents during transportation.

OIG used responses from our nursing home survey to calculate a severity score for each potential challenge that may limit nursing homes' abilities to ensure resident care needs are met during emergencies. The severity score for each potential challenge combines the number of nursing homes affirming a challenge and the extent the challenge affected them. The maximum possible severity score would mean that every nursing home in our sample rated each of the three questions on the survey as a "major challenge." Our baseline for the KPI is the aggregate of nursing home severity scores as a percentage of the maximum possible severity score.

According to the FY 2022 survey, nursing home severity scores for transportation challenges were 27 percent of the maximum possible severity score. The severity score indicates that nursing homes are reporting challenges with transporting patients during an emergency and improvements can be made. We plan to conduct oversight work aimed at driving down this 27 percent. Our goal is to reduce the current severity score by 2 percentage points every 2 years. Reducing these challenges would mean that nursing homes would be better prepared to ensure that resident safety and care needs are met during evacuations.

To assess progress, OIG will monitor changes in nursing homes' reporting of these transportation challenges through biannual surveys. To facilitate comparison over time, we will administer the subsequent surveys to the same sample of 199 nursing homes.

To drive improvement, OIG plans to publish a data brief that will provide a comprehensive analysis of the results from our recent survey. Additionally, in our ongoing and future audits and/or evaluations, OIG will focus on specific challenges identified in the survey, such as procedures for isolating residents to avoid infection during evacuations. OIG may also examine nursing home transportation agreements and plans to identify potential overlaps and vulnerabilities. OIG will raise these challenges with Department officials and the stakeholder community to shed light on preparedness and community planning needs to help ensure nursing homes have the capabilities necessary to safely transport residents during an emergency.

PRIORITY OUTCOME 4:

Strengthen Medicaid Effectiveness and Protections Against Fraud, Waste, and Abuse

Background

During 2022, Medicaid was serving nearly 84 million enrollees—more than any other Federal health care program—and represented one-sixth of the national health care economy. The Medicaid improper payment rate increased from 9.8 percent in 2018 to 15.6 percent in 2022. Through prior oversight work, OIG has identified certain factors that have contributed to the increased Medicaid improper payment rate, such as insufficient documentation to support Medicaid eligibility determinations, as well as deficiencies related to providers enrolling in the Medicaid program.

Discussion of Progress

OIG is focused on reducing Medicaid improper payments. OIG is measuring progress on reducing Medicaid improper payments made to Managed Care Organizations (MCOs) for people concurrently enrolled in multiple States. This is a known risk area based on OIG audits in three States that found that millions of dollars in Medicaid improper payments were made for people enrolled in more than one State Medicaid program at the same time. In addition, OIG estimated the Medicaid program incurred costs of approximately \$117.1 million in August 2020 for capitation payments associated with people concurrently enrolled in more than one State, an increase of nearly \$40 million from the previous August. This amount represents potential annual savings of \$1.4 billion to the Medicaid program. OIG strategies for reducing these concurrent capitation payments include: (1) continuing to audit States to identify additional opportunities for reducing the number and amount of concurrent Medicaid capitation payments, (2) partnering with State auditors to assist them in identifying and reducing concurrent Medicaid capitation payments in their States, and (3) coordinating with CMS and States regarding available data sources to identify people with concurrent Medicaid enrollment.

For this Priority Outcome, we have established a baseline of annual Medicaid improper payments totaling \$1.4 billion, and targets of a 2.5 percent reduction in FY 2023 and a 5 percent reduction in FY 2024.

PRIORITY OUTCOME 5:

Promote Quality Care and Comprehensive Financial Oversight of Managed Care Programs

Background

During 2022, 48 percent of people enrolled in Medicare received care through a Medicare Advantage (MA) plan. Projections indicate that enrollment in MA will exceed that of fee-for-service Medicare sometime between 2023 and 2025. In the Medicaid program, more than 81 percent of enrollees receive at least part of their services through an MCO. In 2021, MA spending totaled \$346 billion and Medicaid Managed Care Federal spending totaled \$254 billion.

OIG work has identified a range of risks in managed care, including potential fraud and abuse by managed care plans and by providers who furnish services to plan enrollees. Vulnerabilities include, for example, the gaming of risk-adjustment data to increase payments to plans and billing by providers for services not rendered.

