



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

Fiscal Year 2023

Justification of Estimates for Congress



**DEPARTMENT
of HEALTH
and HUMAN
SERVICES**

Fiscal Year

2023

Office of Inspector General

*Justification of Estimates for
Congress*

Inspector General Letter

I am pleased to present the Department of Health and Human Services (HHS or the Department), Office of Inspector General (OIG), fiscal year (FY) 2023 budget submission. OIG would use requested funding to protect the integrity, effectiveness, and efficiency of more than 100 HHS programs, as well as the health and welfare of the people they serve.



OIG's FY 2023 budget submission includes a total of \$453.8 million to oversee HHS programs, including \$112.8 million for oversight of HHS's Public Health and Human Services (PHHS) programs and \$341 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.

The FY 2023 Budget request:

- continues OIG's longstanding oversight in key PHHS areas, including the health and safety of children served by HHS programs; quality, safety, and integrity of services provided by public health programs; grants and contracts management; and emergency preparedness and response activities;
- supports OIG's oversight of the Department's response to the COVID-19 pandemic to protect people, protect funds, protect infrastructure, and promote the effectiveness of programs, now and in the future; and
- provides essential funding for oversight of the Medicare and Medicaid programs, including the Children's Health Insurance Program (CHIP). Priority areas include raising the performance of nursing homes, including improved quality of life for residents; reducing improper payments; ensuring the integrity of growing managed care programs; addressing high costs of prescription drugs; and advancing access to care and reducing health disparities.

With these FY 2023 resources, OIG will continue its longstanding commitment to combating fraud, waste, and abuse in HHS programs, including COVID-19-related fraud schemes and fraud, waste, and abuse in grants programs. OIG will also continue to focus on key priority areas, harness data and technology, and cultivate public and private partnerships to conduct high-impact, evidence-based work. OIG tackles problems and achieves outsized impact by applying an independent, objective lens; following the facts; and connecting the perspectives of multiple experts.

OIG delivers results for the American people through law enforcement actions that hold wrongdoers accountable; audits and evaluations that reveal program weaknesses and recommend program improvements; data analytics that identify trends and potential vulnerabilities; and guidance and other resources that promote industry compliance and program integrity. Requested resources will enable OIG to remain a modern, nimble organization that pivots quickly to address emerging oversight needs.

OIG appreciates the continued support of Congress and HHS for this important work. The funding requested will advance OIG's mission to protect the health and well-being of all Americans.

/s/

Christi A. Grimm
Inspector General

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AGENCY OVERVIEW

Mission, Vision, and Values

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

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

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

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

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

GOALS AND OBJECTIVES

Fight Fraud, Waste, and Abuse

- Prevent, detect, and deter fraud, waste, and abuse
- Foster sound financial stewardship and reduction of improper payments
- Hold wrongdoers accountable and recover misspent public funds

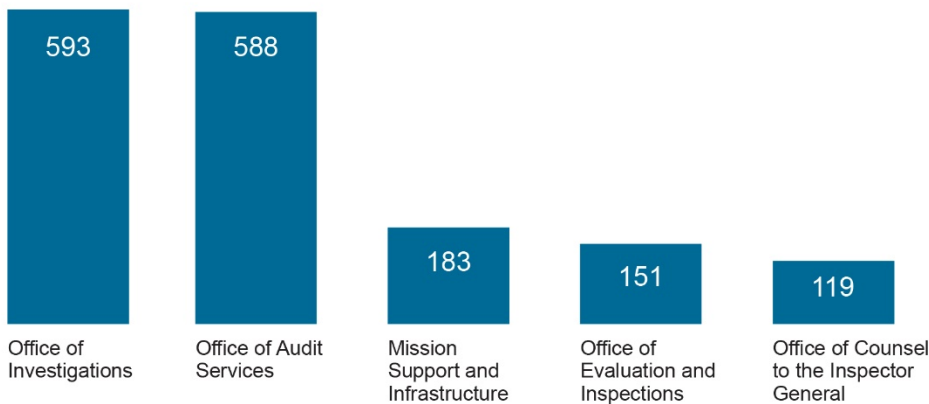
Promote Quality, Safety, and Value

- Foster quality, safety, and value of HHS-funded services
- Promote public health and safety
- Support high-performing health and human service programs

Advance Excellence and Innovation

- Maximize value by improving efficiency and effectiveness
- Promote security and effective use of data and technology
- Encourage implementation of OIG recommendations

FTE by OIG Component



Office of Audit Services

The Office of Audit Services (OAS) provides auditing services by conducting audits with its own audit resources or by overseeing audit work done by others. OAS examines the performance of HHS programs and/or its grantees and contractors in carrying out their respective responsibilities and provides independent assessments of HHS programs and operations. These audits help reduce waste, abuse, and mismanagement and promote economy and efficiency throughout HHS.

Office of Investigations

The Office of Investigations (OI) conducts criminal, civil, and administrative investigations of fraud and misconduct related to HHS programs, operations, and beneficiaries. With investigators working in all 50 States and the District of Columbia, OI utilizes its resources by actively coordinating with the Department of Justice (DOJ) and other Federal, State, and local law enforcement authorities. OI's investigative efforts often lead to criminal convictions, administrative sanctions, and/or civil monetary penalties.

Office of Evaluation and Inspections

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

Office of Counsel to the Inspector General

The Office of Counsel to the Inspector General (OCIG) provides general legal services to OIG, rendering advice and opinions on HHS programs and operations, and providing all legal support for OIG's internal operations. OCIG represents OIG in all civil and administrative fraud and abuse cases involving HHS programs, including the False Claims Act, program exclusion, and civil monetary penalty cases. In connection with these cases, OCIG also negotiates and monitors corporate integrity agreements. OCIG renders advisory opinions, issues compliance program

guidance, publishes fraud alerts, and provides other guidance to the health care industry concerning the anti-kickback statute and other OIG enforcement authorities.

Mission Support and Infrastructure

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

Recent Accomplishments

OIG's audits, evaluations, and investigations deliver results and actionable information and recommendations to program officials, policymakers, taxpayers, public and private partners, and consumers. OIG remains at the forefront of the Nation's efforts to fight fraud in HHS programs and hold wrongdoers accountable. In FY 2021, OIG's investigative work led to \$3 billion in expected investigative recoveries and 532 criminal actions¹. OIG also took civil actions, such as excluding 1,689 individuals and entities from Federal health care programs and assessing monetary penalties against 689 individuals and entities.

The following information highlights OIG's significant, recent accomplishments. For a more detailed discussion of OIG's recent accomplishments, please see OIG's [Fall 2021 Semiannual Report to Congress](#) on our website.

Responding to the COVID-19 Pandemic

The COVID-19 pandemic created unprecedented challenges for HHS and the delivery of health and human services to program recipients and beneficiaries. As the oversight agency for HHS, OIG promotes the efficiency and effectiveness of HHS' COVID-19 response and recovery efforts across HHS programs, including programs operated by the Centers for Disease Control and Prevention, Centers for Medicare and Medicaid Services, Food and Drug Administration, the Health Resources and Services Administration, Indian Health Service, Assistant Secretary for Preparedness and Response, and other HHS divisions involved in the emergency response. OIG coordinates COVID-19 work with key oversight and law enforcement partners, including the Department of Justice; the Pandemic Response Accountability Committee; other Federal, State, local, and Tribal entities; and the Government Accounting Office, among others, to ensure adequate oversight, avoid duplication, and share insights.

OIG continues to advance the four goals that drive OIG's strategic planning and mission execution with respect to HHS's COVID-19 response and recovery. These goals are: (1) to protect people, (2) protect funds, (3) protect infrastructure, and (4) promote effectiveness of HHS programs. To this end, we have more than 65 ongoing audits and evaluations, assessing a wide range of urgent issues—from health disparities to expenditure of pandemic relief funds to

Fiscal Year 2021

Expected Investigative Recoveries of
\$3.0 BILLION



Criminal Actions Against
532 Individuals or
Entities that Engaged in
Crimes Against HHS
Programs



Exclusions of
1,689 Individuals and
Entities from Federal Health
Care Programs



Civil Actions Against
689 Individuals or
Entities



¹ Civil and administrative settlements or civil judgments result in financial recoveries, the majority of which are deposited in the Treasury and Medicare Trust Funds. The portion of the recoveries that are allotted to OIG are considered investigative receivables and are discussed more in the HCFAC narrative on page 33.

nursing home oversight and preparedness, among others—along with law enforcement efforts, data analytics, and issuance of fraud alerts and other guidance.

