



**DEPARTMENT
of HEALTH
and HUMAN
SERVICES**

**Fiscal Year
2021**

Office of Inspector
General

***Justification of
Estimates for
Appropriations Committees***

Mission, Vision, and Values

The Department of Health and Human Services (HHS) touches the lives of all Americans through programs that provide health insurance, promote public health, protect the safety of food and drugs, and fund medical research, among other activities.

Mission

The mission of the Office of Inspector General (OIG) is to protect the integrity of HHS programs and the health and welfare of the people they serve. As established by the [Inspector General Act of 1978](#), OIG is an independent and objective organization that fights fraud, waste, and abuse and promotes efficiency, economy, and effectiveness in HHS programs and operations. It works to ensure that Federal dollars are used appropriately and that HHS programs serve the people who use them.

Vision

OIG's vision is to drive positive change in HHS programs and in the lives of the people served by those programs. It pursues this vision through independent oversight of HHS programs and operations and by providing HHS and Congress with objective and reliable information for use in policymaking. OIG assesses the Department's performance, administrative operations, and financial stewardship. It evaluates risks to HHS programs and recommends improvements. The law enforcement component of OIG investigates fraud and abuse against HHS programs and beneficiaries and holds wrongdoers accountable for their actions.

Values

OIG strives to be relevant, impactful, customer focused, and innovative. OIG applies these values to its work in order to persuade others to take action by changing rules, policies, and behaviors to improve HHS programs and operations. OIG strives to serve as a model for good government. Of key importance is engagement with its stakeholders—Congress, HHS, States, health and human services professionals, and consumers—to understand their needs, challenges, and interests in order to identify areas for closer scrutiny and offer recommendations for improvement. OIG uses input from stakeholders to develop its *Work Plan*, identify HHS's [Top Management and Performance Challenges](#), and inform OIG's goals, priorities, and strategies for its oversight work.

<https://oig.hhs.gov>

A Message From the Office of Inspector General

I am pleased to present the U.S. Department of Health and Human Services (HHS), Office of Inspector General (OIG), fiscal year (FY) 2021 budget submission. This submission is in accordance with the Inspector General Act, as amended (5 U.S.C. App.). It represents OIG's budgetary requirements for meeting its responsibility to protect the integrity and efficiency of more than a hundred HHS programs and the health and welfare of the beneficiaries they serve.

OIG's FY 2021 budget requests a total of \$419 million to oversee HHS programs. This includes \$90 million for oversight of HHS's Public Health and Human Services (PHHS) programs and \$329 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 (DOJ).

OIG's objective, independent oversight work identifies opportunities to decrease costs and increase efficiency and effectiveness of HHS programs. OIG works to hold accountable those who violate Federal laws or fail to meet program requirements. OIG deploys data-driven decision making to identify oversight priorities and to produce high-value results.

OIG has set performance targets for the following priority areas: protecting beneficiaries from prescription drug abuse, including opioid abuse; promoting patient safety and accuracy of payments for services furnished in home and community settings; strengthening Medicaid protections against fraud and abuse; and ensuring health and safety of children served by grant-funded programs. Additional key oversight areas include cybersecurity, prescription drug spending, managed care and non-traditional healthcare models, management of grants and contracts, oversight of technology, and financial stewardship of HHS programs.

OIG will continue to use the full complement of its oversight tools and authorities to pursue fraud, identify HHS's most significant risks, and make actionable recommendations to address them. OIG will leverage data and technology to identify and target potential fraud schemes and areas of program waste and abuse and to support its first-in-class workforce, its government partners, and, where appropriate, its private sector partners.

Since its establishment in 1976, OIG has been at the forefront of combating fraud, waste, and abuse. OIG consistently delivers results that strengthen HHS programs and produce substantial returns on investments for taxpayers. For example, in FY 2018, the HCFAC program, in which OIG is a major participant, returned to the Federal Government \$4 for every \$1 invested. This submission highlights additional examples of OIG's accomplishments. The funding requested will advance OIG's mission to protect the health and well-being of all Americans.

/s/

Christi A. Grimm
Principal Deputy Inspector General
Performing the Duties of the Inspector General

<https://oig.hhs.gov>

The FY 2021 Justification of Estimates for the Appropriations Committees

U.S. Department of Health and Human Services
Office of Inspector General

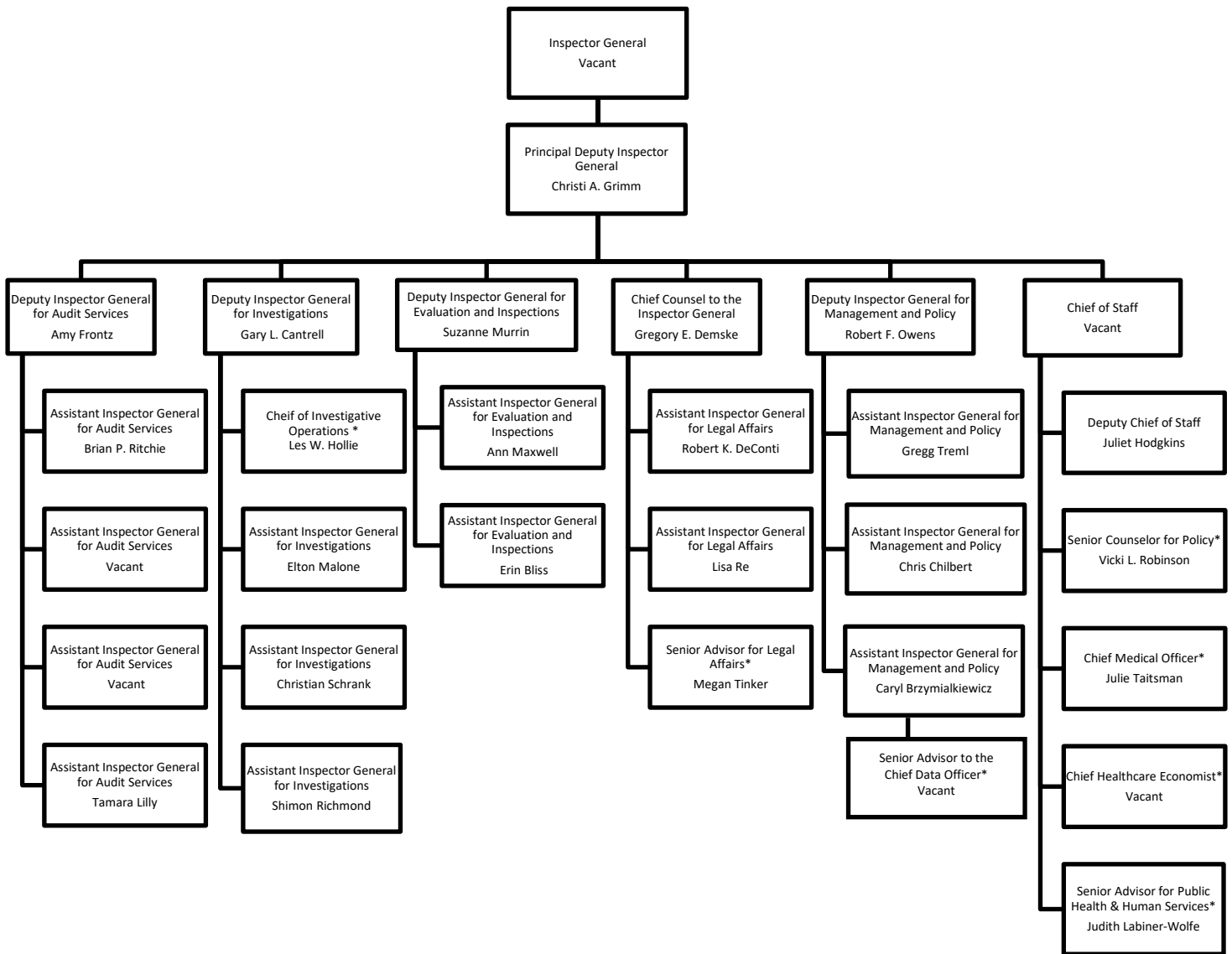
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EXECUTIVE SUMMARY

OFFICE OF THE INSPECTOR GENERAL

Organizational Chart



Note: * denotes a Senior Level position

Overview of Budget Request

The fiscal year (FY) 2021 request for the Office of Inspector General (OIG) is \$419 million, \$28 million above the FY 2020 Enacted. The FY 2021 request does not estimate sequestration.

OIG provides objective, independent, credible oversight to drive positive change for the Department of Health and Human Services' (HHS's or the Department's) programs and the people they serve. OIG is at the forefront in preventing and detecting fraud, waste, and abuse in health and human services programs and, where necessary, enforcement to address violations of law. Increasingly, we are using our resources to promote the delivery of safe, high-quality services to beneficiaries of HHS programs. OIG delivers results and actionable information to program officials, policymakers, taxpayers, public-private partners, and consumers.

HHS is a complex agency with approximately 80,000 employees in the United States and across the globe. It administers a budget of more than \$1.3 trillion. It is the largest grant-making agency and the fourth-largest contracting agency in the Federal Government. HHS administers Medicare and Medicaid, the largest public healthcare programs in the Nation. HHS programs deliver important health and human services that touch the lives of virtually every American. It is essential that they operate economically, effectively, and efficiently and are free from fraud, waste, and abuse.

OIG will optimize its resources and use the requested funding to advance OIG's mission. This request includes resources to continue OIG's Public Health and Human Services (PHHS) oversight work and to continue OIG's oversight of rapidly changing, complex, and costly Health Care Fraud and Abuse Control (HCFAC) programs, including Medicare and Medicaid). OIG will devote additional resources to address prescription drug abuse (including opioids). These investments will advance the President's Management Agenda by fostering transformational change and paving the way for sustained improvement over time through greater efficiency, effectiveness, transparency, and accountability. OIG's workforce is, and will continue to be, well-trained, knowledge-rich, first-in-class, and strategically tailored to accomplish OIG's core mission; it will be supported by business-standard technology and data analytics capabilities needed to propel productivity and effectiveness across OIG's work.

OIG's request is divided into two main categories: (1) PHHS oversight, and (2) Medicare and Medicaid oversight (HCFAC Program). The FY 2021 program level request for these categories includes:

PHHS Oversight:¹ \$90.0 million and 380 full-time equivalent (FTE), an increase of \$10 million above the FY 2020 Enacted.

The Department's PHHS programs represent nearly \$100 billion in spending. OIG will help strengthen PHHS programs by leveraging data, modern technology, specialized expertise, and strategic partnerships to target high-risk areas and maximize the effectiveness and outcomes of these critical programs. As it has done successfully for Medicare, OIG will use advanced data analytics and multidisciplinary state-of-the-art investigative techniques to address program integrity in PHHS grant programs and contract services. OIG will use an enterprise-wide data strategy to more effectively detect fraud that touches multiple programs. This request will support expansion of OIG's oversight of programs addressing substance abuse (including opioids), substance abuse treatment, and serious mental illness, as well as implementation of OIG's new authorities related to information blocking. OIG will continue its longstanding oversight in other key areas, including health and safety of children served by HHS programs; quality, safety, and integrity of services provided by HHS programs; grants and contracts management; and emergency preparedness and response activities.

¹PHHS oversight includes programs authorized in Title I of the Affordable Care Act (ACA) and administered by the Centers for Medicare & Medicaid Services (CMS).

Medicare and Medicaid Oversight: \$329 million and 1,296 FTE, an increase of \$25 million above the FY 2020 Enacted. This funding is subject to sequestration. Historically, sequestration has reduced OIG's annual funding by an average of \$14 million. Sequestration reductions will be determined after the release of the FY 2021 President's Budget.

OIG will enhance and expand HCFAC oversight activities to combat fraud, waste, and abuse in Medicare and Medicaid. OIG will continue its strategic program of investigations, audits, evaluations, inspections, and legal actions focused on preventing and detecting fraud, waste, and abuse in Medicare and Medicaid and, where necessary, taking enforcement actions to hold wrongdoers accountable. Key oversight areas will continue to include prescription drug abuse (including opioids), home and community-based services, cybersecurity, health technology (including telehealth), prescription drug programs, managed care and value-based programs, improper payments, combating fraud, and strengthening program integrity (including provider enrollment and other integrity measures). OIG will continue to develop and use advanced data analytics and tools to provide cutting-edge, data-informed oversight. OIG will also continue to foster strong, productive relationships with Federal and State Government partners and public-private partners and to promote compliance through education and outreach efforts.

Overview of Performance: Outcome Focused

OIG delivers financial savings to taxpayers while protecting beneficiaries and safeguarding programs from mismanagement and fraud. OIG continues to modernize its infrastructure capacity to deliver high quality, timely, actionable data to frontline staff and to OIG partners. OIG is focused on developing data-driven Key Performance Indicators to achieve results in priority areas and measures that further the goals of OIG's work. OIG deploys data-driven decision making to achieve outcome-focused results.

OIG's Strategy and Capturing Positive Impact

OIG's mission is to protect the integrity of HHS programs and the health and welfare of the people they serve. OIG's goals include fostering effective and efficient HHS programs by fighting fraud, waste, and abuse; promoting quality, safety, and value; and advancing excellence and innovation. OIG historically reported on outputs (for example, the number of products issued), which did not fully reflect the positive outcomes of our work for HHS programs, beneficiaries, and taxpayers. Moreover, OIG's work focuses on 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 HHS beneficiaries. In recent years, we have devoted attention to better measuring outcomes in priority areas. OIG is building an innovative, agile, continuous-learning organization that can respond quickly to changing oversight needs, including opportunities to improve safety and quality of services for beneficiaries and save taxpayer dollars.

Modernizing OIG's Infrastructure and Workforce

OIG increasingly relies on information technology (IT) to protect the programs of HHS. IT allows OIG to efficiently and effectively perform our mission, integrate work and collaborate with our partners, and manage our national workforce. Moreover, IT drives everything from core HHS benefits programs, such as Medicare and Medicaid, to the enterprise processes that make the Department function. The ability to develop, procure, assure, deploy, and continuously update our IT is foundational to overseeing HHS programs. Our ability to protect HHS programs will depend on the capabilities of our IT solutions. To adapt and respond to emerging developments, such as the rise of digital health technologies, it is essential that OIG develop and deploy IT that rapidly handles large and diverse data sets. Robust IT solutions enable maximum effectiveness, strengthen our ability to work with partners, and improve the business processes of our enterprise automated systems.