OIG is continuing our oversight of managed care to promote access to high-quality care for people enrolled in managed care, provide comprehensive financial oversight, combat fraud, and promote data accuracy and data-driven decisions.

Discussion of Progress

As OIG works to implement this priority outcome, work on Medicaid managed care is well underway. OIG is leveraging its unique expertise to drive increases in the number and quality of referrals to OIG and/or MFCUs regarding suspected provider fraud in Medicaid Managed Care. Prior OIG work has found weaknesses in MCOs' efforts to identify and address fraud and abuse

and to make appropriate referrals. OIG plans to engage with MCOs and with Federal and State Medicaid program integrity officials to focus attention on this issue and identify levers for improvement, including improvement through technical assistance. OIG is also exploring relevant Medicaid Managed Care contract provisions to determine the most effective contractual provisions for encouraging referrals. Finally, OIG continues to develop and perform audits and evaluations that identify which factors encourage managed care referrals and whether those factors can be replicated in other MCO plans and States. OIG is also examining barriers that hinder referrals and how such barriers might be mitigated.

PRIORITY OUTCOME 6:

Strengthen HHS Cybersecurity Protections for Systems and Data

Background

HHS is the largest Federal department by spending, accounting for about a quarter of all Federal expenditures. Through its vast network of grantees and contractors, HHS carries out critical missions related to health and human services in the United States and globally. The size and importance of HHS make it a prime target for cybersecurity attacks. Each day, essential and mission-critical HHS systems and data are subject to thousands of cyberattacks. In response to growing cybersecurity threats to Government operations, the President issued the Executive Order “Improving the Nation’s Cybersecurity,” which includes direction to improve Federal Government efforts to identify, deter, protect against, detect, and respond to cybersecurity threats. Cyberattacks, such as denial-of-service attacks and breaches of protected personally identifiable information, can have significant consequences for individuals, organizations, and the Nation as a whole. OIG works to ensure that cybersecurity threats are addressed in a timely fashion.

Discussion of Progress

To strengthen HHS cybersecurity, OIG is measuring progress on reducing the backlog of longstanding, unresolved HHS cybersecurity incidents that were reported to the HHS Computer Security Incident Response Center (CSIRC). Unresolved incidents are potential points of attack for adversaries to leverage in future cyberattacks, and timely resolution is important to ensure a strong cyber defense posture. Since September 2021, the number of open incidents has decreased by more than 1,000. OIG contributed to this improvement through engagement with the HHS Chief Information Officer, analysis of data, and by working with HHS Operating Divisions (OpDivs) on effective actions to reduce the backlog and improve timely resolutions. Some OpDivs have demonstrated substantial progress in resolving open incidents that were reported to CSIRC. For example, CDC had a 95-percent decrease in incidents reported to CSIRC that were open more than 30 days. OIG intends to continue working with HHS and its OpDivs to identify barriers to incident closure. Ultimately, OIG is aiming to drive the improvement of HHS’s cybersecurity culture, with our work in cybersecurity incident closure providing a key step.

Performance Goals and Outcomes

Three additional indicators of OIG's progress in fighting fraud, waste, and abuse and promoting economy, efficiency, and effectiveness in HHS programs and operations are:

- a 3-year rolling average of expected recoveries from OIG's HHS oversight activities that resulted in investigative receivables and audit disallowances,
- a 3-year rolling average of the expected ROI from OIG's HHS oversight activities that resulted in investigative receivables and audit disallowances, and
- several accepted quality and management improvement recommendations.

These three outcome indicators reflect OIG's audits, evaluations, and investigative efforts as well as joint efforts with a network of program integrity partners. OIG audits and evaluations generate findings and recommendations intended to reduce costs, improve the efficiency and economy of programs, and/or increase protections for the health and well-being of program beneficiaries. OIG informs Congress and HHS officials of its recommended potential cost disallowances and corrective actions. OIG follows up by engaging proactively with HHS officials and other policymakers to promote prompt and effective implementation of recommendations. Moreover, OIG remains at the forefront of the Nation's effort to fight fraud in HHS programs and hold wrongdoers accountable. Along with our partners including DOJ, MFCUs, and various Federal, State, and local law enforcement agencies, OIG detects, investigates, and prosecutes fraud through a coordinated, data-driven approach. One example of this data-driven approach is the Contracts and Grants Analytics Portal, which enables HHS-OIG staff to analyze trends identify high-risk grants and contracts for investigations and audits.