- OIG is publishing audits and evaluations assessing COVID-19 preparedness and response in HHS programs. As of February 2022, OIG has completed 19 reviews that cover a range of topics, including COVID-19 testing, telehealth, health equity, contracts management, opioid use during the pandemic, health and safety in nursing homes and other settings, and many others. For example, in October 2021, OIG released a data brief, [*Most Medicare beneficiaries received telehealth services only from providers with whom they had an established relationship.*](#) In response to the COVID-19 pandemic, both Congress and the HHS expanded access to a wide range of medical services that can be delivered via telehealth. From March through December 2020, 26 million Medicare beneficiaries accessed essential health care services via telehealth. OIG found that 84 percent of beneficiaries received telehealth services only from providers with whom they had an established relationship. Examining how beneficiaries used telehealth during this time can help inform policymakers as they consider permanent changes to the Medicare telehealth benefit.
- OIG maintains a [**COVID-19 Portal**](#) that alerts the public about fraud schemes related to COVID-19, provides guidance to providers about COVID-19 flexibilities under OIG authorities, and compiles all ongoing and completed oversight work.
- [**2021 National COVID-19 Health Care Fraud Takedown**](#). In May 2021, OIG along with law enforcement partners participated in the largest coordinated law enforcement action to combat health care fraud related to COVID-19, charging 14 defendants in 7 Federal districts for their alleged participation in various health care fraud schemes that exploited the pandemic and resulted in over \$143 million in false billings. Defendants include telemedicine company executives, physicians, marketers, and medical business owners.

HCFAC Accomplishments

OIG uses HCFAC funding solely for oversight of the Medicare and Medicaid programs. The HCFAC program coordinates Federal, State, and local law enforcement activities with respect to health care fraud and abuse. The most recent return on investment (ROI) for the HCFAC program is approximately \$4.30 returned for every \$1 invested.² This is a ratio of actual monetary returns to the Government to total HCFAC program appropriations. The HCFAC program’s continued success in returning more money than spent confirms the soundness of a



² The HCFAC ROI from the FY 2020 HCFAC Report is based on a 3-year rolling average.

collaborative approach to identifying and prosecuting the most egregious instances of health care fraud, preventing future fraud, and protecting program beneficiaries.³

In FY 2020, Medicare spent more than \$829 billion providing health coverage to about 62 million beneficiaries. The Federal Government and States spent nearly \$671.2 billion providing Medicaid and CHIP coverage to about 76.5 million beneficiaries. OIG has sustained efforts to root out wasteful practices and illegal activity in the Medicare and Medicaid programs that can unnecessarily raise costs for these programs or put beneficiaries at risk. Significant recent OIG work in HCFAC oversight includes:

- **2021 National Health Care Fraud Enforcement Action.** HHS-OIG investigated schemes to fraudulently bill Medicare for medically unnecessary testing and medical equipment related to COVID-19. HHS-OIG, along with our law enforcement partners, participated in a strategically coordinated, six-week Federal law enforcement action to combat health care fraud nationwide. The efforts resulted in criminal charges against 138 defendants, including more than 42 doctors, nurses, and other licensed medical professionals, with over \$1.4 billion in alleged losses.
- **Leveraging Oversight to Improve Nursing Homes.** Elevating the performance of nursing homes and improving quality of care and quality of life for residents is a top OIG priority. In a recent OIG review, *COVID-19 Had a Devastating Impact on Medicare Beneficiaries in Nursing Homes*, OIG found that two in five Medicare beneficiaries in nursing homes either had or likely had COVID-19 in 2020. Overall mortality in nursing homes increased to 22 percent in 2020 from 17 percent in 2019, with almost 1,000 more beneficiaries dying per day in April 2020 than in April 2019. About half of Black, Hispanic, and Asian beneficiaries in nursing homes either had or likely had COVID-19, compared to 41 percent of White beneficiaries. In a review issued in January 2022, *CMS Should Take Further Action To Address States With Poor Performance in Conducting Nursing Home Surveys*, OIG found that just over half of State survey agencies repeatedly failed to meet requirements for conducting nursing home surveys during fiscal years 2015–2018, yet CMS rarely imposed higher-level sanctions. Without effective oversight of nursing homes by the States, residents may be at increased risk for harm and poor care. OIG made recommendations to help strengthen CMS oversight of State efforts.

PHHS Accomplishments

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

³ ROIs can vary over time for a variety of reasons, such as the size of settlements in a given year and the type and complexity of fraud schemes under investigation.

- **Oversight of the Unaccompanied Children (UC) Program.** OIG oversight of the UC program, managed by the Administration for Children and Families (ACF) Office of Refugee Resettlement (ORR), has focused on the health and safety of the children who temporarily reside at facilities funded by ORR. In 2021, OIG published a toolkit compiling insights from its oversight of the UC Program. These insights are drawn from audits and evaluations conducted since 2008, including reports issued following site visits at 45 facilities during the 2018 surge of children entering the UC Program. This toolkit outlines actions that HHS program officials and facility administrators can take to ensure the health and safety of children in care, especially children at influx care facilities and emergency intake sites. (See report [OEI-09-21-00220](#))
- **Securing Research Integrity.** OIG’s oversight of programs at the National Institutes of Health (NIH) enhances the Federal Government’s ability to detect, deter, and take enforcement action to ensure the proper stewardship of funds and the integrity of U.S. medical research. Based on concerns raised by Congress, NIH, and other Federal law enforcement agencies, OIG has four priority areas for NIH oversight: (1) cybersecurity protections; (2) compliance with Federal requirements and NIH policies for grants and contracts; (3) integrity of grant application and selection processes; and (4) intellectual property and research integrity. In a recent review, *[Selected NIH Institutes Met Requirements for Documenting Peer Review But Could Do More To Track and Explain Funding Decisions](#)*, OIG found that NIH has limited insight into the extent and nature of its institutes and centers’ decisions to fund less favorably ranked grant applications. This can raise questions about the transparency, impartiality, and fairness of NIH’s grantmaking process. OIG made recommendations for NIH to provide better insights into whether and why funding out of rank order is happening and NIH concurred with OIG’s recommendations.

SECTION I: EXECUTIVE SUMMARY

Preface to FY 2023 Budget Request

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

In FY 2021, OIG's investigative work led to \$3.0 billion in expected investigative recoveries and 532 criminal actions. OIG excluded 1,689 untrustworthy individuals and entities from Federal health care programs and assessed monetary penalties against 681 individuals and entities. A total of 208 reports were issued that included 506 new recommendations to encourage positive change in HHS programs. During that time, HHS implemented 432 OIG recommendations to drive positive impact for HHS programs and beneficiaries. To enhance our impact, OIG is assessing how to modernize the transparency and usability of our data, including information provided to the public and other stakeholders, to promote compliance with program requirements and reduce fraud, waste, and abuse.

OIG's oversight responsibilities have increased substantially, especially in the last two fiscal years, because of massive new HHS funding for the pandemic response and expanded HHS program operations. In FY 2021, HHS had the highest expenditures among all Federal agencies, including the Department of Defense, at \$2.4 trillion, including increased supplemental funding for the pandemic response. HHS programs delivered new and expanded services in response to the pandemic and the surge in unaccompanied children at the U.S. southern border.

Oversight of these and other HHS programs is essential to ensure that funds are spent in accordance with program requirements, and programs operate as intended. However, as HHS's Budget Authority (BA) and expenditures have increased, OIG's oversight and enforcement budget, as a percentage of HHS spending, has declined. For example, HHS's BA grew \$43 billion in FY 2021. In contrast, OIG's discretionary PHHS appropriation received no increase. This funding request provides needed additional resources for OIG to provide oversight of HHS's growing expenditures, programs, and risks. At current resource levels, OIG's investigators, auditors, and evaluators will be unable to keep pace with growth in health care and grant fraud, program integrity risks, and increases in allegations and caseloads.