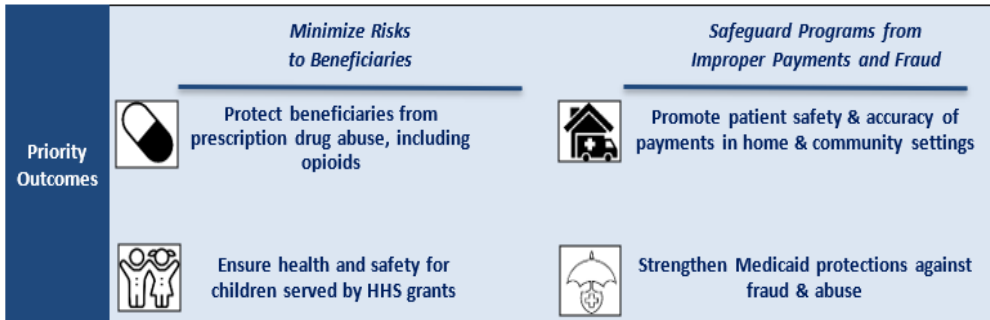
Self-service analytics tools developed by OIG, like the Provider Profile and GeoPortal, put data and products at OIG's experts' fingertips. For example, results from these tools support the Appalachian Regional Opioid (ARPO) Strike Force takedowns by enabling investigative analysts to sift through data about suspicious billing and prescribing in hours instead of weeks to develop meaningful referrals for law enforcement action. The predictive analytic models flag high-risk providers and areas to further focus efforts. Similarly, OIG's data analytics team provided custom analytics vital to the recent successful investigation and prosecution of a landmark [HHS-OIG/FBI joint Medicare Fraud Strike Force case](#) involving serious harm to nursing home patients and more than \$1.3 billion in fraudulent claims to Medicare and Medicaid. As the Department's programs become increasingly networked and automated, and the use of machine learning and AI increases, our ability to provide oversight will be directly linked to our ability to deploy IT solutions that are better, smarter, and more capable. We need to identify and respond in near-real time to new threats as they happen.

OIG will continue to update and develop more capabilities with additional funding. Our current structured data from Medicare is more than 50 terabytes. With additional Medicaid data and PHHS grants and contracts data, we anticipate our data to grow to the petabyte range, an increase of approximately 20 times (or 2,000%) our current amount. To accommodate growth in data and other technology advancements, OIG must continue to update its aging infrastructure and replace outdated legacy systems and applications. Finally, OIG will leverage artificial intelligence (AI) and blockchain

technology to streamline internal processes and enhance human capabilities to better identify fraud, waste, and abuse. OIG investments will continue to deliver dividends for HHS.

OIG Priority Outcomes

With a more than \$1.3 trillion portfolio to oversee, OIG sets priority outcomes to achieve the greatest impact across HHS's diverse programs. In the FY 2019 President's Budget, OIG introduced performance indicators that align with OIG's priority outcomes. For each priority outcome area, OIG develops strategies, drives action, unleashes organizational creativity, and measures impact to provide solutions and improve outcomes for HHS programs and beneficiaries. OIG's current priority outcome areas were selected based on past and ongoing work, top challenges facing HHS as identified annually by OIG, the ability to collect data, and the ability to influence outcomes.



All-Purpose Table²

(Dollars in thousands)

	FY 2019 Final ³	FY 2020 Enacted	FY 2021 President's Budget	FY 2021 PB +/- FY 2020 CR
PHHS Oversight⁴				
Discretionary Budget Authority (BA) (L/HHS)	\$80,000	\$80,000	\$90,000	+\$10,000
Information Blocking (non-add) ⁵	0	0	[5,300]	+5,300
FDA Transfer (Ag)	1,500	1,500	-	-1,500
NIH Transfer (L/HHS)	5,000	5,000	-	-5,000
Subtotal, PHHS Oversight	\$86,500	\$86,500	\$90,000	+\$3,500
Medicare/Medicaid Oversight				
HCFAC Mandatory BA	195,755	200,082	215,574	+15,492
HCFAC Discretionary BA	87,230	93,000	101,644	+8,644
Subtotal, Medicare/Medicaid Oversight BA⁶	282,985	293,082	317,218	+24,136
HCFAC Estimated Collections ⁷	11,256	11,292	12,000	+744
Subtotal, Medicare/Medicaid Oversight Program Level (PL)	294,241	304,374	329,218	+24,844
Total BA	369,485	379,582	407,218	+27,636
Total PL	\$380,741	\$390,874	\$419,218	+\$28,344
FTE	1,631	1,650	1,676	+26

² Table excludes non-HCFAC reimbursable funding. In FY 2019, OIG obligated \$12.3 million in non-HCFAC reimbursable funding. The estimate for FYs 2020 and 2021 is \$21 million. This estimate includes funds from §6201 of the ACA for OIG to evaluate a nation-wide program for national and State background checks on direct-patient-access employees of long-term-care facilities and providers.

³ Reflects FY 2019 required and permissive transfers. Funding level does not include the disaster supplemental appropriation of \$1 million, the humanitarian relief appropriation of \$5 million, or the hurricane appropriation of \$2 million from FY 2018.

⁴ PHHS oversight includes oversight of programs authorized in Title I of the ACA and administered by the Center of Consumer Information and Insurance Oversight (CIIO), a component of CMS.

⁵ The funds for information blocking have been included under the PHHS Discretionary Oversight, however 2-year funding is requested to fulfill this authority. See the Budget Exhibit on page 7 for information blocking appropriation language.

⁶ 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.

⁷ In FY 2019, OIG estimated collections of \$12.0 million under authority of 42 U.S.C. 1320a-7c (§1128C of the Social Security Act), and the actual amount sequestered was \$744,000. The table includes estimates for HCFAC collections for FY 2020 and FY 2021, and the amounts available will depend on the amounts collected.

BUDGET EXHIBITS

Appropriations Language

Office of Inspector General

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, [\$80,000,000] \$90,000,000: 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, \$5,300,000 shall be available through September 30, 2022, for activities authorized under section 3022 of the Public Health Service Act, relating to information blocking.

Amounts Available for Obligation⁸

(Dollars in thousands)

	FY 2019 Final ⁹	FY 2020 Enacted	FY 2021 President's Budget
<u>General Fund Discretionary Appropriation:</u>			
Annual appropriation (Labor/HHS).....	\$80,000	\$80,000	\$90,000
Total, Discretionary Appropriation.....	80,000	80,000	90,000
<u>Transfers:</u>			
Transfer from NIH.....	5,000	5,000	-
Transfer from FDA.....	1,500	1,500	-
Total, Transfer.....	6,500	6,500	-
<u>Offsetting Collections from:</u>			
Trust Fund HCFAC Discretionary.....	87,230	93,000	101,644
Amount Sequestered.....	-	-	-
Total, HCFAC Discretionary.....	87,230	93,000	101,644
<u>Offsetting Collections from:</u>			
Trust Fund HCFAC Mandatory.....	208,694	212,627	215,574
Amount Sequestered.....	-12,939	-12,545	-
Additional Amounts.....	-	-	-
Recoveries from prior years.....	-	-	-
Estimated Collections ¹⁰	12,000	12,000	12,000
Amount Sequestered from Collections.....	-744	-708	-
Previously Sequestered, but Available.....	792	744	708
Total, HCFAC Mandatory.....	207,803	212,118	228,282
Total Amount Sequestered.....	-13,683	-13,253	-
<u>Offsetting collections from:</u>			
Unobligated balance, start of year.....	30,240	44,825	8,101
Unobligated balance, end of year.....	44,825	8,101	10,000
Unobligated balance, lapsing.....	-309	-300	-300
Total obligations.....	\$413,786	\$418,786	\$420,065

⁸ Table excludes non-HCFAC reimbursable funding. In FY 2019, OIG obligated \$12.3 million in non-HCFAC reimbursable funding. The estimate for both FYs 2020 and 2021 is \$21 million. FY 2020 data will be approved during the FY 2021 Budget cycle.

⁹ Reflects FY 2019 required and permissive transfers. Funding level does not include the disaster supplemental appropriation of \$1 million, the humanitarian relief appropriation of \$5 million, or the hurricane appropriation of \$2 million from FY 2018.

¹⁰ The table includes the estimated collections for FY 2020 and FY 2021.

Summary of Changes

(Dollars in thousands)

2020 Enacted	
Total estimated budget authority.....	\$86,500
(Obligations).....	\$86,500
2021 President's Budget	
Total estimated budget authority.....	\$90,000
(Obligations).....	\$90,000
Net Change.....	\$3,500

	FY 2020 Final	FY 2021 PB FTE	FY 2021 PB BA	FY 2021 +/- FY 2020 FTE	FY 2021 +/- FY 2020 BA
Built-in Changes					
Increases:					
A. Built-in:					
1. Provide for salary of FTE.....	\$60,824	358	\$61,884	-	+\$3,131
a. Increase due to FY 2020 Pay Adjustments (non-add).....	\$1,060	-	\$3,131	-	+\$2,584
2. Provide for General Services Administration (GSA) rent	\$5,942	-	\$4,401	-	+\$4
a. Increase due to GSA rent (non- add)	\$585	-	\$4	-	+\$4
Subtotal, Built-in Increases.....	\$66,767	358	\$66,285	-	+\$3,135
Decreases:					
A. Built-in:					
1. Costs related to general operating expenses.....	\$23,342	-	\$23,716	-	+\$374
a. Change in operating expenses (non-add).....	-\$1,737	-	\$370	-	+\$2,108
Subtotal, Built-in Decreases.....	\$23,342	-	\$23,716	-	+\$374
Subtotal, Built-in Changes.....	\$80,000	358	\$90,000	-	+\$10,000
Program Changes					
A Program.....					
1. NIH Transfer.....	\$5,000	-	-	-	-\$5,000
2. FDA Transfer.....	\$1,500	-	-	-	-\$1,500
Subtotal, Program Changes.....	\$6,500	-	-	-	-\$6,500
Total Obligations.....	\$86,500	358	\$90,000	-	+\$3,500

Note: Table displays OIG's Direct Discretionary funding only. OIG's HCFAC Discretionary BA is appropriated to the CMS HCFAC account.

Budget Authority by Activity¹¹

(Dollars in thousands)

	FY 2019 Final ¹²	FY 2020 Enacted	FY 2021 President's Budget
PHHS Oversight			
Discretionary BA ¹³	\$86,500	\$86,500	\$90,000
Subtotal, PHHS Oversight.....	86,500	86,500	90,000
Medicare and Medicaid Oversight.....			
HCFAC Mandatory BA.....	195,755	200,082	215,574
HCFAC Discretionary BA.....	87,230	93,000	101,644
Subtotal, Medicare and Medicaid Oversight BA ¹⁴.....	282,985	293,082	317,218
[HCFAC Collections ¹⁵]	[11,256]	[11,292]	[12,000]
[Subtotal, Medicare and Medicaid Oversight PL.....]	[294,241]	[304,374]	[329,218]
Total, BA.....	369,485	379,582	407,218
[Total, PL.....]	[\$380,741]	[\$390,874]	[\$419,218]
FTE.....	1,631	1,650	1,676

¹¹ Table excludes non-HCFAC reimbursable funding. In FY 2019, OIG obligated \$12.3 million in non-HCFAC reimbursable funding. The estimate for FYs 2020 and 2021 is \$21 million. This estimate includes funds from §6201 of the ACA for OIG to evaluate a nation-wide program for national and State background checks on direct-patient-access employees of long-term-care facilities and providers. OIG obligated \$285,444 for this effort in FY 2019. FY 2020 data will be approved after release of the FY 2021 Budget cycle.

¹² Reflects FY 2019 required and permissive transfers. Funding level does not include the disaster supplemental appropriation of \$1 million, the humanitarian relief appropriation of \$5 million, or the hurricane appropriation of \$2 million from FY 2018.

¹³ OIG's Discretionary BA includes \$1.5 million transferred from FDA in FY 2019 and \$5 million transferred from NIH in FY 2019.

¹⁴ 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.

¹⁵ In FY 2019, OIG estimated collections of \$12.0 million under authority of 42 U.S.C. 1320a-7c (§1128C of the Social Security Act), and the actual amount sequestered was \$744,000. The table includes estimates for HCFAC collections for FY 2020 and FY 2021, and the amounts available will depend on the amounts collected.

Authorizing Legislation¹⁶

(Dollars in thousands)

	FY 2020 Amount Authorized	FY 2020 Amount Appropriated	FY 2021 Amount Authorized	FY 2021 President's Budget
<u>OIG:</u>				
1. Inspector General Act of 1978 (P.L. No. 95-452, as amended).....	Indefinite	\$80,000	Indefinite	\$90,000
2. Health Insurance Portability and Accountability Act of 1996 (HIPAA) (P.L. No.104-191, as amended), HCFAC Mandatory.....	\$200,082	\$200,082	\$215,574	\$215,574
HIPAA, as amended, HCFAC Discretionary.....	Indefinite	\$93,000	Indefinite	\$101,644
HIPAA, as amended, HCFAC Collections.....	Indefinite	\$11,292	Indefinite	\$12,000
3. 21st Century Cures Act (P.L. No 114-255, as amended and amount included in 1. Inspector General Act Authority above)	\$0	\$0	\$0	\$5,300

¹⁶ The table includes estimates for HCFAC collections for FYs 2020 and 2021, and the amounts available will depend on the amounts collected.