For 2022, OIG updated the methodologies for these three outcome indicators. For example, For instance, the ROI indicator includes additional sources of funding for OIG's oversight of CMS program as well as additional expected recoveries resulting from its work. Additionally, the expected recoveries indicator reflects the three averages of the updated expected recoveries. Lastly, the number of accepted quality and management improvement recommendations now includes recommendations made to State MFCUs.

Key Outcomes⁴³	FY 2022 Most Recent Actuals	FY 2023	FY 2024 President's Budget	FY 2024 +/- FY 2023
Expected recoveries resulting from OIG involvement in health care fraud and abuse oversight activities (Dollars in Millions)	\$3,628	\$3,491	\$3,482	-\$9
ROI resulting from OIG involvement in health care fraud and abuse oversight activities	\$11:\$1	\$10:\$1	\$10:\$1	--
Number of quality and management improvement recommendations accepted	186	120	120	--
Key Outputs	FY 2022 Most Recent Actuals⁴⁴	FY 2023	FY 2024 President's Budget	FY 2024 +/- FY 2023
Audits:				
Audit Products started	145 (Target met)	134	139	+5
Audit Products issued	120 (Target met)	124	127	+3
Audit Products issued within 1 year of start (percentage)	19% (Target not met)	25%	25%	---%
Evaluations:				
Evaluation Products started	43 (Target met)	43	45	+2
Evaluation Products issued	43 (Target met)	43	45	+2
Evaluation Products issued within 1 year of start (percentage)	40% (Target met)	25%	25%	---%
Investigations:				
Complaints Received for investigation	2781 (Target met)	3,050	3,125	+75
Investigative Cases opened	1,817 (Target Met)	1,992	2,046	+54
Investigative Cases closed	2,316 (Target met)	2,144	2,193	+49
PL funding (Dollars in Millions)	\$416.2	\$432.5	\$514.8	+\$79.9

⁴³ The expected recoveries and ROI performance indicators are calculated using 3-year rolling averages.

⁴⁴ As the number of outputs in a given year shifts to reflect priorities, OIG uses a 20 percent threshold for determining whether a target is met.

Performance Information for PHHS Oversight

Key Outputs	FY 2022 Most Recent Actuals	FY 2023	FY 2024 President's Budget	FY 2024 +/- FY 2023
Audits:				
Audit Products started	58	34	35	+1
Audit Products issued	42	32	34	+2
Evaluations:				
Evaluation Products started	15	11	11	--
Evaluation Products issued	12	11	11	--
Investigations:				
Complaints Received for investigation	726	726	739	+13
Investigative Cases opened	472	510	524	+14
Investigative Cases closed	514	424	432	+8
BA funding (Dollars in Millions)	\$88.9	\$93.5	\$123.3	+\$29.8

FY 2022 PHHS Major Outputs by OIG Component: Audits, Evaluations, Cases, and Monetary Impact by OpDiv

Office of Audit Services					
Category	Audits Started	Audits Issued	Recommendations Issued	Questioned Cost ⁴⁵	Funds Put to Better Use ⁴⁶
ACF	12	10	23	-	-
ACL	2	-	-	-	-
AHRQ	1	-	-	-	-
CDC	9	2	-	-	-
CMS-Exchanges	-	-	-	-	-
FDA	5	3	12	-	\$88,152
HRSA	6	2	6	-	-

⁴⁵ Questioned Cost reflects disallowed cost and/or potential recoveries for which management concurred with the audit recommendation.

⁴⁶ Funds Put to Better Use reflects potential savings on those audit recommendations that achieve identifiable monetary savings.

Office of Audit Services (continued)					
Category	Audits Started	Audits Issued	Recommendations Issued	Questioned Cost ⁴⁷	Funds Put to Better Use ⁴⁸
IHS	2	2	5	-	-
NIH	3	5	9	-	-
SAMHSA	2	3	7	-	-
OS	15	14	36	-	-
PHHS Other ⁴⁹	1	1	10	-	-
Total	58	42	108	-	\$88,152

Office of Evaluation and Inspections			
Category	Evaluations Started	Evaluations Issued	Recommendations Issued
ACF	2	5	14
ACL	-	-	4
AHRQ	-	-	4
CDC	-	1	4
CMS-Exchanges	-	-	-
FDA	3	3	6
HRSA	8	-	-
IHS	1	1	-
NIH	-	1	7
SAMHSA	-	-	-
OS	-	1	-
PHHS Other	1	-	4
Total	15	12	43

⁴⁷ Questioned Cost reflects disallowed cost and/or potential recoveries for which management concurred with the audit recommendation.