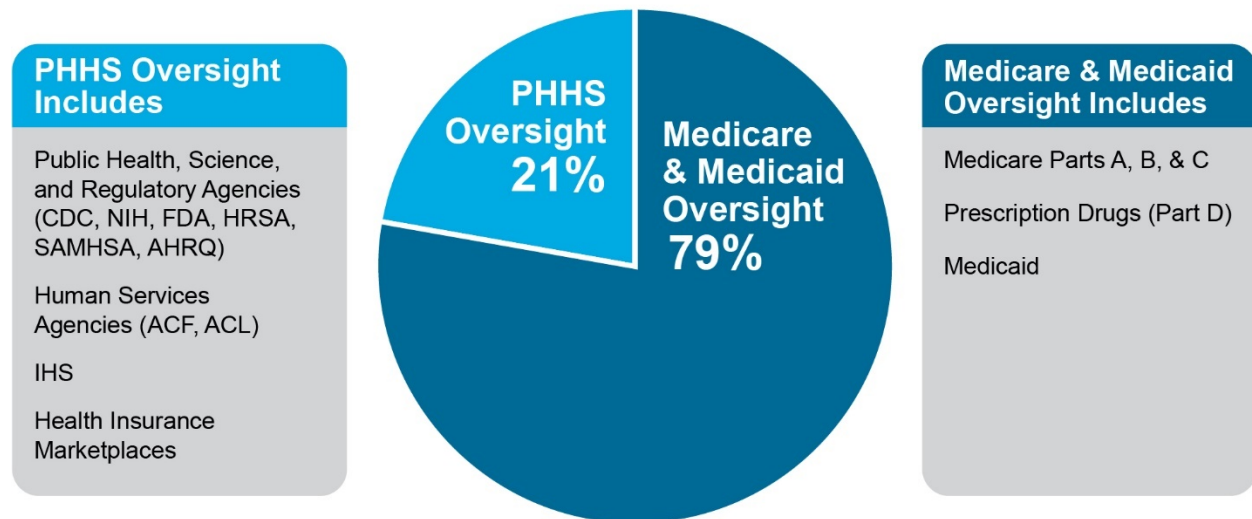
FY 2023 Budget Request Overview

The total FY 2023 budget submission for OIG is \$453.8 million. Compared to a full year Continuing Resolution (CR) in FY 2022, this \$41.9 million increase accounts for two years' worth of investments and increased mandatory expenses.

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

Public Health and Human Services (PHHS) Oversight. Twenty-one percent of OIG funding supports oversight of HHS's broad and diverse portfolio of PHHS programs and services, including, among others, health care funded by the Indian Health Services (IHS); research and other initiatives funded by the National Institutes of Health (NIH); Food and Drug Administration (FDA) efforts to ensure the safety of foods, drugs, and medical devices; and programs that address substance use disorders and serious mental illness, protect the health and well-being of children, and help the Nation plan for, respond to, and recover from emergencies.

Health Care Fraud and Abuse Control (HCFAC) Program Oversight (Medicare and Medicaid). Seventy-nine percent of OIG's funding supports oversight of the Medicare and Medicaid programs, which includes Medicare Parts A, B, and C, as well as the prescription drug benefit (Part D).



PHHS Oversight and Enforcement

Budget Request: \$112.8 Million (+\$26.3 Million Above FY 2022 CR)

OIG oversight and enforcement conducted with dedicated PHHS funding improves the health and well-being of the Nation. OIG has used innovative approaches to provide independent, objective information and recommendations to decisionmakers and other stakeholders on topics including emergency response and recovery, opioid treatment programs, research integrity, and safety at facilities for unaccompanied children.

OIG will continue to use a risk-assessment approach to focus resources on the highest-impact oversight and enforcement opportunities in PHHS programs. We will hold wrongdoers accountable and make recommendations for recovery of misspent funds, improved internal controls, and more equitable access to, and safety and quality of, services rendered by HHS programs.

This level of resources reflects \$20 million in cybersecurity improvements and information blocking enforcement activities requested in the FY 2022 Budget. In addition, it will alleviate the \$4 million in increased mandatory expenses that OIG anticipates for FY 2023.

Medicare and Medicaid Oversight and Enforcement

Budget Request: \$329.6 Million⁴ (\$11.8 Million Above FY 2022 CR)

- \$220.0 million in HCFAC Mandatory funds (\$5.4 million above FY 2022 CR);
- \$109.6 million in HCFAC Discretionary funds (\$10.6 million above FY 2022 CR); and

OIG carries out a strategic program of investigations, audits, evaluations, inspections, industry guidance and education, and legal actions focusing on preventing and detecting fraud, waste, and abuse in Medicare and Medicaid. When necessary, OIG takes enforcement actions to hold wrongdoers accountable.

With requested funding, OIG will continue to use risk-assessment to focus enforcement and oversight on protecting the Medicare and Medicaid programs and beneficiaries and patients from fraud and abuse and ensuring sound program management, payment accuracy, patient safety, and quality of care. Areas of focus will continue to include nursing homes, home and community-based services, managed care, telehealth, health equity, and affordability of prescription drugs.

⁴ HCFAC Collections are not included in this total as they are not considered “requested” funds.

Overview of Performance

OIG delivers results for taxpayers by safeguarding programs from fraud, waste, and abuse and protecting beneficiaries from harm. OIG continues to modernize its infrastructure capacity to deliver high quality, timely, actionable data. OIG develops measures to track our outcomes and key results. OIG deploys data-driven decision making to achieve outcome-focused results.

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

OIG Priority Outcomes

OIG's current priority outcomes are selected based on findings from past and ongoing OIG work, top challenges facing HHS as identified annually by OIG, availability of data, and the ability to influence outcomes. For each priority outcome, OIG develops strategies, drives action, unleashes organizational creativity, and measures impact to provide solutions and improve outcomes for HHS programs and beneficiaries. More information on these measures can be found on page 53.



Promote patient safety and accuracy of payments in home and community settings



Reduce risks to beneficiaries from substance use disorder



Improve emergency preparedness and COVID-19 response and recovery

PRIORITY OUTCOMES



Strengthen HHS cybersecurity protections for systems and data



Strengthen Medicaid effectiveness and protections against fraud, waste, and abuse

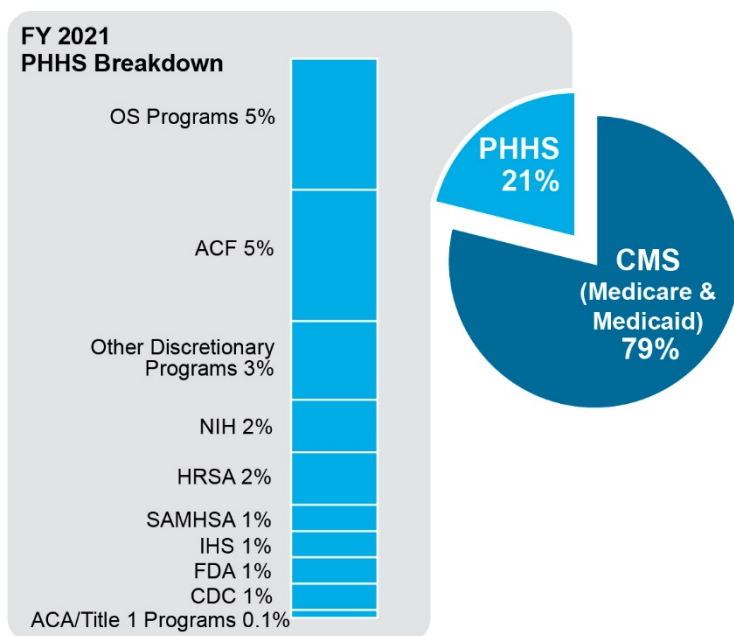
Risk Assessment

We assess relative risks in HHS programs and operations to identify those areas most in need of attention and, accordingly, to set priorities for the sequence and proportion of resources to be allocated. In evaluating potential projects to undertake, we consider, among other things:

- mandatory requirements for OIG reviews, as set forth in laws;
- requests made, or concerns raised, by Congress, HHS management, OMB, or other affected stakeholders;
- potential for positive impact;
- top management and performance challenges facing HHS;
- work performed by other oversight organizations (e.g., GAO and other IG partners) to avoid duplication and ensure appropriate jurisdiction;
- HHS management's actions to implement OIG recommendations from previous reviews; and
- available funding sources.

OIG uses proactive data analysis, risk assessments of emerging issues, field intelligence, and state-of-the-art investigative techniques to target our resources. HHS is the largest grant-making Federal agency so making informed, risk-based decisions to target our oversight of HHS grants is essential. OIG has successfully leveraged artificial intelligence to support fraud detection and the auditing of grants with our Grants Analytics Portal (GAP). GAP streamlines access to grants-related data and delivers a comprehensive view of grant awards and single audit findings.