Appropriations History

	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
<u>FY 2012</u>				
Direct Discretionary	\$53,329,000	-	\$50,178,000	\$50,178,000
Rescission	-	-	-	(\$95,000)
Public Health Services Evaluation Set-Aside	\$10,000,000	-	-	-
HCFAC Discretionary Allocation Adjustment	\$97,556,000	-	\$97,556,000	\$29,730,000
Rescission	-	-	-	(\$56,000)
HCFAC Mandatory	\$193,387,000	-	-	\$196,090,000
<u>FY 2013</u>				
Direct Discretionary	\$58,579,000	-	\$55,483,000	\$50,083,000
Rescission	-	-	-	(\$100,000)
Sequestration	-	-	-	(\$2,518,000)
HCFAC Discretionary Allocation Adjustment	\$102,500,000	-	\$102,500,000	\$29,855,000
Rescission	-	-	-	(\$59,348)
Sequestration	-	-	-	(\$1,492,771)
HCFAC Mandatory ¹⁷	\$196,669,000	-	-	\$196,299,000
Sequestration	-	-	-	(\$10,011,228)
Disaster Relief Appropriations Act of 2013	-	-	-	\$5,000,000
Sequestration	-	-	-	(\$251,849)
<u>FY 2014</u>				
Direct Discretionary	\$68,879,000	-	\$59,879,000	\$71,000,000
HCFAC Discretionary Allocation Adjustment	\$29,790,000	-	\$107,541,000	\$28,122,000
HCFAC Mandatory	\$278,030,000	-	-	\$199,331,000
Sequestration	-	-	-	(\$14,351,831)
<u>FY 2015</u>				
Direct Discretionary ¹⁸	\$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)
<u>FY 2016</u>				
Direct Discretionary ¹⁸	\$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)
<u>FY 2017</u>				
Direct Discretionary ¹⁸	\$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)
<u>FY 2018</u>				
Discretionary Direct ¹⁹	\$68,085,000	\$81,500,000	\$81,500,000	\$81,500,000

¹⁷ The HCFAC Mandatory amount for FY 2013 does not include \$7.1 million allocated to OIG by HHS.

¹⁸ The Direct Discretionary amount for FYs 2015–2018 includes \$1.5 million transferred from FDA, consistent with the annual appropriations acts.

¹⁹ Reflects FY 2018 required and permissive transfers. Funding level does not include supplemental hurricane appropriations of \$2 million.

	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
HC FAC Discretionary Allocation Adjustment	\$74,246,000	\$82,132,000	\$84,398,000	\$84,398,000
HC FAC Mandatory	\$203,842,374	-	-	\$203,842,374
Sequestration	-	-	-	(\$13,453,597)
<u>FY 2019</u>				
Discretionary Direct ²⁰	\$80,000,000	\$81,500,000	\$86,500,000	\$86,500,000
HC FAC Discretionary Allocation Adjustment	\$87,230,000	\$87,230,000	\$86,664,000	\$87,230,000
HC FAC Mandatory	\$208,289,651	-	-	\$195,755,000
Sequestration	-	-	-	(\$12,939,024)
<u>FY 2020</u>				
Discretionary Direct	\$80,000,000	\$85,000,000	\$86,500,000	\$86,500,000
HC FAC Discretionary Allocation Adjustment	\$98,000,000	\$93,000,000	\$89,625,000	\$93,000,000
HC FAC Mandatory	\$213,248,000	\$200,082,000	\$200,082,000	\$200,082,000
Sequestration	-			
<u>FY 2021</u>				
Discretionary Direct	\$90,000,000	-	-	
HC FAC Discretionary Allocation Adjustment	\$101,644,000	-	-	
HC FAC Mandatory	\$215,574,000	-	-	
Sequestration	-			

²⁰ The Direct Discretionary amount for FYs 2019 includes \$1.5 million transferred from FDA and \$5 million transferred from NIH, consistent with the annual appropriations act.

<https://oig.hhs.gov>

NARRATIVE BY ACTIVITY

OIG Summary of Request

(Dollars in thousands)

	FY 2019 Final ²¹	FY 2020 Enacted	FY 2021 President's Budget	FY 2021 +/- FY 2020
PHHS Oversight ²²	\$86,500	\$86,500	\$90,000	+\$3,500
Medicare and Medicaid Oversight ²³	294,241	304,374	329,218	+24,844
Total	\$380,741	\$390,874	\$419,218	+\$28,344
FTE	1,631	1,650	1,676	+26

Authorizing Legislation.....Inspector General Act of 1978, as amended
 FY 2019 Authorization Indefinite
 Allocation Method Direct Federal

Program Description

Since 1976, OIG has been at the forefront of the Nation's efforts to fight fraud, waste, and abuse through independent, objective, credible oversight. OIG carries out its mission through audits, evaluations, inspections, investigations, and legal actions in accordance with professional standards established by the Government Accountability Office (GAO), the Department of Justice (DOJ), and the Inspector General (IG) community. At all levels, OIG staff works closely with HHS operating divisions (OpDivs) and staff divisions (StaffDivs), DOJ, other IG offices, other Federal agencies in the Executive Branch, Congress, State and local agencies, and private-sector partners to bring about systemic improvements (e.g., through implementation of OIG recommendations), successful prosecutions, negotiated settlements, and recovery of funds to protect the integrity of HHS programs and expenditures and the well-being of HHS program beneficiaries.

HHS is a complex organization with approximately 80,000 employees in the United States and across the globe. It administers a budget of more than \$1.3 trillion. It is the largest grant-making agency and the fourth-largest contracting agency in the Federal Government. HHS administers Medicare and Medicaid, the largest public healthcare programs in the Nation. HHS programs deliver important health and human services that touch the lives of virtually every American. It is essential that they operate economically, effectively, and efficiently and are free from fraud, waste, and abuse.

OIG's work focuses on prevention and detection of fraud, waste, and abuse in HHS programs and, when necessary, enforcement. OIG investigates HHS employee, contractor, and grantee misconduct and violations of criminal law. OIG also investigates criminal and civil fraud allegations against providers, suppliers, and other entities delivering healthcare services to Medicare and Medicaid beneficiaries. OIG brings administrative actions against wrongdoers to impose monetary penalties and

²¹ Reflects FY 2019 required and permissive transfers. Funding level does not include the disaster supplemental appropriation of \$1 million, the humanitarian relief appropriation of \$5 million, or the hurricane appropriation of \$2 million from FY 2018.

²² The FY 2019 PHHS amount includes the \$1.5 million transfer from the Food and Drug Administration appropriation. The FY 2019 PHHS amount includes the \$5 million transfer from the National Institutes of Health appropriation. PHHS oversight includes oversight of programs authorized in Title I of the ACA and administered by CMS.

²³ The request for Medicare and Medicaid oversight includes HCFAC funding, which is drawn from the Medicare Hospital Insurance Trust Fund (sec. 1817(k)(3) of the Social Security Act) and is requested and provided through the CMS budget. Additionally, this total includes an estimate for HCFAC collections.

exclude bad actors from participation in Federal healthcare programs. The audits, evaluations, and inspections conducted by OIG identify misspent funds, wasteful practices, and quality-of-care and patient-safety vulnerabilities. OIG makes recommendations for recovery of misspent funds, improved internal controls, and improved program management and delivery of services. OIG agents provide physical protection for the Secretary of Health and Human Services.

This work helps ensure that taxpayer investments in HHS programs are used economically, effectively, and efficiently to achieve their intended purposes. In addition to safeguarding Federal funds, OIG is dedicating resources to promote the safety and quality of services delivered by HHS programs. OIG will continue to employ a modern, multidisciplinary, first-in-class workforce and give employees the tools, technologies, and data they need to successfully address 21st century oversight challenges and continue to propel productivity and efficiency across OIG’s work.

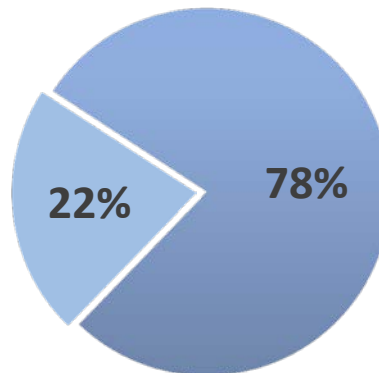
OIG’s funding falls into two broad categories: (1) PHHS, which includes oversight of more than 100 HHS programs and (2) Medicare and Medicaid. In a given year, the amount of work conducted in each category is set by the purpose limitations in OIG’s appropriations.

In FY 2019, 22 percent of OIG’s resources were directed toward oversight of HHS’s PHHS programs and management processes. This includes food and drug safety, disaster relief, research integrity, Indian Health Service oversight, child support enforcement, the Unaccompanied Alien Children (UAC) program, the integrity of departmental contract and grant programs and transactions (including those related to the opioid epidemic), and oversight of the health insurance exchanges. The majority (78 percent) of OIG’s funding was directed toward oversight of the Medicare and Medicaid programs.

OIG's Areas of Oversight FY 2019

PHHS Oversight includes:

- Public Health, Science, and Regulatory Agencies (CDC, NIH, FDA, HRSA, SAMHSA, AHRQ)
- Human Services Agencies (ACF, ACL)
- IHS
- Health Insurance Exchanges



Medicare and Medicaid Oversight includes:

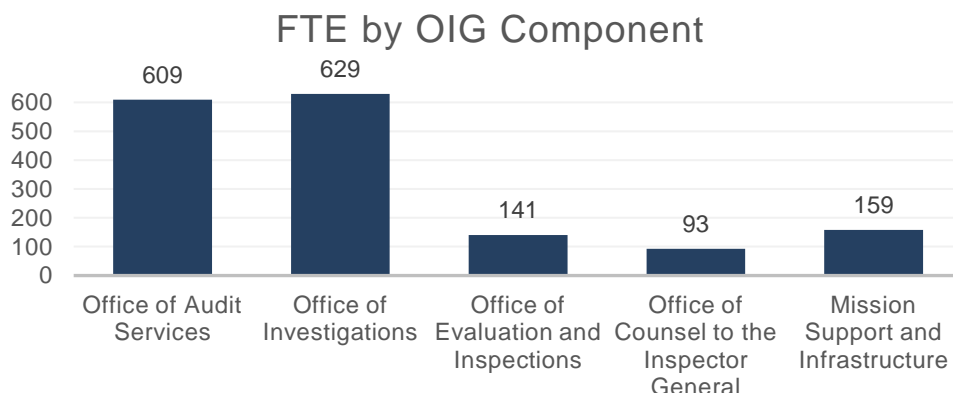
- Medicare Parts A, B, and C
- Prescription Drugs (Part D)
- Medicaid
- Children’s Health Insurance Program (CHIP)

■ PHHS Oversight ■ Medicare/Medicaid Oversight

OIG employs a multidisciplinary workforce—investigators, auditors, evaluators, attorneys, data analysts, program specialists, clinicians, a healthcare economist, digital and technology specialists, and other experts. This workforce brings together multiple professional skills, tools, and perspectives to tackle complicated health and human services issues and sophisticated fraud schemes. For example, OIG pairs criminal investigators and forensic auditors—armed with data and technology—to investigate complex financial fraud cases more effectively. This crosscutting approach allows OIG to deploy its expertise and authorities strategically across disciplines to address fraud and abuse, starting with prevention and detection and, where necessary, ending with enforcement.

OIG maintains a Washington, DC office and a nation-wide network of regional and field offices; more than 70 percent of employees work outside of the Metropolitan Washington, DC area.

In FY 2019, OIG's total funding supported 1,631 FTE across OIG's 5 components.



Office of Audit Services (OAS)

OAS conducts audits of HHS programs and operations through its own resources or by overseeing audit work performed by others. Audits examine the performance of HHS programs and the grantees and contractors in carrying out their respective responsibilities and provide independent assessments of HHS programs and operations. These assessments help reduce waste, abuse, and mismanagement and promote the economy, efficiency, and effectiveness of programs and operations throughout HHS.

Office of Evaluation and Inspections (OEI)

OEI conducts national evaluations and inspections 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 economy, efficiency, and effectiveness in HHS programs. OEI reports also present practical recommendations for improving program operations.

Office of Investigations (OI)

OI conducts criminal, civil, and administrative investigations of fraud and misconduct related to HHS programs, operations, and beneficiaries. OI coordinates with DOJ and other Federal, State, and local law enforcement authorities. OI's investigations often lead to criminal convictions, civil recoveries, civil monetary penalties (CMPs), and exclusions from participation in Federal healthcare programs.

Office of Counsel to the Inspector General (OCIG)

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 (FCA), program exclusion, and CMP cases. In connection with these cases, OCIG also negotiates and monitors corporate integrity agreements (CIAs). OCIG renders advisory opinions, issues compliance program guidance, publishes fraud alerts, and provides other guidance to the healthcare industry about the anti-kickback statute and other OIG enforcement authorities.

Mission Support and Infrastructure (MSI)

MSI is composed of the Immediate Office of the Inspector General and the Office of Management and Policy. MSI provides mission support, including setting 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 provides critical data analytics, data management, and information technology (IT) infrastructure that enable OIG components to conduct their work efficiently and effectively.

**PREVENT
DETECT
ENFORCE**

OIG protects HHS programs and beneficiaries from fraud, waste, and abuse through prevention, detection, and, when necessary, enforcement.

Much of OIG's work is focused on avoiding or preventing a problem before it occurs. Such activities include audits and evaluations, enforcement actions to deter wrongdoing, industry guidance and education, and collaborations with other oversight and enforcement agencies and industry representatives.

Significant Recent Accomplishments

The following information highlights OIG significant recent accomplishments. For a more detailed discussion of OIG's recent accomplishments, please see the OIG's [Fall 2019 Semiannual Report to Congress](#) on the [OIG website](#).

Using Data Analytics to Prevent and Treat Opioid Misuse

The opioid crisis is a declared public health emergency. OIG uses data analytics and other investigative tools to combat the opioid crisis and to detect fraud and abuse. OIG uses its criminal, civil, and administrative enforcement authorities to prevent fraud. For example, in October 2018, the Appalachian Regional Prescription Opioid (ARPO) Strike Force was formed to effectively and efficiently prosecute medical professionals and others involved in the illegal prescription and distribution of opioids. OIG's work was instrumental in the April and September 2019 ARPO Strike Force Takedowns that resulted in charges against 73 individuals, including 64 medical professionals, for their alleged participation in the illegal prescribing and distributing of opioids and other dangerous narcotics and for healthcare fraud schemes. OIG used risk score algorithms to pinpoint high-risk prescribers and focus our resources. OIG's work in data analytics and risk assessments of emerging issues was vital to identifying suspected fraud, waste, and abuse and allowed the Strike Force to target enforcement resources.