⁴⁸ Funds Put to Better Use reflects potential savings on those audit recommendations that achieve identifiable monetary savings.

⁴⁹ PHHS-related matters that span multiple OpDivs.

Office of Investigations						
Category	Cases Opened	Cases Closed	Criminal Actions	Civil Actions	Complaints Received	Monetary Results
ACF	92	102	15	-	163	\$1,513,275
ACL	2	4	-	-	3	-
AHRQ	3	2	-	-	4	-
CDC	31	27	1	-	46	\$14,420
CMS-Exchanges	-	-	-	-	-	-
FDA	17	25	-	-	22	-
HRSA	67	49	5	-	86	\$403,078
IHS	54	58	11	2	120	\$218,175
NIH	54	69	3	3	54	\$2,051,205
SAMHSA	11	10	-	-	16	-
OS	117	117	8	1	179	\$2,903,920
PHHS Other ⁵⁰	24	51	6	-	33	\$1,289,841
Total	472	514	49	6	726	\$8,393,914

⁵⁰ PHHS-related matters that span multiple OpDivs.

Performance Information for Medicare and Medicaid Oversight

Key Outputs	FY 2022 Most Recent Actuals	FY 2023 Current Year Target	FY 2024 Proposed Target	FY 2024 +/- FY 2023
Audits:				
Audit Products started	87	100	104	+4
Audit Products issued	78	92	93	+1
Evaluations:				
Evaluation Products started	28	32	34	+2
Evaluation Products issued	31	32	34	+2
Investigations:				
Complaints Received for investigation	2,055	2,324	2,386	+62
Investigative Cases opened	1,345	1,482	1,522	+40
Investigative Cases closed	1,802	1,720	1,761	+41
BA funding (Dollars in Millions)	\$327.3	\$338.9	\$391.5	+\$52.5

FY 2022 Medicare and Medicaid Major Outputs by OIG Component: Audits, Evaluations, Cases, and Monetary Impact

Office of Audit Services					
Category	Audit Starts	Audits Issued	Rec's Issued	Questioned Cost ⁵¹	Funds Put to Better ⁵²
Medicare and Medicaid Oversight	87	78	227	\$2,176,138,906	\$1,208,922,444

Office of Evaluation and Inspections			
Category	Evaluation Starts	Evaluations Issued	Recommendations Issued
Medicare and Medicaid Oversight	28	31	67

⁵¹ Questioned Cost reflects disallowed cost and/or potential recoveries in which management concurred with the audit recommendation.

⁵² Funds Put to Better Use reflects potential savings on those audit recommendations that achieve identifiable monetary savings.

Office of Investigations						
Category	Cases Opened	Cases Closed	Criminal Actions	Civil Actions	Complaints Received For Inv	Monetary Results
Medicare and Medicaid Oversight	1,345	1,802	661	530	2,055	\$2,622,282,308

Physicians' Comparability Allowance

1. Department and component:

Department of Health and Human Services, Office of Inspector General

2. Explain the recruitment and retention problem(s) justifying the need for the Physicians' Comparability Allowance (PCA) pay authority.

The OIG Chief Medical Officer (CMO) serves as OIG's internal medical consultant to all OIG components on a wide array of OIG activities. The CMO provides technical expertise on a variety of medical and clinical issues relating to investigations, litigation, and compliance involving potential fraud, quality-of-care violations, and other significant health-care-related issues. As this position is critical to the success of many OIG efforts, the PCA helps to ensure that the CMO position is competitive to qualified candidates and that, once selected, quality individuals are retained.