Below is a breakdown of how OIG's resources in FY 2021 were allocated:



SECTION II: BUDGET EXHIBITS

All Purpose Table

OIG ⁵ (dollars in millions)	FY 2021		FY 2022		FY 2023	
	Enacted	COVID Funds ⁶	CR ⁷	Supplemental Funding ⁸	President's Budget (PB)	FY 2023 +/- FY 2022
PHHS Oversight						
Discretionary Budget Authority (BA)	\$80.000	\$7.000	\$80.000	\$3.500	\$106.329	\$26.329
FDA Transfer	\$1.500	-	\$1.500	-	\$1.500	-
NIH Transfer	\$5.000	-	\$5.000	-	\$5.000	-
Subtotal, PHHS BA	\$86.500	\$7.000	\$86.500	\$3.500	\$112.829	\$26.329
HCFAC Oversight						
HCFAC Mandatory BA ⁹	\$213.887	-	\$214.630	-	\$220.018	\$5.388
HCFAC Discretionary BA	\$99.000	-	\$99.000	-	\$109.612	\$10.612
Subtotal, HCFAC BA¹⁰	\$312.887	-	\$313.630	-	\$329.630	\$16.000

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

⁶ This column includes supplemental funding appropriated in the *American Rescue Plan Act of 2021*, P.L. 117-2 post-transfer and post-reallocation and the supplemental appropriation in the *Consolidated Appropriations Act, 2021* (P.L. 116-260).

⁷ Reflects the annualized amounts provided in the continuing resolution ending 03/11/2021.

⁸ Includes funding from the *Infrastructure and Jobs Act*.

⁹ Reflects actual sequestration (and suspension) in both FY 2021 and FY 2022. FY 2023 reflects a 5.7 percent sequestration.

¹⁰ 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.

HCFAC Collections ¹¹	\$11.100	-	\$11.657	-	\$11.316	(\$0.341)
Subtotal, HCFAC PL	\$323.987	-	\$325.287	-	\$340.946	\$15.659
TOTAL BA	\$399.387	\$7.000	\$400.130	\$3.500	\$442.459	\$42.329
TOTAL PL	\$410.487	\$7.000	\$411.787	\$3.500	\$453.775	\$41.988

¹¹ Actual collections vary each year and, thus, so does the amount of sequestration and suspension savings. FY 2021 reflects twelve months of sequestration suspension. FY 2022 estimates a 5.7 percent sequestration for the three quarters in CY 2022.

Appropriations Language

For expenses necessary for the Office of Inspector General, including the hire of passenger motor vehicles for investigations, in carrying out the provisions of the Inspector General Act of 1978, \$106,329,000: 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, 2024, for activities authorized under section 3022 of the Public Health Service Act (42 U.S.C. 300jj-52) relating to information blocking.

Amounts Available for Obligation

OIG <i>(dollars in thousands)</i>	FY 2021 Final	FY 2022 CR	FY 2023 President's Budget
General Fund Discretionary Appropriation			
Annual Appropriation (Labor/HHS)	\$80,000	\$80,000	\$106,329
Total, Discretionary Appropriation	\$80,000	\$80,000	\$106,329
Transfers			
Transfer from NIH	\$5,000	\$5,000	\$5,000
Transfer from FDA	\$1,500	\$1,500	\$1,500
Total, Transfers	\$6,500	\$6,500	\$6,500
Trust Fund HCFAC Discretionary			
Trust Fund HCFAC Discretionary Appropriation	\$99,000	\$99,000	\$109,612
Total, HCFAC Discretionary	\$99,000	\$99,000	\$109,612
Trust Fund HCFAC Mandatory			
Trust Fund HCFAC Mandatory Appropriation	\$213,887	\$220,944	\$233,317
Trust Fund HCFAC Mandatory Sequestration	-	(\$6,313)	(\$13,299)
HCFAC Collections	\$11,100	\$12,000	\$12,000
HCFAC Collections Sequestration	-	(\$343)	(\$684)
Previously Sequestered, but Available	\$744	-	\$343
Total, HCFAC Mandatory	\$225,731	\$226,288	\$231,677
Total Amount Sequestered	-	(\$6,656)	(\$13,983)
Carryover			
Unobligated Balance, Start of Year	\$12,669	\$5,000	\$5,000
Unobligated Balance, End of Year	\$5,000	\$5,000	\$5,000
Unobligated Balance, Lapsing	\$300	300	\$300
TOTAL OBLIGATION AVAILABILITY	\$411,231	\$411,788	\$454,118

Summary of Changes

OIG <i>(dollars in thousands)</i>	
FY 2022 CR	
PHHS Discretionary Budget Authority	\$86,500
FY 2023 President's Budget	
PHHS Discretionary Budget Authority	\$112,829
Net Change	\$26,329

OIG <i>(dollars in thousands)</i>	FY 2022 CR		FY 2023 President's Budget		FY 2023 +/- FY 2022 CR	
	FTE	BA	FTE	BA	FTE	BA
Increases						
A. Built-in:						
1. Salaries	328	\$46,412	354	\$58,942	+26	+\$12,530
2. Benefits		\$18,484		\$23,783		+\$5,299
3. Contracts		\$14,303		\$17,303		+\$3,000
4. Training, Travel, Materials		\$7,301		\$12,801		+\$5,500
Subtotal, Built-in Increases						+\$26,329

Budget Authority by Activity

OIG <i>(dollars in thousands)</i>	FY 2021 Final	FY 2022 CR	FY 2023 President's Budget
PHHS Oversight			
Discretionary BA ¹²	\$86,500	\$86,500	\$112,829
Subtotal, PHHS Oversight	\$86,500	\$86,500	\$112,829
Medicare and Medicaid Oversight¹³			
HCFAC Mandatory BA	\$213,887	\$214,630	\$220,018
HCFAC Discretionary BA	\$99,000	\$99,000	\$109,612
Subtotal, Medicare and Medicaid Oversight BA	\$312,887	\$313,630	\$329,630
HCFAC Collections	\$11,100	\$11,657	\$11,316
Subtotal, Medicare and Medicaid Oversight PL	\$323,987	\$325,287	\$340,946
Total, BA	\$399,387	\$400,130	\$442,459
Total, PL	\$410,487	\$411,787	\$453,775
FTE¹⁴	1,624	1,599	1,638

¹² PHHS funding levels include one-time NIH and FDA transfers.

¹³ FY 2021 had no sequestration and FY 2022 reflects two quarters of sequestration.

¹⁴ Excludes reimbursable FTE.

Authorizing Legislation

OIG <i>(dollars in thousands)</i>	FY 2022 Amount Authorized	FY 2022 CR	FY 2023 Amount Authorized	FY 2023 President's Budget
Inspector General Act (IG Act) of 1978 (P.L. No. 95-452, as amended)				
IG Act, as amended, PHHS Discretionary	Indefinite	80,000	Indefinite	\$100,000
Health Insurance Portability and Accountability Act of 1996 (HIPAA) (P.L. No.104-191, as amended)				
HIPAA, as amended, HCFAC Mandatory	\$220,945	\$214,630	\$233,318	\$220,018
HIPAA, as amended, HCFAC Discretionary	Enabling Only	\$99,000	Enabling Only	\$109,612
HIPAA, as amended, HCFAC Collections	Enabling Only	Indefinite	Enabling Only	Indefinite

Appropriations History Table

Fiscal Year	Details	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
2014	Direct Discretionary	\$68,879,000		\$59,879,000	\$71,000,00
	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)
	Subtotal	\$376,699,000	-	\$167,420,000	\$284,101,169
2015	Direct Discretionary	\$75,000,000		\$72,500,000	\$72,500,000
	HCFAC Discretionary Allocation Adjustment	\$28,122,000	-	\$112,918,000	\$67,200,000
	HCFAC Mandatory	\$285,129,000	-	-	\$200,718,000
	Sequestration				(\$14,652,449)
	Subtotal	\$388,251,000	-	\$185,418,000	\$325,765,555
2016	Direct Discretionary	\$83,000,000	\$75,000,000	\$72,500,000	\$76,500,000
	HCFAC Discretionary Allocation Adjustment	\$118,631,000	\$67,200,000	\$77,275,000	\$67,200,000
	HCFAC Mandatory	\$203,262,000	-	-	\$201,305,000
	Sequestration				(\$13,688,377)
	Subtotal	\$404,893,000	\$142,200,000	\$149,775,000	\$331,316,623
2017	Direct Discretionary	\$85,000,000	\$86,500,000	\$76,500,000	\$76,500,000
	Rescission	-	-	-	(\$145,427)
	HCFAC Discretionary Allocation Adjustment	\$121,824,000	\$67,200,000	\$79,355,000	\$67,200,000
	HCFAC Mandatory	\$200,273,000			\$199,684,560
	Sequestration				(\$13,778,235)
	Subtotal	\$407,097,000	\$153,700,000	\$155,855,000	\$329,460,898