Protecting the Health and Safety of Children in HHS Programs

HHS, through the Administration for Children and Families (ACF) Office of Refugee Resettlement (ORR), manages the UAC program and is responsible for ensuring the care of thousands of minors who have no lawful immigration status in the U.S. and do not have a parent or legal guardian available to provide care and physical custody. OIG provides oversight of ORR's UAC program, with a focus on the health and safety of children at facilities funded by ORR. Recent accomplishments include:

- OIG published a September 2019 report, [Care Provider Facilities Described Challenges Addressing Mental Health Needs of Children in HHS Custody](#), which described the challenges inherent in addressing the mental health needs of children who had experienced significant trauma before coming into HHS care. OIG made six recommendations for practical steps that ORR can take to assist facilities and recommended ORR develop strategies for overcoming obstacles to hiring and retaining qualified mental health clinicians and consider maximum caseloads for individual clinicians.
- OIG published a January 2019 data brief, [Separated Children Placed in Office of Refugee](#)

Resettlement Care, which found that more children, over a longer period of time, were separated by immigration authorities and referred to ORR for care than has been commonly discussed, and that the true number of separated children is unknown. OIG testified about this work before the United States House Committee on Oversight and Reform and the United States House Committee on Energy and Commerce Subcommittee on Oversight and Investigations.

- OIG has undertaken a series of audits of eight grantees that focus on the health, safety, and well-being of children, as well as grantee financial controls from for fiscal years 2014 through 2016. Reports have identified issues related to background checks for facility employees and sponsors, unallowable expenditures, and documentation errors in children's case files. OIG is also continuing work associated with site visits performed at 45 HHS-funded care provider facilities by multidisciplinary teams of evaluators, auditors, investigators, and lawyers.

Using Cybersecurity to Protect the American People

The security of HHS IT systems and the personal information and data collected and maintained by HHS programs is critically important to the health and well-being of the American people. OIG has conducted significant work in this critical area, with accomplishments including:

- OIG identified opportunities for NIH to strengthen controls over sensitive data. OIG found that NIH had not assessed risks to national security when permitting foreign principal investigators to access U.S. genomic data. We recommended, among other actions, that NIH develop a security framework, conduct a risk assessment, and implement additional security controls over genomic data.
- OIG recommended that FDA strengthen its policies and procedures to enhance its ability to manage and respond to post-market medical device compromises resulting from cybersecurity vulnerabilities, exploitations, and threats.
- OIG conducted a series of eight audits using network and web application penetration testing at eight HHS OpDivs. OIG identified vulnerabilities in configuration management, access control, data input controls, and software patching and determined that security controls across the eight OpDivs needed improvement to more effectively detect and prevent cyberattacks.

Improved the Quality of Care Provided at Indian Health Service Hospitals

The Indian Health Service (IHS) took significant action to improve the quality of care at IHS hospitals in response to OIG recommendations. In 2016, IHS announced the establishment of a new Quality Framework for Improving Hospital Care. In 2019, IHS also established the Office of Quality, led by a newly established position of Deputy Director for Quality Health Care. The Quality Framework lays out plans for IHS to create new hospital performance measures and develop a quality-focused compliance plan. The goals of IHS's Quality Framework and new Office of Quality are to improve hospital care and make hospital leadership and staff more accountable. In addition, the Quality Framework aims to improve staff recruitment and retention practices and improve hospital quality measurement, as OIG has recommended. OIG also recommended that IHS develop an agency-wide strategic plan with actionable initiatives and target dates. In February 2019, IHS released its IHS Strategic Plan 2019–23, the first such document since the agency's last strategic plan ended in 2011. The plan outlines three IHS-wide goals related to IHS hospitals and other IHS programs: ensuring access to care, promoting quality and innovation, and strengthening program management and operations.

OIG has identified organizational challenges to improving quality of care at IHS hospitals along with longstanding difficulties in recruiting and retaining staff. In two recent reports, we examined challenges and identified strategies for improving quality of care at IHS hospitals. In a July 2019 report, we analyzed IHS's management of the closure and reopening of the emergency department at its Rosebud Hospital. In an August 2019 report, we outlined strategies for IHS to address core organizational challenges that have limited its ability to improve hospital operations and quality of care.

HCFAC Program ROI

Under the joint direction of the Attorney General and the Secretary of Health and Human Services acting through OIG, the HCFAC program coordinates Federal, State, and local law enforcement activities with respect to healthcare fraud and abuse. The most recent ROI from the FY 2018 HCFAC Report for the HCFAC program is approximately \$4.0 returned for every \$1 invested.²⁴

This is a ratio of actual monetary returns to the Government to total HCFAC program appropriations. From the HCFAC program's inception in 1997, program activities have returned more than \$32 billion to the Medicare trust fund. The HCFAC program's continued success in returning more money than is spent confirms the soundness of a collaborative approach to identify and prosecute the most egregious instances of healthcare fraud, to prevent future fraud, and to protect program beneficiaries.²⁵

Ensuring Quality of Care and Protecting Patients from Harm

OIG has long prioritized oversight and enforcement work to protect Medicare and Medicaid patients from harm and to help ensure that patients receive high quality care. This work ranges from assessing the safeguards in place to ensure quality and safety in hospices, examining the incidence and preventability of patient harm in skilled nursing facilities, and investigating and holding accountable healthcare providers who commit fraud that results in patient harm. OIG issued recommendations to CMS to strengthen safeguards and ensure hospices are held accountable for their programs. As a further example of OIG work in this area, an OIG investigation resulted in the conviction of a physician who implanted medically unnecessary pacemakers into patients for the purposes of billing for follow up

**FY 2018
HCFAC ROI**

\$4:\$1
HCFAC ROI

+\$32 billion
Returned to the
Medicare Trust Fund
since 1997

²⁴ HCFAC ROI is based on a 3-year rolling average.

²⁵ 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.

care, all the while misleading them with information about their health. Finally, a recent OIG review determined that an estimated one in five high-risk hospital emergency room Medicare claims for treatment provided in calendar year 2016 were the result of potential abuse or neglect, including injury of unknown source, of beneficiaries residing in a skilled nursing facility.

Data Analytics and Infrastructure Modernization

Given the size and complexity of HHS programs, it is crucial that staff can leverage technology, data, and data analytics to the maximum extent possible. OIG has deployed a suite of self-service analytic tools to provide “data at the fingertips” of OIG’s investigators, evaluators, auditors, and attorneys empowering them with the ability to directly and efficiently conduct analysis. These tools help us support prosecutions of fraud cases. OIG leveraged modern infrastructure management by deploying a secure, agile-delivered, hybrid cloud platform for data display, management, and analysis. For instance, OIG furnished an application to staff that provides interactive visual analytics that makes management data intuitive and actionable, enabling transparency and information sharing across HHS OIG. OIG further leveraged this hybrid cloud infrastructure to deploy an enterprise-wide geospatial analytic tool. The underlying platform supporting these innovations will eventually support a broad range of analytics activities and tools, giving the OIG workforce the modern tools and data access, it will need in the future. OIG has been leveraging its data and information technology experience by providing requested technical assistance to HHS and other Federal and state government partners.

Recent Congressional Testimonies

Since January of 2018, OIG personnel have testified for Congress 18 times, about critical topics including the Unaccompanied Alien Children Program, elder justice, prescription drug prices, and foreign threats to taxpayer-funded medical research. OIG is committed to fulfilling its oversight mission and communicating the results of our work to policymakers. The breadth of topics about which OIG has testified demonstrates the broad scope of OIG’s oversight responsibilities. Links to each of the testimonies can be found on the OIG website:

<https://oig.hhs.gov/newsroom/testimony-and-speeches/index.asp>

Affirmative Litigation Branch (ALB)

The attorneys and legal professionals of OIG’s ALB focus on initiating and pursuing cases of fraud in HHS programs—particularly Medicare and Medicaid—under OIG’s Civil Monetary Penalty Law (CMPL) and exclusion authorities. Since its creation as a team in 2015, the branch has resolved 305 OIG-initiated cases totaling \$85 million in recoveries. In FY 2019, OIG entered into 60 CMPL settlements totaling \$11.4 million resulting from OIG-initiated litigation. ALB targets known enforcement gaps using its administrative authorities and evaluates targets identified by OIG components. For example, in FY 2019, ALB recovered over \$1.3 million from a single case based on a February 2018 OIG audit report relating to improper billing for urine drug screening tests. ALB also focuses its resources on holding individuals accountable and pursues exclusion for individuals and entities. For example, an advanced practice registered nurse was excluded from participation in the Federal health care programs for 10 years for the improper prescribing of opioids. ALB attorneys will lead information blocking enforcement actions on behalf of OIG once that authority is implemented.



FY 2021 Budget Request

Overview

HHS-OIG's request for FY 2021 is \$419 million, an increase of \$28 million above the FY 2020 Enacted.

OIG provides objective, independent, and credible oversight to drive positive change for the Department of Health and Human Services' programs and the people they serve. OIG is at the forefront in preventing and detecting fraud and abuse in health and human services programs and, where necessary, enforcement to address violations of law. OIG delivers results and actionable information to program officials, policymakers, taxpayers, public-private partners, and consumers.

OIG's request for increased resources in FY 2021 will build on the vital work that is being performed by the organization. These resources would be used for additional personnel and operational needs to conduct priority oversight and enforcement related to the opioid epidemic, substance abuse treatment, and serious mental illness, as well as implementation of OIG's information blocking authorities. These resources will support a modern workforce overseeing increasingly complex programs.

OIG will continue to focus strategically on ensuring that our workforce has the tools and technologies to meet evolving oversight challenges. These investments will further advance the President's Management Agenda, by fostering transformational change and paving the way for sustained improvement over time that is efficient, effective, and accountable. OIG's workforce is, and will continue to be, well-trained, first-in-class, and strategically positioned to accomplish OIG's mission. HHS-OIG has been rated the best place to work at HHS by the Partnership for Public Service since 2015.

OIG's oversight areas are divided into two main categories: (1) PHHS oversight and (2) Medicare and Medicaid oversight. The FY 2021 overall requests and program increases for these categories include:

PHHS Oversight:²⁶ \$90.0 million and 380 FTE, an increase of \$10 million above the FY 2020 Enacted.

The Department's PHHS programs represent nearly \$100 billion in spending. OIG will help strengthen HHS's PHHS programs by leveraging data, modern technology, specialized expertise, and strategic partnerships to target high-risk areas and maximize the effectiveness and outcomes of these critical programs. As it has done successfully for Medicare, OIG will use advanced data analytics and multidisciplinary state-of-the-art investigative techniques to address program integrity in PHHS grant programs and contract services. OIG will use an enterprise-wide data strategy to more effectively detect fraud that touches multiple programs.

This request will support expansion of OIG oversight of HHS grant programs focused on the prevention and treatment of substance use disorder (including opioid addiction) and serious mental illness, including the \$1 billion in grants under the Cures Act. This budget requests resources to support specialized audits, evaluations, data analyses and investigations into fraud schemes and vulnerabilities associated with effectively preventing, detecting, and treating substance use disorders and serious mental illness. Additionally, OIG will utilize dedicated PHHS funding to implement new OIG authorities related to information blocking.

Medicare and Medicaid Oversight: \$329 million and 1,296 FTE, an increase of \$25 million above the FY 2020 Enacted. This funding does not, at this time, include reductions from sequestration. The final sequestration reductions will be calculated by OMB at the beginning of calendar year 2020. As

²⁶ PHHS oversight includes programs authorized in Title I of the ACA and administered by CMS.

previously mentioned, OIG's HCFAC annual funding has historically been reduced by an average of \$14 million.

OIG will enhance and expand our HCFAC oversight activities to combat fraud, waste, and abuse in Medicare and Medicaid. OIG will continue its strategic program of investigations, audits, evaluations, inspections, and legal actions focused on preventing and detecting fraud and abuse and, where necessary, taking enforcement actions to hold wrongdoers accountable. Key oversight areas for Medicare and Medicaid will continue to include prescription drug abuse (including opioids), care in home and community settings, cybersecurity and health information technology (including telehealth), prescription drug programs, managed care and value-based programs, improper payments, combating fraud, and strengthening program integrity (including provider enrollment and other integrity measures). OIG will continue to develop and use advanced data analytics and tools to provide cutting-edge, data-informed oversight. With the requested funding, OIG will invest in oversight of Medicaid focused on using Medicaid data in transformative ways, empowering MFCUs, and audits of the Medicaid drug rebate program. OIG will also continue to foster strong, productive relationships with Federal and State Government partners and public-private partners and to promote compliance through education and outreach efforts.

OIG Performance

OIG Priority Outcomes

OIG's priority outcome areas demonstrate our focus on strategically targeting oversight, driving measurable results, and achieving overarching performance goals. The table below shows key performance indicators (KPIs) for each priority outcome area. These KPIs are OIG's metrics for measuring its impact in each of the four areas.

Priority Outcome Area	Key Outcomes	Most Recent Actual	FY 2020 Target	FY 2021 Target	FY 2021 +/- FY 2020
Protect beneficiaries from prescription drug abuse, including opioids	Reduction of Part D prescribers whom OIG identified as having questionable prescribing (401 prescribers in Calendar Year (CY) 2017 baseline)	CY 2018:-30% prescribers Target: -20% (Target Exceeded)	-15% prescribers from CY 2019	-10% prescribers from CY 2020	-5%
Promote patient safety and accuracy of payments in home and community settings	Reduction in Medicare spending on home health providers in geographic fraud hot spots from CY 2015 baseline of \$6.68 billion	FY 2018: -11.7% expenditure Target:-11% (Target Exceeded)	-13% expenditure from CY 2015	Discontinue	N/A
	Reduction in the percentage of potential incidents of abuse or neglect involving Medicaid beneficiaries with developmental disabilities that are not reported.	95% Unreported Incidents Baseline	N/A	90% in unreported critical incidents	N/A
Ensure health and safety of children served by HHS grants	Increase in the number of States and territories requiring Child Care and Development Fund (CCDF) providers to conduct all required criminal background checks at least once every 5 years (intrastate)	FY 2018: 35 states Target: 40 states (Target Not Met but Improved)	37 States ²⁷	Discontinue	N/A
	Increase in the number of States and territories requiring CCDF providers to conduct all required criminal background checks at least once every 5 years (interstate)	FY 2018: 2 states Target: 10 states (Target Not Met but Improved)	2 States	Discontinue	N/A
Strengthen Medicaid protections against fraud and abuse	Improvement of Medicaid Fraud Control Unit indictment rates	FY 2018: 16.4% Indictment rate (Baseline)	17.2% Indictment rate	17.4%	+ 0.2%

²⁷ See updated progress and target information within the priority outcome section below.