3-4) Please complete the table below with details of the PCA agreement for the following years:

	PY 2022 (Actual)	CY 2023 (Estimates)	BY* 2024 (Estimates)
3a) Number of Physicians Receiving PCAs	1	1	1
3b) Number of Physicians With 1-Year PCA Agreements	0	0	0
3c) Number of Physicians With Multiyear PCA Agreements	1	1	1
4a) Average Annual PCA Physician Pay (Without PCA Payment)	\$213	**\$222	**\$232
4b) Average Annual PCA Payment	\$30	\$30	\$30

BY data will be approved during the BY budget cycle. Please ensure that each column is completed.

** CY 2023 and BY 2024 estimates reflect a conservative performance-based increase (1.5 percent base pay + bonus) that may be authorized consistent with OIG's Senior Professional Pay-for-Performance System and annual supplemental guidance.

5) Explain the degree to which recruitment and retention problems were alleviated in your agency through the use of PCAs in the prior fiscal year.

See above response (2) for detail. The position was not vacant in the prior fiscal year, which is attributable, in part, to the PCA.

6) Provide any additional information that may be useful in planning PCA staffing levels and amounts in your agency.

OIG sets its annual PCA amount consistent with HHS policy. In 2022, approximately \$30,000 will be provided to the physician in Category IV-B. Regarding the increase in the average annual PCA physician pay (without PCA payment), the estimated salary of OIG's CMO reflects a conservative rating-based pay adjustment commensurate with this physician's individual performance and impact on achieving agency priorities and mission imperatives under an Office of Personnel Management (OPM)-approved and certified "pay-for-performance" appraisal system that covers senior-level positions. Actual pay increases will be made in accordance with HHS and OIG policy and annual pay guidance and directives issued by OPM and/or OMB.

SECTION V: OIG SPECIAL REQUIREMENTS

Section 6 of the Inspector General Act (IG Act) was amended in 2008 by the Inspector General Reform Act (P.L. No. 110-409). Revised section 6 now reads:

“(f)(1) For each fiscal year, an Inspector General shall transmit a budget estimate and request to the head of the establishment or designated Federal entity to which the Inspector General reports. The budget request shall specify the aggregate amount of funds requested for such fiscal year for the operations of that Inspector General and shall specify the amount requested for all training needs, including a certification from the Inspector General that the amount requested satisfies all training requirements for the Inspector General’s office for that fiscal year, and any resources necessary to support the Council of the Inspectors General for Integrity and Efficiency. Resources necessary to support the Council of the Inspectors General on Integrity and Efficiency shall be specifically identified and justified in the budget request.

“(2) In transmitting a proposed budget to the President for approval, the head of each establishment or designated Federal entity shall include –

- (A) an aggregate request for the Inspector General;
- (B) amounts for Inspector General training;
- (C) amounts for support of the Council of the Inspectors General on Integrity and Efficiency; and
- (D) any comments of the affected Inspector General with respect to the proposal.

“(3) The President shall include in each budget of the United States Government submitted to Congress –

- (A) a separate budget statement of the budget estimate prepared in accordance with paragraph (1);
- (B) the amount requested by the President for each Inspector General;
- (C) the amount requested by the President for training of Inspectors General;
- (D) the amount requested by the President in support for the Council of the Inspectors General on Integrity and Efficiency; and
- (E) any comments of the affected Inspector General with respect to the proposal if the Inspector General concludes that the budget submitted by the President would substantially inhibit the Inspector General from performing the duties of the office.”

OIG meets the above requirement by providing the following information:

- OIG’s aggregate budget estimate and request to HHS at the beginning of the FY 2024 process was \$517.9 million⁵³. This funding would have supported expanded or new OIG oversight and enforcement activities to investigate fraud; improve the Nation’s emergency preparation, response, and recovery capabilities; better protect residents in nursing homes; better protect the health and well-being of children served by HHS programs; reduce error rates and modernize payment policies; ensure the integrity of growing managed care programs; address unmet needs for persons with behavioral health and substance abuse disorders; promote access, quality, and integrity in telehealth; advance equity in health and human services; protect and strengthen access to high quality, affordable Marketplace insurance; and increase the capacity and reach of OIG’s whistleblower program.
- Funding requested for training is approximately \$4 million.
- Funding amounting to \$2.1 million will be necessary to support the Council of the Inspectors General on Integrity and Efficiency (CIGIE).

⁵³ Due to timing of development, this number does not include the legislative proposal to rebase the HCFAC Mandatory funding but is included in the final FY 2024 President’s Budget.