2018	Direct Discretionary	\$68,085,000	\$81,500,000	\$81,500,000	\$81,500,000
	HCFAC Discretionary Allocation Adjustment	\$74,246,000	\$82,132,000	\$84,398,000	\$84,398,000
	HCFAC Mandatory	\$203,842,374	-	-	\$203,842,374
	Sequestration	-	-	-	(\$13,453,597)
	Subtotal	\$346,173,374	\$163,632,000	\$165,898,000	\$356,286,777
2019	Direct Discretionary	\$80,000,000	\$81,500,000	\$86,500,000	\$86,500,000
	HCFAC Discretionary Allocation Adjustment	\$87,230,000	\$87,230,000	\$86,664,000	\$87,230,000
	HCFAC Mandatory	\$208,289,651	-	-	\$195,755,000
	Sequestration	-	-	-	(\$12,939,024)
	Subtotal	\$375,519,651	\$168,730,000	\$173,164,000	\$356,545,976
2020	Direct Discretionary	\$80,000,000	\$85,000,000	\$86,500,000	\$86,500,000
	HCFAC Discretionary Allocation Adjustment	\$98,000,000	\$93,000,000	\$89,625,000	\$93,000,000
	HCFAC Mandatory (including suspension)	\$213,248,000	\$200,082,000	\$200,082,000	\$205,326,186
	Sequestration (including suspension)	-	-	-	(\$7,300,773)
	Subtotal	\$391,248,000	\$378,082,000	\$376,207,000	\$377,525,413
2021	Direct Discretionary	\$90,000,000	\$86,500,000	\$86,500,000	\$86,500,000
	HCFAC Discretionary Allocation Adjustment	\$101,644,000	\$98,000,000	\$100,000,000	\$99,000,000
	HCFAC Mandatory	\$215,574,000	\$215,574,000	\$215,574,000	\$213,886,600
	Sequestration (including suspension)	-	-	-	\$0
	Subtotal	\$407,218,000	\$400,074,000	\$402,074,000	\$399,386,600

2022	Direct Discretionary	\$106,500,000	\$106,500,000	\$96,500,000	
	HCFAC Discretionary Allocation Adjustment	\$102,145,000	\$109,145,000	\$102,145,000	
	HCFAC Mandatory	\$208,863,000	\$208,863,000	\$208,863,000	
	Sequestration				
	Subtotal	\$417,508,000	\$424,508,000	\$407,508,000	
2023	Direct Discretionary	\$112,829,000			
	HCFAC Discretionary Allocation Adjustment	\$109,612,000			
	HCFAC Mandatory	\$220,018,657			
	Sequestration (including suspension)				
	Subtotal	\$442,459,657			

SECTION III: BUDGET NARRATIVES

PHHS Oversight and Enforcement

Header Table

OIG <i>(dollars in thousands)</i>	FY 2021 Final	FY 2022 CR	FY 2023 President's Budget	FY 2023 +/- FY 2022
Budget Authority	\$80,000	\$80,000	\$106,329	\$26,329
FDA Transfer	\$1,500	\$1,500	\$1,500	-
NIH Transfer	\$5,000	\$5,000	\$5,000	-
Total, PHHS BA	\$86,500	\$86,500	\$112,829	\$26,329
FTE	333	328	354	26

Five-Year Funding Table

Fiscal Year	Amount
FY 2019	\$86,500,000
FY 2020	\$86,500,000
FY 2021 Enacted	\$86,500,000
FY 2022 CR	\$86,500,000
FY 2023 President's Budget	\$112,829,000

Program Description

OIG's PHHS portfolio covers oversight of non-Medicare and Medicaid HHS programs. For FY 2021, this included oversight of approximately \$187 billion of discretionary spending and as \$102 billion in mandatory spending, including on programs for children.¹⁵ OIG's PHHS portfolio also covers a significant portion of oversight and enforcement activities related to the \$636 billion that HHS has received through COVID-19 supplemental funding.

¹⁵ Per HHS's FY 2022 Budget in Brief (pp. 12–14): <https://www.hhs.gov/sites/default/files/fy-2022-budget-in-brief.pdf>.

OIG uses funding from its annual direct discretionary appropriation to strengthen the effectiveness of PHHS programs by leveraging data, modern technology, specialized expertise, and strategic partnerships to conduct oversight and develop actionable recommendations focused on high-risk programs and operations. OIG uses advanced data analytics and multidisciplinary, state-of-the-art investigative techniques to bolster program integrity in PHHS programs and services. OIG uses an enterprise-wide data strategy to more effectively detect fraud that touches multiple programs.

OIG's work helps ensure that Americans are better protected by modern public health infrastructure that is effective and reflects the lessons learned from prior public emergencies and now COVID-19. HHS programs can better serve children because of OIG work that identified opportunities to enhance their safety, health, and well-being. OIG's work protects the integrity of funding that helps ensure the U.S is globally competitive in scientific, medical, and public health research.

Program Accomplishments

Addressing the opioid epidemic is one of OIG's top priorities. OIG has been working to advance prevention and detection of fraud, waste, and abuse, and, where appropriate, enforcement in HHS programs that intersect with the opioid epidemic and to help ensure quality care and treatment for those in need of services. OIG evaluations identified opportunities for enhanced information about access and need for medication-assisted treatment through the Substance Abuse and Mental Health Services Administration's Buprenorphine Waiver Program and strategies to help HHS to better monitor opioid use. An OIG audit found that most of the Health Resources and Services Administration (HRSA) health centers sampled did not use Federal money intended to increase mental health and substance use disorder services according to Federal requirements and provided HRSA targeted recommendations for improvement.

The Government Accountability Office (GAO) has designated HHS leadership as a High Risk on public health emergency response, including for both pandemics and extreme weather events. OIG is using innovative approaches to provide independent, objective information to decisionmakers and other stakeholders about emergency response and recovery efforts. For example, OIG published toolkits on both community-level and health care facility-level emergency response based on insights and lessons learned from over 15 years of OIG oversight of public health emergency events. OIG surveyed opioid treatment programs to identify challenges they encountered during the pandemic. In addition, OIG investigated potential fraud cases related to the pandemic and alerted the public to scams, including those related to vaccines and testing.

OIG's oversight has better ensured the health, safety, and well-being of children. This work includes a toolkit of insights from OIG's extensive, multidisciplinary oversight of the Unaccompanied Children Program outlining consequential actions that HHS program officials and facility administrators can take to ensure the health and safety of children in care, especially children at influx care and emergency intake sites—two types of facilities that are not required to be state licensed. In addition, OIG audits identified where States' monitoring did not ensure

compliance with requirements related to criminal background checks for child care providers and found risks to the health and safety of children in foster care group homes.

OIG also helps HHS advance equity in health and human services. OIG has a significant portfolio of work addressing longstanding challenges that IHS has faced in providing access to high-quality care and addressing disparities in health outcomes for American Indian/Alaska Native populations. This work, along with our resulting recommendations, continues to drive improvements to IHS's management of its health care programs and the quality of care its facilities provide. OIG has ongoing reviews of the geographic distribution of Provider Relief Funds to communities disproportionately impacted by COVID-19, diversity in NIH clinical trials, and grants to improve health and prevent and reduce chronic disease among racial and ethnic populations.

Budget Justification

In FY 2023 OIG expects to absorb approximately \$4 million in PHHS funding due to increased mandatory expenses. Historically, OIG addresses these increased expenses by managing its staffing plan, for example, OIG has seen a decrease of six FTE from FY 2020 to FY 2021 and 22 FTE over the past six years. While supplemental appropriations for OIG have been instrumental in helping to support emerging needs, temporary funding constrains OIG from increasing permanent staff levels to help execute OIG's long-term oversight plans. The FY 2023 President's Budget (PB) will be critical in helping OIG address its funding challenges and invest in key priorities.