	Improvement of Medicaid Fraud Control Unit conviction rates	FY 2018: 90.3% conviction (Baseline)	90.8% Conviction rate	90.9%	+ 0.1%
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Priority Outcome: Protect beneficiaries from prescription drug abuse, including opioids

Background: Opioids serve a useful role in treating certain kinds of pain. However, opioids can also cause significant adverse effects, including addiction and fatal overdose. These risks and benefits vary from patient to patient and across situations. Recognizing this variability, OIG uses a risk-based approach to focus its resources to address the opioid epidemic. OIG’s key performance indicator focuses on Medicare Part D prescribers with questionable prescribing to high-risk beneficiaries. Identifying prescribers with questionable prescribing is an important first step to identifying physicians whose prescribing may be inappropriate and would benefit from targeted oversight and educational resources.

The goal of this work is to help OIG’s Federal and State partners promote appropriate prescribing practices and reduce misuse of opioids. To advance our goal, OIG employs a multidisciplinary, data-driven approach and uses the full range of our authorities, including audits, evaluations, investigations, and exclusions. OIG leverages key partnerships across the Federal, State, and private sectors to prevent and detect inappropriate prescribing and hold bad actors accountable.

Discussion of Progress: OIG’s efforts contributed to a 1-year, 30-percent decrease in the number of Part D prescribers with questionable prescribing: from 282 such prescribers in CY 2017 to 198 in CY 2018 (most recent available data). OIG’s efforts contributed both directly and indirectly to this decrease. OIG initiated criminal investigations of some of the 282 prescribers and shared information about some of the other prescribers with Federal law enforcement partners and with the Center for Medicare and Medicaid Services (CMS). By 2018, the number of indictments relating to opioid fraud and abuse because of OIG investigations increased from 194 in 2017 to 322, with many previously open investigations still ongoing. OIG exclusions of opioids prescribers also significantly increased in that time. The continued effort to pursue criminal investigations into questionable prescribing resulted in 130 opioid-related criminal actions in FY 2018.

OIG aims to continue reducing the number of prescribers with questionable billing practices by 15 percent from FY 2019 to FY 2020 and another 10 percent from FY 2020 to FY 2021. OIG is supporting CMS’s efforts to educate high-opioid prescribers about best practices in prescribing these drugs. CMS used OIG’s analytic methods to identify prescribers for intervention. With staff and resources, OIG is supporting the DOJ’s Strike Force efforts. OIG continues to prioritize staffing the 12 DOJ Opioid Fraud and Abuse Detection Units as well as the Appalachian Regional Prescription Opioid Strike Force.

Priority Outcome: Promote patient safety and accuracy of payments in home and community settings

Background: OIG is increasing its focus on services provided to beneficiaries in home and community settings, including beneficiaries’ homes, group homes, and similar settings. Program integrity and patient safety in home- and community-based settings take on heightened urgency as consumers increasingly seek and prefer services provided in home and community settings and as technology expands the range of services that can be provided safely in a home setting.

OIG has identified serious health and human services program vulnerabilities in both the fiscal integrity of payments made for services delivered and the quality of care received in home and community settings. For example, OIG’s home health investigations resulted in more than 450 criminal and civil actions and yielded \$1.3 billion in expected receivables for FYs 2013–2017. Medicare Parts A and B spending was approximately \$17.8 billion for home health services in

2017. As more patients seek and receive a growing volume and range of services at home, the risks of fraud and abuse will likely become more pronounced. OIG has found that State agencies did not always report potential incidents of abuse or neglect involving Medicaid beneficiaries with developmental disabilities. For example, OIG audits have reported that various State agencies did not report between 58 and 99 percent of critical incidents. Failure to comply with these policies and procedures put Medicaid beneficiaries at risk of serious harm.

Discussion of Progress: Using data analytics, OIG identified four geographic “hot spot” areas—Florida, Texas, and select areas in Southern California and the Midwest—that have large numbers of home health providers with characteristics that OIG determined, based on previous work, are commonly associated with suspicious activity. OIG seeks to reduce fraud, waste, and abuse and enhance program integrity in home and community settings through outreach, education, audits, evaluations, inspections, investigations, and administrative enforcement. Specifically, OIG has focused on reducing inappropriate Medicare spending to home health providers in identified geographic hot spots. OIG efforts contributed to an almost 10 percent decrease in home health payments in the four geographic hot spots from 2015 through 2018. Nationally, the decrease in home health spending over this same time was 1.5 percent. With the sizeable reduction in home health expenditures, several of these hot spots are much closer to national expenditure levels. Given this improvement, OIG plans to adjust our focus in this priority area and develop a new measure related to group homes and incidents affecting beneficiary safety. OIG work in several states has found that health and safety policies and procedures for group homes were not being followed. Specifically, OIG is going to focus on reducing the percentage of potential incidents of abuse or neglect involving Medicaid beneficiaries with developmental disabilities that are not reported by State agencies. We anticipate that OIG efforts in this area will contribute to improved reporting by State agencies.

Priority Outcome: Ensure health and safety for children served by HHS grants

Background: HHS uses PHHS grant funds to provide a broad array of services for children, including Head Start, care for unaccompanied alien children, and childcare programs. The Child Care and Development Block Grant Act (CCDBG Act) of 2014 added requirements for States receiving funds from the CCDF to conduct comprehensive criminal background checks on staff members and prospective staff members of childcare providers every 5 years (P.L. No. 113-186 § 658H (Nov. 19, 2014)). On the basis of prior work and identification of background checks as an important safeguard for children, OIG undertook an examination of States’ implementation and providers’ compliance with these background check requirements.

To measure progress, OIG is tracking the number of States that have a monitoring process in place that ensures childcare provider compliance with each of the states’ implemented criminal background checks requirements for childcare provider staff and household members, including interstate and intrastate requirements.

Discussion of Progress: Based on updated information after FY 2020 targets were set, OIG expects that all States will be in full compliance with the background check requirements by September 30, 2020. OIG is coordinating closely the Administration for Children and Families (ACF) to address this challenge and meets regularly with ACF officials to enhance working relationships, exchange information, and gain insight into their analysis of the information provided by States regarding their interpretation of the requirements and progress on implementing background checks. OIG will continue to reassess any updated CCDF State plan information related to background checks and conduct outreach with ACF and the States regarding implementation of background check requirements.

Priority Outcome: Strengthen Medicaid protections against fraud and abuse

Background: Medicaid serves more enrollees than any other Federal healthcare program and represents one-sixth of the national healthcare economy. OIG conducts reviews across a range of Medicaid topics. Current focus areas include the reliability of national Medicaid data, improper payments, Medicaid managed care organizations, health and safety for Medicaid beneficiaries, and Medicaid fraud. OIG, which administers the grant program that funds the Medicaid Fraud Control Units (MFCUs) and partners with MFCUs in law enforcement actions, has a priority focus to maximize the effectiveness of MFCUs, thereby empowering States to better serve their populations.

Discussion of Progress: OIG strategies to drive MFCU effectiveness include enhancing OIG oversight with increased use of data, expanding the MFCU program to better align with a growing and evolving Medicaid program, enhancing MFCU training, and increasing collaboration between MFCUs and OIG. Specific activities to further these strategies include: (1) approval of three additional MFCUs to operate data-mining programs, for a total of 20 MFCUs; (2) certifying new MFCUs in North Dakota, Puerto Rico, and the U.S. Virgin Islands; (3) issuing guidance on the use of statistical sampling in MFCU cases and MFCU jurisdiction for opioid and other drug diversion cases; (4) conducting extensive onsite and strike force training for MFCUs; and (5) collaborating in strike force takedowns and operations.

OIG receives extensive performance data from each of the MFCUs and monitors outcomes on a national basis by: (1) an indictment rate, comparing criminal indictments and civil filings to the total number of cases under investigation; and (2) a conviction rate, comparing convictions with the total number of prosecuted cases. OIG is currently awaiting data on results for FY 2019.

OIG-Wide Performance Table

Key Outcome ²⁸	Most Recent FY 2019 Actuals	FY 2020 Target	FY 2021 Target	FY 2021 +/- FY 2020
Expected recoveries resulting from OIG involvement in healthcare fraud and abuse oversight activities (dollars in millions)	\$5,771 (Target Met)	\$3,600	\$3,675	+\$75
ROI resulting from OIG involvement in healthcare fraud and abuse oversight activities	\$11:\$7 (Within Target Range) ²⁸	\$12:\$1	\$12:\$1	+\$--
Number of quality and management improvement recommendations accepted	234 (Target Met)	123	125	+2
PL funding (dollars in millions)	\$381	\$391	\$419	+\$28
Key Outputs	Most Recent FY 2019 Actuals	FY 2020 Target	FY 2021 Target	FY 2021 +/- FY 2020
Audits:				
Audit reports started	164 (Target Met)	155	160	+5
Audit reports issued	163 (Target Met)	155	160	+5
Audit reports issued within 1 year of start (percentage)	34% (Within Target Range) ²⁸	39%	39%	--%
Evaluations:				
Evaluation reports started	51 (Target Met)	44	51	+7
Evaluation reports issued	46 (Target Met)	48	54	+6
Evaluation reports issued within 1 year of start (percentage)	48% (Within Target Range) ²⁸	56%	56%	--%
Investigations:				
Complaints received for investigation	3,456 (Target Met) (Tracking Metric)	3,061	3,155	+94
Investigative cases opened	2,314 (Target Met)	1,951	2,011	+60
Investigative cases closed	1,962 (Target Met)	2,013	2,075	+62
PL funding (dollars in millions)	\$381	\$391	\$419	+\$28

²⁸ The “expected recoveries” and ROI performance measures are calculated using 3-year rolling averages. Performance was within 10 percent of projected target.

Performance Goals

In addition to the Priority Outcomes and KPIs, OIG uses three measures to describe OIG's progress in fighting fraud, waste, and abuse and promoting economy, efficiency, and effectiveness in HHS programs and operations:

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

The measures on OIG-wide Performance Table generally reflect the culmination of investigation, audit, and evaluation efforts initiated in prior years. Moreover, these measures are expressions of OIG's joint success and joint efforts with a network of program integrity partners at all levels of Government and in partnership with private-sector integrity entities, where permitted. OIG audits and evaluations generate findings and recommendations intended to save money, improve the efficiency and economy of programs, 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, an approach that has successfully reduced the number of unimplemented recommendations and strengthened HHS program integrity.

As shown in the OIG-wide Performance Table, even as OIG invests in data-driven decision making and outcomes-based performance, it continues to report on the audit, evaluation, and investigative outputs that contribute to OIG's success and performance impact. An increase in resources in one fiscal year may not yield results in the same fiscal year, as many actions are multiyear efforts. Further, the volume of OIG outputs varies over time and reflects a range of strategic decisions and environmental factors. These include, for example, resources and capacity to undertake new work; the complexity and scope of cases and reviews; the quality, quantity, and availability of relevant data; and emergent issues (e.g., public health and human services emergencies) that necessitate shifting resources. In some instances, OIG strategically reduces the number of planned products to create capacity for larger scale, higher value priority products and for critical infrastructure investments. OIG has shifted audit resources from traditional audits to forensic auditing to help criminal investigators and prosecutors follow the money in complex financial fraud cases.

SUBSECTION: OVERSIGHT OF PHHS AND DEPARTMENT-WIDE ISSUES

(Dollars in thousands)

	FY 2019 Final ²⁹	FY 2020 Enacted	FY 2021 President's Budget	FY 2021 +/- FY 2020
PHHS BA ³⁰	\$80,000	\$80,000	\$90,000	+\$10,000
Information Blocking (non-add) ³¹	0	0	[5,300]	[+5,300]
FDA Transfer	1,500	1,500	-	-1,500
NIH Transfer	5,000	5,000	-	-5,000
Total BA	\$86,500	\$86,500	\$90,000	+\$3,500
FTE³²	365	365	380	+15

Program Description

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 and maximize the effectiveness and outcomes of these critical programs. As it has done successfully for Medicare, OIG will use advanced data analytics and multidisciplinary state-of-the-art investigative techniques to address program integrity in PHHS grant programs and contract services. OIG will use an enterprise-wide data strategy to more effectively detect fraud that touches multiple programs. This request will support expansion of OIG's oversight of programs addressing substance abuse (including opioid addiction), substance abuse treatment, and serious mental illness, as well as implementation of OIG's new authorities related to information blocking. OIG will continue its longstanding oversight in other key areas, including health and safety of children served by HHS programs; quality, safety, and integrity of services provided by HHS programs; grants and contracts management; and emergency preparedness and response activities. OIG also uses funding for crosscutting issues such as cybersecurity. PHHS programs represent approximately \$100 billion in HHS spending each year.

During FY 2019, OIG's oversight effort for PHHS was allocated across HHS OpDivs and StaffDivs as follows:

HHS OpDiv and StaffDiv Oversight	Resource Allocation
Administration for Children and Families (ACF)	31%
Administration for Community Living (ACL)	<1%
Agency for Health Care Research and Quality (AHRQ)	<1%
Centers for Disease Control and Prevention (CDC)	2%

²⁹ Reflects FY 2019 required and permissive transfers. Funding level does not include the disaster supplemental appropriation of \$1 million, the humanitarian relief appropriation of \$5 million, or the hurricane appropriation of \$2 million from FY 2018.

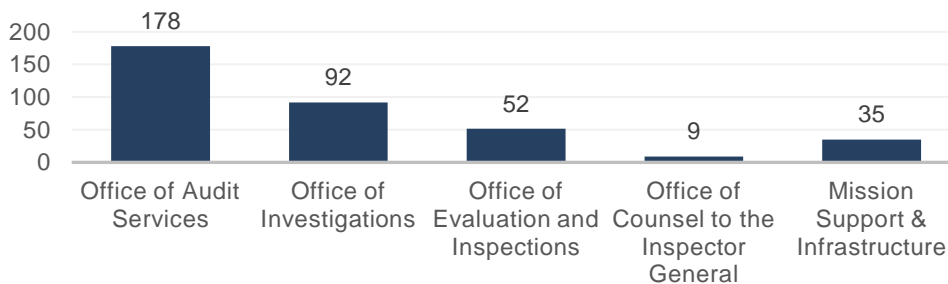
³⁰ PHHS oversight includes oversight of programs authorized in Title I of the ACA and administered by CCIIO, a component of CMS.

³¹ The funds for information blocking have been included under the PHHS Discretionary Oversight; however two-year funding is requested to fulfill this authority. See the Budget Exhibit on page 7 for information blocking appropriation language.

³² The PHHS discretionary FTE includes seven reimbursable FTE and three FTE for information blocking.

HHS OpDiv and StaffDiv Oversight	Resource Allocation
CMS—Exchanges/Title I Programs	1%
Food and Drug Administration (FDA)	4%
Health Resources and Services Administration (HRSA)	4%
Indian Health Service (IHS)	6%
National Institutes of Health (NIH)	12%
Substance Abuse and Mental Health Services Administration (SAMHSA)	3%
Office of the Secretary (OS) ³³	15%
Other PHHS Programs ³⁴	20%
Total	100%

PHHS Oversight, FTE by Component



Five-Year Funding History

The funding history in the table below includes the budget authority appropriated to OIG for PHHS oversight. The funds displayed are provided to OIG through an annual discretionary direct appropriation included in the Labor, Health and Human Services, Education and Related Agencies appropriations bill.

PHHS Funding History	
FY 2017 ³⁵	\$81,500,000
FY 2018 ³⁶	\$81,500,000
FY 2019 ³⁷	\$86,500,000
FY 2020 Enacted ³⁸	\$86,500,000
FY 2021 President’s Budget	\$90,000,000

Budget Request

OIG is requesting funding for initiatives that will strategically and efficiently use data analytics, leading expertise, advanced tools and technology, actionable recommendations, and education and outreach to help protect PHHS programs and the people they serve and ensure that the programs achieve their

³³ OS includes oversight efforts related to OS StaffDivs, such as the Assistant Secretary for Preparedness and Response and protective services for the Secretary, and the Chief Financial Officer Audit.

³⁴ The other discretionary work stretched across multiple HHS agencies relating to research and development for discretionary programs, oversight of opioids, grantee compliance with cost principles for organizations with multiple HHS discretionary funding sources, department-wide data analytics, and OI assist work.

³⁵ OIG’s Discretionary BA includes \$1.5 million transferred from the FDA in FYs 2017–2019.

³⁶ FY 2018 funding excludes \$2 million transferred from the Public Health Service Emergency funding for oversight of Hurricane Supplemental funding.

³⁷ FY 2019 funding includes \$5 million transferred from NIH in FY 2019.

³⁸ FY 2020 Enacted funding includes \$5 million transferred from NIH and \$1.5 million transferred from FDA in FY 2019.

intended outcomes. OIG will identify specific oversight targets and objectives using a data-driven, risk-assessment approach. With this request, OIG will expand its oversight of programs that offer treatment for substance abuse and serious mental illness and strengthen enforcement for opioids-related fraud. OIG will also use requested funds to implement its new information blocking authorities. OIG will take enforcement actions and make recommendations that promote program integrity, transparency, and accountability. OIG's work will emphasize efficiency and be mindful of reducing unnecessary burdens on HHS operating divisions, providers, grantees, and consumers.

Opioids, Other Prescription Drug Diversion and Abuse, and Serious Mental Illness: (+\$4.7 million and +12 FTE above the FY 2020 Enacted)

Of the requested funds, OIG will dedicate \$4.7 million to increase investigations into fraudulent prescribing and dispensing of opioids. This increase will fund OIG's PHHS budget authority for critical audit, evaluation, and investigation personnel to review grant and contracts directed at combatting opioid abuse, other prescription drug abuse in PHHS programs. In addition, OIG will review and identify treatment vulnerabilities in PHHS programs.

This request will support increased oversight of HHS's substance abuse and opioid addiction initiatives and serious mental illness investments. This includes the identification of and enforcement to redress, grants and contracts fraud, as well as drug diversion, pill mills, sham treatment, and other schemes that result in little to no care or pose serious risks of patient harm. OIG would conduct data-driven risk assessments and reviews to identify recoverable misspent funds, program management weaknesses, and information security and privacy vulnerabilities that might affect people's sensitive substance abuse and mental health information. OIG work would also identify barriers to accessing treatment, including access to medication-assisted treatment for opioid use disorder. The request will allow OIG to identify overuse and inappropriate prescribing or dispensing through review of Medicaid claims data and expand OIG work in reviewing the States' prescription drug monitoring programs to identify inconsistencies and needed enhancement.

OIG will use these funds to increase staffing for full-time OIG investigative resources to support the 10 districts that make up the ARPO Strike Force region as well as provide additional investigative resources for Opioid Fraud and Abuse Detection Units across the country and other regional hotspots.

Information Blocking: \$5.3 million and 3 FTE (+\$5.3 million and +3 FTE above the FY 2020 Enacted)

The Cures Act³⁹ authorized \$10 million of no-year funds to be appropriated to OIG to carry out new investigative and enforcement authorities related to the detrimental practice known as information blocking. The FY 2021 request will include dedicated funding for early operational costs for information blocking investigations and enforcement actions. Establishing a dedicated source of funding is necessary for OIG to carry out its information blocking authorities. Without these dedicated resources for information blocking, OIG would be severely limited in the types and number of information blocking cases that it can investigate due to existing limitations on current funding.

Broadly speaking, information blocking is a practice that inappropriately impedes the flow or use of electronic health information. The statute contemplates rulemaking to identify "reasonable and necessary" activities that would not constitute information blocking. OIG has been working with the Office of the National Coordinator for Health Information Technology (ONC), the HHS division tasked with that rulemaking, to ensure a well-coordinated HHS approach to curbing information blocking. Once appropriated, the funding will enable OIG to take action against those who engage in practices of

³⁹ 21st Century Cures Act (P.L. No 114-255)

information blocking that pose a threat to patient safety and undermine efforts by providers, payers, and others to make our health system more efficient and effective.

Performance Information for Public Health and Human Services Oversight

Key Outputs	Most Recent			FY 2021
	FY 2019 Actuals	FY 2020 Target	FY 2021 Target	+/- FY 2020
Audits:				
Audit Reports Started	54	42	43	+1
Audit Reports Issued	58	42	43	+1
Evaluations:				
Evaluation Reports Started	13	9	13	+4
Evaluation Reports Issued	12	9	13	+4
Investigations:				
Complaints Received for Investigation	553	689	723	+34
Investigative Cases Opened	292	440	462	+22
Investigative Cases Closed	276	452	475	+23
PL funding (Dollars In millions)	\$86.5	\$86.5	\$90.0	+\$3.5

FY 2019 PHHS Major Outputs by OIG Component Audits, Evaluations, Cases, and Monetary Impact by OPDIV

Office of Audit Services

Category	Audit Started	Audit Issued	Rec's Issued	Rec's Concur Implemented	Questioned Cost ⁴⁰	Funds Put to Better Use ⁴¹
ACF	18	14	84	5	\$71,641,443	-
ACL	-	2	5	-	-	-
AHRQ	-	-	-	-	-	-
CDC	2	8	8	3	\$3,735,304	-
CMS-Exchanges	1	-	-	-	-	-
FDA	3	3	13	-	-	-
HRSA	3	4	3	2	\$734,206	-
IHS	2	3	24	-	-	-
NIH	11	9	14	4	\$96,623	-
SAMHSA	3	3	9	-	\$38,000	-
OS	8	12	27	-	\$1,758,079	-
PHHS Other ⁴²	3	-	5	-	-	-

⁴⁰ Questioned Cost reflects disallowed cost and/or potential recoveries for which management concurred with the audit recommendation.

⁴¹ Funds Put to Better Use reflects potential savings on those audit recommendations that achieve identifiable monetary savings.

⁴² PHHS-related matters that span multiple OPDIVs.

Category	Audit Started	Audit Issued	Rec's Issued	Rec's Concur Implemented	Questioned Cost ⁴⁰	Funds Put to Better Use ⁴¹
Total	54	58	192	14	\$78,003,655	-

Office of Evaluation and Inspections

Category	Evaluation Started	Evaluations Issued	Rec's Issued	Rec's Concur Implemented	Rec's Concur Unimplemented
ACF	4	3	10	6	12
ACL	1	1	-	-	-
AHRQ	-	1	4	1	3
CDC	-	-	2	4	2
CMS-Exchanges	-	-	-	-	-
FDA	-	1	2	1	24
HRSA	1	-	-	3	4
IHS	2	2	4	-	9
NIH	4	2	4	-	9
SAMHSA	-	-	-	-	-
OS	-	1	1	3	11
PHHS Other ⁴⁴	1	1	-	-	1
Total	13	12	27	18	75

Office of Investigations

Category	Cases Opened	Cases Closed	Criminal Actions	Civil Actions	Complaints Received	Monetary Results
ACF	96	97	35	2	177	\$6,263,247
ACL	1	4	2	-	3	\$6,111,380
AHRQ	-	-	-	-	-	-
CDC	12	11	1	-	-	-
CMS-Exchanges	6	6	-	3	9	\$14,800,000
FDA	20	26	3	-	30	\$9,612
HRSA	19	13	-	-	4	-
IHS	47	40	9	-	77	\$1,568,927
NIH	53	40	-	-	-	-
SAMHSA	4	8	-	-	-	-
OS	27	24	3	1	91	\$1,533,560
PHHS Other ⁴³	7	7	9	3	162	\$116,675,299
Total	292	276	62	9	553	\$141,462,025

⁴³ PHHS-related matters that span multiple OPDIVs.

SUBSECTION: MEDICARE AND MEDICAID OVERSIGHT

(Dollars in thousands)

	FY 2019 Final	FY 2020 Enacted	FY 2021 President's Budget	FY 2021 +/- FY 2020
HCFAC Mandatory BA	\$195,755	\$200,082	\$215,574	+\$15,492
HCFAC Discretionary BA	87,230	93,000	101,644	+8,644
HCFAC Estimated Collections ⁴⁴	11,256	11,292	12,000	+708
Total PL⁴⁵	\$294,241	\$304,374	\$329,218	+\$24,844
FTE	1,266	1,285	1,296	+11

Program Description

Medicare and Medicaid are high-risk programs administered by CMS that require sustained focus on effective administration. They are the Nation's largest health insurance programs, serving approximately one in four Americans and in 2019 accounting for more than \$1.3 trillion in outlays.⁴⁶ In its *FY 2019 Agency Financial Report*, HHS reported an estimate of more than \$102 billion in Medicare and Medicaid improper payments.⁴⁷

OIG is a leader in the fight against Medicare and Medicaid fraud and uses sophisticated data analytics and multidisciplinary, state-of-the-art investigative techniques to detect crime and investigate fraud. Through its multidisciplinary oversight work, OIG saves taxpayer dollars and works to ensure that patients receive safe, medically appropriate care. OIG relies on principles of prevention, detection, and enforcement to address fraud, waste, and abuse in these programs. OIG's work promotes sound fiscal management of the programs, patient safety and quality of care (including prevention of patient abuse and neglect), and beneficiary access to high-quality care furnished in an appropriate setting and in accordance with program requirements. In FY 2018 and FY 2019, OIG shifted substantial resources toward combating opioid and other prescription drug abuse (for example, through reviews of substance abuse treatment programs) and will continue this important effort in FYs 2020 and 2021.

OIG protects Medicare and Medicaid through important partnerships with DOJ and State MFCUs, among others, including the Healthcare Fraud Prevention Partnership. Currently, all 50 States, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands have MFCUs. OIG provides oversight of the MFCU program and administers a Federal grant award to each Unit. As part of its oversight, OIG reviews and recertifies each Unit annually and conducts periodic onsite reviews. Finally, OIG collects and disseminates performance data and provides training and technical assistance to the Units.

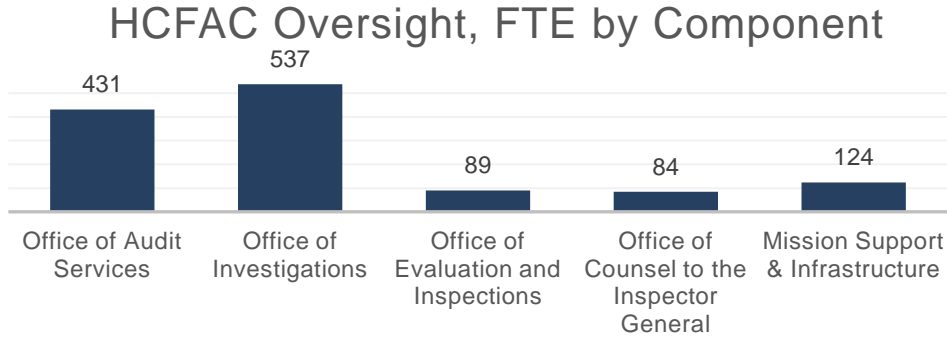
⁴⁴ In FY 2019, OIG estimated collections of \$12.0 million under authority of 42 U.S.C. 1320a-7c (§1128C of the Social Security Act), and the actual amount sequestered was \$744,000. The table includes estimates for HCFAC collections for FY 2020 and FY 2021, and the amounts available will depend on the amounts collected.

⁴⁵ OIG's HCFAC funding is drawn from the Medicare Hospital Insurance Trust Fund (sec. 1817(k)(3) of the Social Security Act) and is requested and provided through the CMS budget.

⁴⁶ The Centers for Medicare & Medicaid Services. *2019 CMS Financial Report*. Accessed at <https://www.cms.gov/files/document/cms-financial-report-fiscal-year-2019> on December 12, 2019.

⁴⁷ The Centers for Medicare & Medicaid Services. *2019 Estimated Improper Payment Rates for Centers for Medicare & Medicaid Services (CMS) Programs*. Accessed at <https://www.cms.gov/newsroom/fact-sheets/2019-estimated-improper-payment-rates-centers-medicare-medicaid-services-cms-programs> on December 12, 2019.

HIPAA established HCFAC under the direction of the Attorney General and the Secretary of Health and Human Services acting through OIG to combat fraud, waste, and abuse in Medicare- or Medicaid-funded healthcare. The funds appropriated to OIG under HCFAC are dedicated exclusively to activities relating to Medicare and Medicaid. HCFAC funding constitutes the major portion of OIG’s annual operating budget.



During FY 2019, OIG’s Medicare and Medicaid oversight funding was allocated as follows:

Medicare and Medicaid Oversight	%
Medicare	72%
Medicaid	28%

Five-Year Funding History

The funding history in the table below includes the budget authority given to OIG for Medicare and Medicaid oversight. The funds displayed are provided to OIG through a number of sources, including HCFAC Mandatory, HCFAC Discretionary Allocation Adjustment, and HCFAC Collections.