With a \$26.3 million increase in FY 2023, OIG will invest \$20 million in the cybersecurity improvements and information blocking enforcement activities requested in the FY 2022 PB. This funding will be dedicated to cybersecurity and digital technology expansion, which will provide vital resources to hire specialized personnel from a competitive cybersecurity job market, increase OIG's cybersecurity efforts, support needed expansions in digital technology, modernize OIG's IT infrastructure, and further promote an AI-ready workforce. HHS and the health care industry face significant cybersecurity risks that OIG oversight and enforcement work will help mitigate. Additionally, this funding will pay for investigative and enforcement activities related to information blocking. Information blocking interferes with, prevents, or materially discourages access, exchange, or use of electronic health information and can threaten patient safety and undermine efforts by providers, payors, and others to make the U.S. health care system more efficient and effective.

The \$6.3 million increase in the FY 2023 PB will ensure that OIG will be able to fund an anticipated \$4 million in increased mandatory expenses without further decreases to its PHHS oversight workforce. Funds will also support key investments in the oversight of PHHS programs and data analytics that help OIG more efficiently identify high-risk programs and target potential bad actors.

HCFAC Oversight and Enforcement

Header Table

OIG <i>(dollars in thousands)</i>	FY 2021 Final	FY 2022 CR	FY 2023 President's Budget	FY 2023 +/- FY 2022
HCFAC Mandatory	\$213,887	\$214,630	\$220,018	\$5,388
HCFAC Discretionary	\$99,000	\$99,000	\$109,612	\$10,612
BA Total	\$312,887	\$313,630	\$329,630	\$16,000
HCFAC Collections	\$12,000	\$11,487	\$11,487	-
PL Total	\$324,887	\$325,117	\$341,117	\$16,000
FTE	1,290	1,271	1,284	13

Five-Year Funding Table

Fiscal Year	Amount
FY 2019	\$294,241,000
FY 2020	\$310,078,000
FY 2021 Enacted	\$324,887,000
FY 2022 CR	\$325,117,000
FY 2023 President's Budget	\$341,117,000

Program Description

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

The funding OIG receives for HCFAC is only available for oversight of Medicare and Medicaid. These programs are the two largest, most complex health care programs at HHS. They offer benefits in multiple formats (fee-for-service, managed care, and newer models such as accountable care organizations); cover a broad array of health conditions, providers, services,

and settings; and operate pursuant to intricate statutory directives and regulatory schemes. Almost 140 million beneficiaries, or more than 40 percent of Americans, rely on these programs for their health insurance, including adults over 65, people with disabilities, individuals and families with low-incomes, and patients with end-stage renal disease. A record high 81.7 million beneficiaries were enrolled in Medicaid as of March 2021, 48.6 percent of whom are children.

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

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

Program Accomplishments

OIG has a proven record of success in protecting and strengthening Medicare and Medicaid. OIG routinely achieves record-breaking investigative results in close coordination with our law enforcement partners, including the 2019 Appalachian Regional Prescription Opioid Strike Force (ARPO) Takedowns, the 2019 Regional Health Care Fraud and Genetic Testing Takedowns, the May 2021 National COVID-19 Health Care Fraud Takedown, and the September 2021 Nationwide Law Enforcement Action. In OIG's [FY 2021 Spring Semiannual Report to Congress](#) and [FY 2021 Fall Semiannual Report to Congress](#), we document that in FY 2021 Medicare and Medicaid investigations alone resulted in 504 criminal actions and 669 civil actions against individuals or entities that engaged in offenses related to health care. OIG also reported over \$1.99 billion in investigative receivables due to HHS and more than \$974.2 million in non-HHS investigative receivables, including civil and administrative settlements or civil judgments related to Medicare, Medicaid, and other Federal, State, and private health care programs.

In FY 2021, OIG’s expected recoveries identified in health care audits and investigations totaled over \$3 billion, which resulted in a return on investment (ROI) of about \$12.00 to \$1.00.¹⁶

OIG’s oversight provides critical information to Congress, HHS, and other stakeholders about significant beneficiary safety, health, and welfare issues. Notably, a June 2021 OIG report found that almost 1,000 more Medicare beneficiaries died per day in nursing homes in April 2020 than in April 2019. Overall mortality in nursing homes increased to 22.5 percent in 2020 from 17 percent in 2019. The analysis also revealed gaps in health equity. Black, Hispanic, and Asian residents in nursing homes were more likely than White beneficiaries to have COVID-19. Dual-eligible beneficiaries (i.e., those with Medicare and Medicaid coverage) were much more likely than Medicare-only beneficiaries to contract COVID-19. Across a broad portfolio of work addressing quality of care in nursing homes, OIG has a sizeable set of important findings and recommendations that policymakers can consult as they assess how to improve nursing home care.

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

Budget Justification

With the additional resources in the FY 2023 Budget, OIG will pay for expected mandatory cost increases and continue important investments in Medicare and Medicaid oversight and enforcement to prevent fraud and abuse, ensure sound program management, and promote quality of care. OIG has historically made difficult decisions around staffing to manage increasing mandatory expenses from year to year. In FY 2023, OIG expects increased mandatory expenses to be approximately \$8 million.

As the Medicare and Medicaid programs grow, change, and present new program integrity risks, resources for oversight must keep pace. OIG will use its HCFAC resources strategically to deliver results on the most critical issues that endanger patient health and welfare and the effectiveness and efficiency of the Medicare and Medicaid programs. Areas of focus will include failures of safety and quality in nursing homes, examining high improper payments, advancing equitable access to care, and strengthening program integrity in the growing managed care programs.

For example, OIG’s ability to address law enforcement priorities and achieve results—including substantial monetary returns and protection of beneficiaries from harm and fraud—is limited by

¹⁶ “Expected recoveries” and their impact on OIG’s ROI are calculated using a 3-year rolling average.

investigative resources. On average, the number of pending cases carried by OIG agents is increasing each year, and caseloads exceed optimal levels. As a result, the average time it takes to reach an indictment in a criminal case has increased by almost a year. In FY 2021 the number of cases that OIG declined to open because of a lack of resources would have provided enough work for 50 additional full-time investigators. The additional resources in this request will support OIG's law enforcement activities – conducted in coordination with government partners – that are a force-multiplier for the HCFAC program and help curb fraud in the Nation's health care system.

OIG will continue to use data-driven risk-assessment to target oversight and enforcement on the highest program integrity vulnerabilities. OIG will apply its deep program integrity experience and sophisticated oversight tools to ensure that programs operate as intended and are not compromised by fraud, waste, or abuse. Of particular note, the additional funding in this request would enhance OIG's oversight of the complex, growing Medicaid program. Medicaid oversight is typically more resource intensive than comparable Medicare work, because Medicaid consists of 56 different programs operated by CMS jointly with States and territories. The additional resources requested in this FY 2023 President's Budget would allow OIG to increase its Medicaid oversight, including in critical areas such as the high improper payment rate, potential fraud and abuse in managed care, and home and community-based services.

Nonrecurring Expenses Fund

OIG <i>(Dollars in Thousands)</i>	FY 2021 ¹⁷	FY 2022 ¹⁸	FY 2023 ¹⁹
Notification ²⁰	\$0	\$15,000	

Authorizing Legislation:

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

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

Program Description and Accomplishments

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

OIG’s nationwide staff relies on various technology to conduct work to ensure maximum impact in preventing fraud, waste, and abuse. As the Federal health care programs grow, fraud schemes become more sophisticated and health care systems become more complex. The appropriate technology and facility infrastructure are crucial to the success of OIG’s mission.

OIG’s FY 2023 NEF funding builds on OIG’s Legacy Systems Modernization project. The FY 2023 funds will complete the consolidation of legacy systems, build new software capabilities on a modern platform, cover upfront security authorization costs for modernization, and develop storage and bandwidth. This project complies with Governmentwide initiatives, such as OMB mandates to adopt cloud-based solutions, and will help ensure that OIG can implement the President’s Executive Order on Improving the Nation’s Cybersecurity. NEF investments in OIG also benefit other HHS Operating Divisions (OpDivs) and Staff Divisions (StaffDivs). OIG is an ideal test bed to validate IT modernization and share the results of our investments with HHS. A

¹⁷ Notification submitted to the Committees on Appropriations in the House of Representatives and the Senate on October 22, 2020.

¹⁸ Notification submitted to the Committees on Appropriations in the House of Representatives and the Senate on June 17, 2021.