HCFAC Funding History	
FY 2017	\$277,702,000
FY 2018	\$287,159,000
FY 2019	\$294,241,000
FY 2020 Enacted	\$304,374,000
FY 2021 President’s Budget	\$329,218,000

Budget Request

OIG's FY 2021 request for Medicare and Medicaid oversight is \$329 million, which is an increase of \$25 million above the FY 2020 Enacted.

NOTE: The FY 2021 request does not assume sequestration, which historically has reduced OIG's HCFAC funding by an average of \$14 million. Sequestration reductions will be determined after the release of the FY 2021 President's Budget. The requested increases in the oversight areas described below reflect OIG's anticipated HCFAC increases of \$15 million after projected sequestration reductions to OIG's HCFAC mandatory funding.

This budget request includes:

- \$215.6 million in HCFAC mandatory funding, an increase of \$15.4 million above the FY 2020 Enacted;
- \$101.6 million in HCFAC discretionary funding, an increase of \$8.6 million above the FY 2020 Enacted. Of this funding, \$54.2 million is not subject to discretionary budget caps, consistent with § 251(b)(2)(C) of the Balanced Budget and Emergency Deficit Control Act of 1985; and
- \$12.0 million in HCFAC collections, an increase of \$0.7 million above the FY 2020 Enacted. Within a limited context, this funding reimburses OIG for its costs of conducting investigations, audits, and compliance monitoring. This amount is an estimate, and the amounts available will depend on the final amount collected.

Opioids, Other Prescription Drug Diversion and Abuse, and Serious Mental Illness: (+\$4.5 million and +11 FTE above the FY 2020 Enacted)

Of the \$101.6 million in HCFAC discretionary funding requested, \$4.5 million will address opioids, other prescription drug diversion and abuse, and serious mental illness across Medicare and Medicaid programs. In FY 2019, the Department of Justice (DOJ) created the Appalachian Regional Prescription Opioid (ARPO) Strike Force to identify, investigate, and efficiently prosecute healthcare fraud schemes involving illegal prescribing and distributing of opioids. ARPO is a joint law enforcement effort that brings together the resources and expertise of the DOJ, FBI, HHS-OIG, and the Drug Enforcement Administration (DEA), as well as the U.S. Attorney's Offices for 10 Federal districts in 6 states. There is a sustained need to dedicate full-time OIG investigative resources, including staff, to support the 10 districts that make up the new ARPO Strike Force region to effectively combat the opioid epidemic. These additional resources will be devoted to targeting illegal prescription and distribution of opioids to Medicare and Medicaid beneficiaries. Additional resources will also be used to enhance oversight of critical programs furnishing treatment for substance use disorders and serious mental illness.

OIG will continue to be a leader in combating fraud, waste, and abuse in Medicare and Medicaid through a strategic program of investigations, audits, evaluations, inspections, and legal actions. Key oversight areas will continue to include prescription drug abuse (including opioids), home- and community-based services, cybersecurity, health information technology (including telehealth), prescription drug programs, managed care and value-based programs, improper payments, combating fraud, and strengthening program integrity (including provider enrollment and other integrity measures). OIG will use advanced data analytics and tools, combined with subject matter expertise in emerging areas such as clinical science, data science, and artificial intelligence, to provide cutting-edge, data-informed oversight and, where necessary, take enforcement action to hold wrongdoers accountable. Consistent with efforts to promote efficiency and economy in HHS programs, OIG plans to identify potential opportunities and best practices for reducing unnecessary paperwork and streamlining

program requirements. Simultaneously, OIG will ensure that required documentation is meaningful, actionable, and sufficient to support the delivery of high quality, patient-centered care and payment integrity. OIG will also continue to foster strong, productive relationships with Federal and State Government partners and public-private partners and will promote compliance through education and outreach efforts.

Performance Information for Medicare and Medicaid Oversight

Key Outputs	Most Recent			FY 2021 +/- FY 2020
	FY 2019 Actual	FY 2020 Target	FY 2021 Target	
Audits:				
Audit Reports Started	110	113	117	+4
Audit Reports Issued	105	113	117	+4
Evaluations:				
Evaluation Reports Started	38	35	38	+3
Evaluation Reports Issued	34	39	41	+2
Investigations:				
Complaints Received for Investigation	2,903	2,372	2,431	+59
Investigative Cases Opened	2,022	1,511	1,549	+38
Investigative Cases Closed	1,686	1,561	1,600	+39
PL funding (Dollars in Millions)	\$294	\$304	\$329	+\$25

FY 2019 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	Rec's Concur Implemented	Questioned Cost ⁴⁸	Funds Put to Better Use ⁴⁹
Medicare and Medicaid Oversight	110	105	321	42	\$741,150,000	\$1,000,653,629

Office of Evaluation and Inspections

Category	Evaluation Starts	Evaluations Issued	Rec's Issued	Rec's Concur Implemented	Rec's Implemented
Medicare and Medicaid Oversight	38	34	65	53	169

Office of Investigations

Category	Cases Opened	Cases Closed	Criminal Actions	Civil Actions	Complaints Received For Inv	Monetary Results
Medicare and Medicaid Oversight	2,022	1,686	747	492	2,903	\$4,824,972,913

⁴⁸ Questioned Cost reflects disallowed cost and/or potential recoveries in which management concurred with the audit recommendation.

⁴⁹ Funds Put to Better Use reflects potential savings on those audit recommendations that achieve identifiable monetary savings.

<https://oig.hhs.gov>

SUPPLEMENTARY TABLES

Total Budget Authority by Object Class

(Dollars in thousands)

	FY 2019 Final	FY 2020 Enacted	FY 2021 President's Budget	FY 2021 +/- FY 2020
Personnel compensation:				
Full-time permanent (11.1)	\$183,761	\$193,819	\$208,216	+14,396
Other than full-time permanent (11.3)	3,639	3,701	3,977	+276
Other personnel compensation (11.5)	3,589	6,366	6,493	+127
Military personnel (11.7)	-	-	-	0
Special personnel services payments (11.8)	89	91	95	+4
Subtotal Personnel Compensation	191,077	203,978	218,781	+14,803
Civilian benefits (12.1)	72,657	74,309	76,632	+2,324
Military benefits (12.2)	-	-	-	0
Benefits to former personnel (13.0)	725	740	761	+22
Total Pay Costs	264,459	279,027	296,175	+17,149
Travel and transportation of persons (21.0)	7,923	8,070	13,031	+4,961
Transportation of things (22.0)	2,676	2,717	3,335	+617
Rental payments to GSA (23.1)	20,841	21,113	22,351	+1,238
Rental payments to others (23.2)	2	3	3	+
Communication, utilities, and misc. charges (23.3)	4,975	5,050	6,855	+1,806
Printing and reproduction (24.0)	61	62	83	+21
Other Contractual Services:				0
Advisory and assistance services (25.1)	-	-	-	0
Other services (25.2)	40,254	39,862	40,431	+569
Purchase of goods and services from government accounts (25.3)	24,912	31,354	32,479	+1,126
Operation and maintenance of facilities (25.4)	2,386	2,413	2,395	-18
Research and Development Contracts (25.5)	-	-	-	0
Medical care (25.6)	557	565	572	+7
Operation and maintenance of equipment (25.7)	8,123	8,231	8,321	+90
Subsistence and support of persons (25.8)	-	-	-	0
Subtotal Other Contractual Services	76,232	82,425	84,199	+1,774
Supplies and materials (26.0)	1,351	1,376	2,312	+935
Equipment (31.0)	10,365	10,465	11,069	+604
Land and structures (32.0)	1,498	1,520	1,541	+21
Investments and Loans (33.0)	-	-	-	0
Grants, subsidies, and contributions (41.0)	-	-	-	0
Insurance claims and indemnities (42.0)	80	81	82	+1
Interest and dividends (43.0)	-	-	-	0
Refunds (44.0)	-	-	-	0
Expenditures (99.1)	30	30	30	+
Total Non-Pay Costs	126,034	132,912	144,890	+11,978
Total Obligations	\$390,494	\$411,939	\$441,066	+29,127

PHHS Oversight Budget Authority by Object Class

(Dollars in thousands)

	FY 2019 Final	FY 2020 Enacted	FY 2021 President's Budget	FY 2021 +/- FY 2020
Personnel compensation:				
Full-time permanent (11.1)	\$40,537	\$40,948	\$43,410	+2,462
Other than full-time permanent (11.3)	841	848	899	+51
Other personnel compensation (11.5)	707	714	757	+43
Military personnel (11.7)	-	-	-	-
Special personnel services payments (11.8)	19	19	20	+1
Subtotal personnel compensation	42,104	42,529	45,086	+2,557
Civilian benefits (12.1)	16,102	16,224	16,799	+574
Military benefits (12.2)	-	-	-	-
Benefits to former personnel (13.0)	-	-	-	-
Total Pay Costs	58,206	58,753	61,884	+3,131
Travel and transportation of persons (21.0)	1,677	1,677	1,551	-127
Transportation of things (22.0)	554	554	390	-163
Rental payments to GSA (23.1)	4,366	4,397	4,401	+4
Rental payments to others (23.2)	1	1	1	+0
Communication, utilities, and misc. charges (23.3)	1,322	1,342	2,096	+754
Cell Services (23.4)	8	8	9	+0
Printing and reproduction (24.0)	-	-	-	-
Other Contractual Services:				
Advisory and assistance services (25.1)	-	-	-	-
Other services (25.2)	8,961	8,640	8,773	+133
Purchase of goods and services from government accounts (25.3)	4,618	4,637	4,638	+1
Operation and maintenance of facilities (25.4)	647	647	554	-93
Research and Development Contracts (25.5)	-	-	-	-
Medical care (25.6)	50	51	51	-0
Operation and maintenance of equipment (25.7)	974	974	863	-111
Subsistence and support of persons (25.8)	-	-	-	-
Subtotal Other Contractual Services	15,249	14,950	14,880	-71
Supplies and materials (26.0)	411	417	339	-78
Equipment (31.0)	4,383	4,389	4,438	+49
Land and Structures (32.0)	-	-	-	-
Investments and Loans (33.0)	-	-	-	-
Grants, subsidies, and contributions (41.0)	-	-	-	-
Insurance claims and indemnities (42.0)	12	12	13	+0
Interest and dividends (43.0)	-	-	-	-
Refunds (44.0)	-	-	-	-
Total Non-Pay Costs	27,985	27,748	28,116	+368
Total Direct Obligations	\$86,191	\$86,500	\$90,000	+3,500

Medicare and Medicaid Oversight Budget Authority by Object Class

(Dollars in thousands)

	FY 2019 Final	FY 2020 Enacted	FY 2021 President's Budget	FY 2021 +/- FY 2020
Personnel compensation:				
Full-time permanent (11.1)	\$142,755	\$150,814	\$162,748	+11,934
Other than full-time permanent (11.3)	2,798	2,853	3,078	+225
Other personnel compensation (11.5)	2,817	5,305	5,389	+84
Military personnel (11.7)	-	-	-	--
Special personnel services payments (11.8)	71	72	75	+3
Subtotal personnel compensation	148,441	159,044	171,290	+12,246
Civilian benefits (12.1)	56,356	57,419	59,233	+1,749
Military benefits (12.2)	-	-	-	--
Benefits to former personnel (13.0)	725	740	761	+22
Total Pay Costs,	205,523	217,203	231,284	+14,017
Travel and transportation of persons (21.0)	6,178	6,270	11,358	+5,088
Transportation of things (22.0)	2,116	2,148	2,928	+780
Rental payments to GSA (23.1)	16,469	16,716	17,950	+1,234
Rental payments to others (23.2)	2	2	2	+
Communication, utilities, and misc. charges (23.3)	3,653	3,707	4,759	+1,052
Printing and reproduction (24.0)	53	54	75	+21
Other Contractual Services:				
Advisory and assistance services (25.1)	-	-	-	--
Other services (25.2)	31,255	31,133	31,569	+436
Purchase of goods and services from government accounts (25.3)	8,839	8,972	9,250	+279
Operation and maintenance of facilities (25.4)	1,740	1,766	1,841	+75
Research and Development Contracts (25.5)	-	-	-	--
Medical care (25.6)	507	514	521	+7
Operation and maintenance of equipment (25.7)	7,149	7,256	7,458	+202
Subsistence and support of persons (25.8)	-	-	-	--
Total Other Contractual Services	49,490	49,641	50,639	+998
Supplies and materials (26.0)	939	954	1,967	+1,013
Equipment (31.0)	5,970	6,060	6,614	+554
Land and structures (32.0)	1,498	1,520	1,541	+21
Investments and loans (33.0)	-	-	-	--
Grants, subsidies, and contributions (41.0)	-	-	-	--
Insurance claims and indemnities (42.0)	68	69	70	+1
Interest and dividends (43.0)	-	-	-	--
Refunds (44.0)	-	-	-	--
Expenditures (99.1)	30	30	30	+
Total Non-Pay Costs	86,466	87,171	97,934	+10,763
Total Direct Obligations	\$291,988	\$304,374	\$329,218	+24,780

Reimbursable Budget Authority by Object Class

(Dollars in thousands)

	FY 2019 Final	FY 2020 Enacted	FY 2021 President's Budget	FY 2021 +/- FY 2020
Personnel compensation:				
Full-time permanent (11.1)	\$468	\$2,058	\$2,058	--
Other than full-time permanent (11.3)	-	-	-	--
Other personnel compensation (11.5)	65	348	348	--
Military personnel (11.7)	-	-	-	--
Special personnel services payments (11.8)	-	-	-	--
Subtotal personnel compensation	533	2,406	2,406	--
Civilian benefits (12.1)	198	601	601	--
Military benefits (12.2)	-	-	-	--
Benefits to former personnel (13.0)	-	-	-	--
Subtotal Pay Costs,	731	3,007	3,007	--
Travel and transportation of persons (21.0)	68	122	122	--
Transportation of things (22.0)	6	16	16	--
Rental payments to GSA (23.1)	5	0	0	--
Rental payments to others (23.2)	-	-	-	--
Communication, utilities, and misc. charges (23.3)	-	-	-	--
Printing and reproduction (24.0)	-	-	-	--
<u>Other Contractual Services:</u>				--
Advisory and assistance services (25.1)	-	-	-	--
Other services (25.2)	38	89	89	--
Purchase of goods and services from government accounts (25.3)	11,455	17,745	17,745	--
Operation and maintenance of facilities (25.4)	-	-	-	--
Research and Development Contracts (25.5)	-	-	-	--
Medical care (25.6)	-	-	-	--
Operation and maintenance of equipment (25.7)	-	-	-	--
Subsistence and support of persons (25.8)	-	-	-	--
Subtotal Other Contractual Services	11,492	17,833	17,833	--
Supplies and materials (26.0)	1	6	6	--
Equipment (31.0)	11	17	17	--
Land and Structures (32.0)	-	-	-	--
Investments and Loans (33.0)	-	-	-	--
Grants, subsidies, and contributions (41.0)	-	-	-	--
Interest and dividends (43.0)	-	-	-	--
Refunds (44.0)	-	-	-	--
Subtotal Non-Pay Costs	11,583	17,994	17,994	--
Total Direct Obligations	\$12,315	\$21,000	\$21,000	--

Total Salary and Expenses

(Dollars in thousands)

	FY 2019 Final	FY 2020 Enacted	FY 2021 President's Budget	FY 2021 +/- FY 2020
Personnel compensation:				
Full-time permanent (11.1)	\$183,761	\$193,819	\$208,216	+14,396
Other than full-time permanent (11.3)	3,639	3,701	3,977	+276
Other personnel compensation (11.5)	3,589	6,366	6,493	+127
Military personnel (11.7)	-	-	-	--
Special personnel services payments (11.8)	89	91	95	+4
Subtotal personnel compensation	191,077	203,978	218,781	+14,803
Civilian benefits (12.1)	72,657	74,309	76,632	+2,324
Military benefits (12.2)	-	-	-	--
Benefits to former personnel (13.0)	740	740	761	+22
Subtotal Pay Costs	264,474	279,027	296,175	+17,149
Travel (21.0)	7,923	8,070	13,031	+4,961
Transportation of things (22.0)	2,676	2,717	3,335	+617
Communication, utilities, and misc. charges (23.3)	4,975	5,050	6,855	+1,806
Printing and reproduction (24.0)	61	62	83	+21
<u>Other Contractual Services:</u>				
Advisory and assistance services (25.1)	-	-	-	--
Other services (25.2)	40,254	39,862	40,431	+569
Purchase of goods and services from government accounts (25.3)	24,912	31,354	32,479	+1,126
Operation and maintenance of facilities (25.4)	2,386	2,413	2,395	-18
Research and Development Contracts (25.5)	-	-	-	--
Medical care (25.6)	557	565	572	+7
Operation and maintenance of equipment (25.7)	8,123	8,231	8,321	+90
Subsistence and support of persons (25.8)	-	-	-	--
Subtotal Other Contractual Services	76,232	82,425	84,199	+1,774
Supplies and materials (26.0)	1,351	1,376	2,312	+935
Subtotal Non-Pay Costs	93,219	99,700	109,814	+10,114
Total Salary and Expenses	357,693	378,727	405,989	+27,262
Rental Payments to GSA (23.1)	20,841	21,113	22,351	+1,238
Grand Total, Salaries & Expenses and Rent	\$378,533	\$399,840	\$428,340	+28,500
Direct FTE	1,631	1,650	1,676	+26

PHHS Oversight Salary and Expenses

(Dollars in thousands)

	FY 2019 Final	FY 2020 Enacted	FY 2021 President's Budget	FY 2021 +/- FY 2020
Personnel compensation:				
Full-time permanent (11.1)	\$40,537	\$40,948	\$43,410	\$2,462
Other than full-time permanent (11.3)	841	848	899	\$51
Other personnel compensation (11.5)	707	714	757	\$43
Military personnel (11.7)	-	-	-	\$0
Special personnel services payments (11.8)	19	19	20	\$1
Subtotal personnel compensation	42,104	42,529	45,086	\$2,557
Civilian benefits (12.1)	16,102	16,224	16,799	\$574
Military benefits (12.2)	-	-	-	\$0
Benefits to former personnel (13.0)	-	-	762	\$762
Subtotal Pay Costs	58,206	58,753	62,646	\$3,893
Travel (21.0)	1,677	1,677	1,551	-\$127
Transportation of things (22.0)	554	554	390	-\$163
Communication, utilities, and misc. charges (23.3)	1,322	1,342	2,096	\$754
Printing and reproduction (24.0)	8	8	9	\$0
<u>Other Contractual Services:</u>				
Advisory and assistance services (25.1)	-	-	-	\$0
Other services (25.2)	8,961	8,640	8,773	\$133
Purchase of goods and services from government accounts (25.3)	4,618	4,637	4,638	\$1
Operation and maintenance of facilities (25.4)	647	647	554	-\$93
Research and Development Contracts (25.5)	-	-	-	\$0
Medical care (25.6)	50	51	51	\$0
Operation and maintenance of equipment (25.7)	974	974	863	-\$111
Subsistence and support of persons (25.8)	-	-	-	\$0
Subtotal Other Contractual Services	15,249	14,950	14,880	-\$71
Supplies and materials (26.0)	411	417	339	-\$78
Subtotal Non-Pay Costs	19,223	18,949	19,264	\$315
Total Salary and Expenses	77,428	77,702	81,910	\$4,208
Rental Payments to GSA (23.1)	4,366	4,397	4,401	\$4
Grand Total, Salaries & Expenses and Rent	\$81,795	\$82,099	\$86,311	\$4,212
Direct FTE	365	365	380	+15

Medicare and Medicaid Oversight Salary and Expenses

(Dollars in thousands)

	FY 2019 Final	FY 2020 Enacted	FY 2021 President's Budget	FY 2021 +/- FY 2020
Personnel compensation:				
Full-time permanent (11.1)	\$142,755	\$150,814	\$162,748	+11,934
Other than full-time permanent (11.3)	2,798	2,853	3,078	+225
Other personnel compensation (11.5)	2,817	5,305	5,389	+84
Military personnel (11.7)	-	-	-	0
Special personnel services payments (11.8)	71	72	75	+3
Subtotal personnel compensation	148,441	159,044	171,290	+12,246
Civilian benefits (12.1)	56,356	57,483	59,233	+1,749
Military benefits (12.2)	-	-	-	0
Benefits to former personnel (13.0)	725	740	761	+22
Subtotal Pay Costs	205,523	217,267	231,284	+14,017
Travel (21.0)	6,178	6,270	11,358	+5,088
Transportation of things (22.0)	2,116	2,148	2,928	+780
Communication, utilities, and misc. charges (23.3)	3,653	3,707	4,759	+1,052
Printing and reproduction (24.0)	53	54	75	+21
<u>Other Contractual Services:</u>				
Advisory and assistance services (25.1)	-	-	-	0
Other services (25.2)	31,255	31,133	31,569	+436
Purchase of goods and services from government accounts (25.3)	8,839	8,972	10,097	+1,126
Operation and maintenance of facilities (25.4)	1,740	1,766	1,841	+75
Research and Development Contracts (25.5)	-	-	-	0
Medical care (25.6)	507	514	521	+7
Operation and maintenance of equipment (25.7)	7,149	7,256	7,458	+202
Subsistence and support of persons (25.8)	-	-	-	0
Subtotal Other Contractual Services	49,490	49,641	51,486	+1,845
Supplies and materials (26.0)	939	954	1,967	+1,013
Subtotal Non-Pay Costs	62,429	62,775	72,573	+9,799
Total Salary and Expenses	267,952	274,272	303,857	+23,816
Rental Payments to GSA (23.1)	16,469	16,716	17,950	+1,234
Grand Total, Salaries & Expenses and Rent	\$284,421	\$290,988	\$321,807	+25,050
Direct FTE	1,266	1,285	1,296	+11

Reimbursables Salary and Expenses

(Dollars in thousands)

	FY 2019 Final	FY 2020 Enacted	FY 2021 President's Budget	FY 2021 +/- FY 2020
Personnel compensation:				
Full-time permanent (11.1)	\$468	\$2,058	\$2,058	--
Other than full-time permanent (11.3)	-	-	-	--
Other personnel compensation (11.5)	65	348	348	--
Military personnel (11.7)	-	-	-	--
Special personnel services payments (11.8)	-	-	-	--
Subtotal personnel compensation	533	2,406	2,406	--
Civilian benefits (12.1)	198	601	601	--
Military benefits (12.2)	-	-	-	--
Benefits to former personnel (13.0)	-	-	-	--
Subtotal Pay Costs	731	3,007	3,007	--
Travel (21.0)	68	122	122	--
Transportation of things (22.0)	6	16	16	--
Communication, utilities, and misc. charges (23.3)	-	-	-	--
Printing and reproduction (24.0)	-	-	-	--
<u>Other Contractual Services:</u>				
Advisory and assistance services (25.1)	-	-	-	--
Other services (25.2)	38	89	89	--
Purchase of goods and services from government accounts (25.3)	11,455	17,745	17,745	--
Operation and maintenance of facilities (25.4)	-	-	-	--
Research and Development Contracts (25.5)	-	-	-	--
Medical care (25.6)	-	-	-	--
Operation and maintenance of equipment (25.7)	-	-	-	--
Subsistence and support of persons (25.8)	-	-	-	--
Subtotal Other Contractual Services	11,492	17,833	17,833	--
Supplies and materials (26.0)	1	6	6	--
Subtotal Non-Pay Costs	11,567	17,977	17,977	--
Total Salary and Expenses	12,298	20,983	20,983	--
Rental Payments to GSA (23.1)	5	0	0	--
Grand Total, Salaries & Expenses and Rent	\$12,303	\$20,984	\$20,984	--
Direct FTE	[7]	[10]	[10]	--

Detail of FTE

	2019 Actual Civilian	2019 Actual Military	2019 Actual Total	2020 Est. Civilian	2020 Est. Military	2020 Est. Total	2021 Est. Civilian	2021 Est. Military	2021 Est. Total
PHHS Oversight									
Direct:.....	358	-	358	355	-	355	370	-	370
Reimbursable:.....	7	-	7	10	-	10	10	-	10
Total:.....	365	-	365	365	-	365	380	-	380
Medicare and Medicaid Oversight									
HCFAC									
Mandatory.....	913	-	913	915	-	915	915	-	915
HCFAC									
Discretionary	353	-	353	370	-	370	381	-	381
Total:.....	1,266	-	1,266	1,285	-	1,285	1,296	-	1,296
OIG FTE Total.....	1,631	-	1,631	1,650	-	1,650	1,676	-	1,676

Detail of Positions

	2019 Final	FY 2020 Enacted	2021 President's Budget
Executive (ES) Positions:			
Executive level X.....	1	1	1
ES-00.....	21	21	21
Subtotal	22	22	22
Senior Leader (SL) Positions			
Subtotal	6	6	6
General Schedule (GS) Positions:			
GS-15.....	132	132	132
GS-14.....	269	269	269
GS-13.....	764	764	794
GS-12.....	272	272	294
GS-11.....	58	58	58
GS-10.....	0	0	0
GS-9.....	82	82	82
GS-8.....	1	1	1
GS-7.....	37	37	37
GS-6.....	1	1	1
GS-5.....	19	19	19
GS-4.....	9	9	9
Subtotal	1,644	1,644	1,688
Total, OIG Positions	1,672	1,672	1,724
Average GS Grade.....	12.6	12.6	12.6
Average ES & SL Salary.....	\$191,906		
Average GS Salary.....	\$114,852		
Average GS Grade			
FY 2017.....	12.6		
FY 2018.....	12.6		
FY 2019.....	12.6		
FY 2020.....	12.6		
FY 2021.....	12.6		

Programs Proposed for Elimination

There are no programs proposed for elimination in the FY 2021 budget request.

Physicians' Comparability Allowance (PCA) Worksheet

(Dollars in thousands)

	FY 2019 (Final)	FY 2020* Enacted	FY 2021 President's Budget (Estimates)
Physicians Receiving PCAs	1	1	1
Physicians with 1-year PCA Agreements	0	0	0
Physicians with Multi-Year PCA Agreements	1	1	1
Average Annual PCA Physician Pay (without PCA payment)	\$190	\$193	\$193
Average Annual PCA Payment	\$30	\$30	\$30
Physicians Receiving PCA, Category IV-B Health and Medical Administration	1	1	1

*FY 2020 data will be approved during the FY 2021 Budget cycle.

**FY 2021 estimates reflect a conservative 2-percent performance-based increase that may be authorized consistent with OIG's Senior Professional Pay-for-Performance System and annual supplemental guidance.

Provide the Maximum annual PCA amount paid to each category of physician in your agency and explain the reasoning for these amounts by category.

OIG sets its annual PCA amount consistent with HHS policy. In 2020, approximately \$30,000 will be provided to the physician in Category IV-B.

Explain the recruitment and retention problem for each category of physician in your agency.

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.

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

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

Regarding the increase in the average annual PCA physician pay (without PCA payment), the estimated salary of OIG's Chief Medical Officer 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 OPM-approved and certified "pay for performance" appraisal system that covers SL positions. Actual pay increases will be made in accordance with HHS and OIG policy and annual pay guidance issued by the OIG Office of Management and Policy.

<https://oig.hhs.gov>

SPECIAL REQUIREMENTS

Requirements of the Inspector General Act

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 on 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 2021 process was \$448.2 million.
- Funding requested for training is approximately \$2.5 million.
- Funding will be necessary to support the Council of the Inspectors General on Integrity and Efficiency (CIGIE).

OIG Training Requirements

In accordance with section 6(f)(3)(C) of the IG Act, this budget requests approximately \$2.5 million in FY 2021 for training expenses, of which a portion will be funded from the discretionary budget. This amount is composed of OIG's baseline training budget for its entire staff, which, with the FY 2021 request, includes approximately 1,695 criminal investigators, auditors, program evaluators, attorneys, and administrative and management staff.

OIG Financial Support for CIGIE

In support of the Government-wide IG community, OIG contributes funds for the operation of CIGIE. In accordance with the reporting requirements of section 6(f)(3)(D) of the Inspector General Act, this budget requests necessary funding for OIG's support of CIGIE, of which a portion will be funded from OIG's discretionary budget.