¹⁹ The NEF CJ indicates the amounts HHS intends to notify for in 2023; these amounts are planned estimates and subject to final approval.

²⁰ Pursuant to Section 223 of Division G of the Consolidated Appropriation Act, 2008, notification is required of planned use.

recent example includes use of shared services such as the Managed Trusted Internet Protocol Service (MTIPS). MTIPS provides lower cost, better performing, higher security, and more reliable Internet service than the HHS Trusted Internet Connection used by other HHS OpDivs. OIG’s MTIPS experience, funded by NEF, is the model for the Department’s planned network modernization.

The FY 2023 OIG legacy modernization efforts focus on the following five areas: (1) Mission and Business Support Applications and Platform, (2) Infrastructure, (3) Investigation Management Modernization, (4) Modernizing OIG’s Public Data, and (5) Integrated Data Capabilities.

The FY 2023 NEF funding for this project will complete legacy modernization efforts involving the Administrative Tracking System and the Budget Allocation and Execution System. OIG will use additional NEF FY 2023 funding to continue modernizing its public-facing footprint for internal and external stakeholders. Additional investment will increase the transparency and usability of OIG’s publicly available data, including information that promotes compliance with HHS program requirements and reduces fraud, waste, and abuse. The focus will be on increasing overall collaboration, by developing mobile-friendly applications intent on implementing usability best practices and web design standards. OIG will also use FY 2023 NEF funding to continue to implement integrated data capabilities. Implementing integrated data capabilities will increase the confidentiality, integrity, and availability of sensitive audit, evaluation, and investigation data. This will allow OIG to eliminate unmanaged and redundant data storage for OIG’s national workforce and enable access to and rapid analysis of underutilized data using modern, open source analytic technologies.

The table below summarizes OIG’s FY 2023 request of \$13.4 million.

Timeline and Cost Breakout | Legacy Modernization Continuation

(Dollars in Thousands)

Activity	FY 2023
Mission and Business Support Applications and Platform	\$3,000
Infrastructure	\$1,200
Investigation Management Modernization	\$4,200
Public Engagement	\$2,000
Integrated Data Capabilities	\$3,000
OIG Legacy Modernization Total	\$13,400

OIG base funds are only enough to maintain ongoing operations in future years and cannot absorb the high transition costs of leveraging new and improved technologies. OIG would use multiple existing contracts and employ agile development strategies to solicit the projects as soon as funding becomes available.

OIG is a leader in sound IT investments that drive positive change and directly benefit mission capability within OIG and for HHS. For example, the Trusted Internet Connections (TIC) initiative is an OMB requirement to optimize and standardize the security of individual external network connections used by Federal agencies. Since the program's inception, HHS has owned and operated a TIC capability for all of HHS, including OIG. The HHS Office of the Chief Information Officer (CIO) has consulted extensively with OIG since the transition and is basing its TIC modernization plan for the rest of HHS on the MTIPS solution implemented by OIG. Since the transition, OIG has had 100 percent TIC uptime as well as improved performance and improved cyber security posture, which directly impacts OIG's ability to complete its mission. OIG's network architecture and MTIPS provide OIG with the ability to connect securely to commercial cloud providers without making additional capital investments. This is an example of how OIG drives positive change at HHS.

Building on Prior Success

With the FY 2022 NEF investments, OIG continued modernizing five additional systems and associated operations that are critical to improving OIG's effectiveness. For example, OIG is improving its public engagement by modernizing its public-face, developing mobile-friendly applications intent on implementing usability, adopting best practices, and deploying web design standards. OIG is also modernizing internet traffic gateways, virtual private network access, mature the configuration management database, risk monitoring, and IT asset management capabilities.

With the FY 2019 and 2020 NEF investments, OIG built and modernized six applications on the DASH platform that are key operational and business function systems. For example, investments resulted in development of the Advice Branch Tracker (ABT), which manages all legal advice requests and allows legal team to leverage opinion-knowledge base, and in development of the Human Resources Transparency System (HRTS), which provides visibility into appointment and recruitment activities.

Since FY 2019, OIG implemented ServiceNow, which simplifies development on a standardized yet flexible solution delivery model. OIG has developed several new applications supporting OIG components. The enhancements that OIG has developed and released with initial NEF funds has helped OIG align technology strategy with Federal initiatives for IT modernization, evidence-based decision making and accountability, and improved customer and partner experiences.

Conclusion

Enhancing our cloud computing platform and applications significantly increases OIG's IT infrastructure scalability, stabilize, and modernize capabilities, and reduce the cycle of time-to-

delivery for new mission capabilities. Furthermore, infrastructure modernization efforts allow OIG to reduce the office footprint required to house on premise IT hardware in regional locations, eliminate the specialty HVAC solutions required to support IT hardware, and eliminate large storage area networks in field offices.

SECTION IV: SUPPLEMENTARY TABLES

Object Class Tables

Object Class Code	Description	FY 2021 Final	FY 2022 CR	FY 2023 President's Budget	FY 2023 +/- FY 2022
11.1	Full-time permanent	206.029	207.269	230.086	22.817
11.3	Other than full-time permanent	4.732	4.806	5.269	.463
11.5	Other personnel compensation	6.438	6.539	7.590	1.051
11.8	Special personnel services payments	71	.072	.074	.002
Subtotal	Personnel Compensation	217.270	218.687	243.019	24.332
12.1	Civilian personnel benefits	86.186	87.542	90.876	3.335
12.2	Military benefits	-	-	-	-
13.0	Benefits for former personnel	.342	.347	.355	.008
Total	Pay Costs	303.798	306.576	334.250	27.674
21.0	Travel and transportation of persons	3.021	3.069	3.499	.430
22.0	Transportation of things	2.537	2.577	2.984	.407
23.1	Rental payments to GSA	18.674	18.926	14.956	-3.970
23.2	Rental payments to others	.003	.003	.003	
23.3	Communications, utilities, and misc. charges	6.142	5.839	7.628	1.789
24.0	Printing and reproduction	.048	.039	.036	-.003
25.1	Advisory and assistance services	-	.010	.016	.006
25.2	Other services from non-Federal sources	35.996	34.118	38.264	3.976
25.3	Other goods and services from Federal sources	9.160	9.304	10.877	1.573
25.4	Operation and maintenance of facilities	1.664	1.690	1.956	.266
25.5	Research and development contracts	-	-	-	-
25.6	Medical care	.020	.020	.027	.007
25.7	Operation and maintenance of equipment	21.040	20.519	28.310	7.791
25.8	Subsistence and support of persons	-	-	-	-
26.0	Supplies and materials	1.076	1.093	1.257	.164
31.0	Equipment	7.952	7.575	9.410	1.835
32.0	Land and Structures	.154	.156	.187	.031
41.0	Grants, subsidies, and contributions	-	-	-	-
42.0	Insurance claims and indemnities	.053	.054	.065	.011
44.0	Refunds	-	-	-	-
99.1	Expenditures	.049	.050	.050	-
Total	Nonpay Costs	107.589	105.041	119.525	14.314
Total	Budget Authority by Object Class	411.387	411.617	453.775	41.988

Object Class Tables | PHHS Subtotal

Object Class Code	Description	FY 2021 Final	FY 2022 CR	FY 2023 President's Budget	FY 2023 +/- FY 2022
11.1	Full-time permanent	44.011	44.011	54.285	10.274
11.3	Other than full-time permanent	1.011	1.011	1.369	.358
11.5	Other personnel compensation	1.375	1.375	1.790	.415
11.8	Special personnel services payments	15	.015	.018	.003
Subtotal	Personnel Compensation	46.412	46.412	57.462	11.050
12.1	Civilian personnel benefits	18.411	18.411	22.829	4.418
12.2	Military benefits	-	-	-	-
13.0	Benefits for former personnel	.073	.073	.084	.011
Total	Pay Costs	64.896	64.896	80.375	15.479
21.0	Travel and transportation of persons	.645	.645	1.049	.404
22.0	Transportation of things	.542	.542	.884	.342
23.1	Rental payments to GSA	2.687	2.687	4.045	1.358
23.2	Rental payments to others	.001	.001	.001	
23.3	Communications, utilities, and misc. charges	1.312	1.312	2.128	.816
24.0	Printing and reproduction	.010	-	-	-
25.1	Advisory and assistance services	-	.010	.016	.006
25.2	Other services from non-Federal sources	4.894	4.894	7.220	2.326
25.3	Other goods and services from Federal sources	1.957	1.957	2.977	1.020
25.4	Operation and maintenance of facilities	.355	.355	.495	.140
25.5	Research and development contracts	-	-	-	-
25.6	Medical care	.004	.004	.007	.003
25.7	Operation and maintenance of equipment	7.093	7.093	10.652	3.559
25.8	Subsistence and support of persons	-	-	-	-
26.0	Supplies and materials	.240	.240	.367	.127
31.0	Equipment	1.818	1.818	2.550	.732
32.0	Land and Structures	.033	.033	.046	.013
41.0	Grants, subsidies, and contributions	-	-	-	-
42.0	Insurance claims and indemnities	.013	.013	.017	.004
44.0	Refunds	-	-	-	-
99.1	Expenditures				-
Total	Nonpay Costs	21.604	21.604	32.454	10.850
Total	Budget Authority by Object Class	86.500	86.500	112.829	26.329

Object Class Tables | HCFAC Subtotal

Object Class Code	Description	FY 2021 Final	FY 2022 CR	FY 2023 President's Budget	FY 2023 +/- FY 2022
11.1	Full-time permanent	162.018	163.258	175.801	12.543
11.3	Other than full-time permanent	3.721	3.795	3.900	.105
11.5	Other personnel compensation	5.063	5.164	5.800	.636
11.8	Special personnel services payments	56	.057	.056	-.001
Subtotal	Personnel Compensation	170.858	172.275	185.557	13.282
12.1	Civilian personnel benefits	67.775	69.131	68.047	-1.084
12.2	Military benefits	-	-	-	-
13.0	Benefits for former personnel	.269	.274	.271	-.003
Total	Pay Costs	238.902	241.680	253.875	12.195
21.0	Travel and transportation of persons	2.376	2.424	2.450	.026
22.0	Transportation of things	1.995	2.035	2.100	.065
23.1	Rental payments to GSA	15.987	16.239	10.911	-5.328
23.2	Rental payments to others	.002	.002	.002	
23.3	Communications, utilities, and misc. charges	4.830	4.527	5.500	.973
24.0	Printing and reproduction	.038	.039	.036	-.003
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services from non-Federal sources	30.202	29.394	31.044	1.650
25.3	Other goods and services from Federal sources	7.203	7.347	7.900	.553
25.4	Operation and maintenance of facilities	1.309	1.335	1.461	.126
25.5	Research and development contracts	-	-	-	-
25.6	Medical care	.016	.016	.020	.004
25.7	Operation and maintenance of equipment	13.947	13.426	17.658	4.232
25.8	Subsistence and support of persons	-	-	-	-
26.0	Supplies and materials	.836	.853	.890	.037
31.0	Equipment	6.134	5.757	6.860	1.103
32.0	Land and Structures	.121	.123	.141	.018
41.0	Grants, subsidies, and contributions	-	-	-	-
42.0	Insurance claims and indemnities	.040	.041	.048	.007
44.0	Refunds	-	-	-	-
99.1	Expenditures	.049	.050	.050	.000
Total	Nonpay Costs	85.085	83.607	87.071	3.464
Total	Budget Authority by Object Class	323.987	325.287	340.946	15.659

Object Class Tables | Reimbursable

Object Class Code ²¹	Description	FY 2021 Final	FY 2022 CR	FY 2023 President's Budget	FY 2023 +/- FY 2022
11.1	Full-time permanent	2.058	2.058	2.058	-
11.3	Other than full-time permanent	-	-	-	-
11.5	Other personnel compensation	.348	.348	.348	-
11.8	Special personnel services payments	-	-	-	-
Subtotal	Personnel Compensation	2.406	2.406	2.406	-
12.1	Civilian personnel benefits	.601	.601	.601	-
12.2	Military benefits	-	-	-	-
13.0	Benefits for former personnel	-	-	-	-
Total	Pay Costs	3.007	3.007	3.007	-
21.0	Travel and transportation of persons	.122	.122	.122	-
22.0	Transportation of things	.016	.016	.016	-
23.1	Rental payments to GSA	-	-	-	-
23.2	Rental payments to others	-	-	-	-
23.3	Communications, utilities, and misc. charges	-	-	-	-
24.0	Printing and reproduction	-	-	-	-
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services from non-Federal sources	.089	.089	.089	-
25.3	Other goods and services from Federal sources	17.743	17.743	17.743	-
25.4	Operation and maintenance of facilities	-	-	-	-
25.5	Research and development contracts	-	-	-	-
25.6	Medical care	-	-	-	-
25.7	Operation and maintenance of equipment	-	-	-	-
25.8	Subsistence and support of persons	-	-	-	-
26.0	Supplies and materials	.006	.006	.006	-
31.0	Equipment	.017	.017	.017	-
32.0	Land and Structures	-	-	-	-
41.0	Grants, subsidies, and contributions	-	-	-	-
42.0	Insurance claims and indemnities	-	-	-	-
44.0	Refunds	-	-	-	-
99.1	Expenditures	-	-	-	-
Total	Nonpay Costs	17.993	17.993	17.993	-
Total	Budget Authority by Object Class	21.000	21.000	21.000	-

²¹ OIG always budgets \$21 million for reimbursable work. .

Object Class Tables | Total Salary and Expenses

Object Class Code	Description	FY 2021 Final	FY 2022 CR	FY 2023 President's Budget	FY 2023 +/- FY 2022
11.1	Full-time permanent	206.029	207.269	230.086	22.817
11.3	Other than full-time permanent	4.732	4.806	5.269	.463
11.5	Other personnel compensation	6.438	6.539	7.590	1.051
11.8	Special personnel services payments	.071	.072	.074	.002
Subtotal	Personnel Compensation	217.270	218.687	243.019	24.332
12.1	Civilian personnel benefits	86.186	87.542	90.876	3.335
12.2	Commissioned Corps benefits	-	-	-	-
13	Benefits for former personnel	.342	.347	.355	.008
Total	Pay Costs	303.798	306.576	334.250	27.674
21	Travel and transportation of persons	3.021	3.069	3.499	.430
22	Transportation of things	2.537	2.577	2.984	.407
23.3	Communications, utilities, and misc. charges	6.142	5.839	7.628	1.789
24	Printing and reproduction	.048	.039	.036	-.003
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services from non-Federal sources	35.996	34.118	38.264	3.976
25.3	Other goods and services from Federal sources	9.160	9.304	10.877	1.573
25.4	Operation and maintenance of facilities	1.664	1.690	1.956	.266
25.5	Research and development contracts	-	-	-	-
25.6	Medical care	.020	.020	.027	.007
25.7	Operation and maintenance of equipment	21.040	20.519	28.310	7.791
25.8	Subsistence and support of persons	-	-	-	-
Subtotal	Other Contractual Services	79.628	77.174	93.581	16.237
26	Supplies and materials	1.076	1.093	1.257	.164
Subtotal	Nonpay Costs	80.704	78.267	94.838	16.401
Total	Salary and Expenses	384.502	384.844	429.088	44.074
23.1	Rental Payments to GSA	18.674	18.926	14.956	-3.970
	Grant Total, Salaries & Expenses and Rent	403.176	403.769	444.044	40.105
Total	Direct FTE	1624	1599	1638	39

Object Class Tables | PHHS Salary and Expenses

Object Class Code	Description	FY 2021 Final	FY 2022 CR	FY 2023 President's Budget	FY 2023 +/- FY 2022
11.1	Full-time permanent	44.011	44.011	54.285	10.274
11.3	Other than full-time permanent	1.011	1.011	1.369	.358
11.5	Other personnel compensation	1.375	1.375	1.790	.415
11.8	Special personnel services payments	.015	.015	.018	.003
Subtotal	Personnel Compensation	46.412	46.412	57.462	11.050
12.1	Civilian personnel benefits	18.411	18.411	22.829	4.418
12.2	Commissioned Corps benefits	-	-	-	-
13	Benefits for former personnel	.073	.073	.084	.011
Total	Pay Costs	64.896	64.896	80.375	15.479
21	Travel and transportation of persons	.645	.645	1.049	.404
22	Transportation of things	.542	.542	.884	.342
23.3	Communications, utilities, and misc. charges	1.312	1.312	2.128	.816
24	Printing and reproduction	.010	-	-	-
25.1	Advisory and assistance services	-	.010	.016	.006
25.2	Other services from non-Federal sources	4.894	4.894	7.220	2.326
25.3	Other goods and services from Federal sources	1.957	1.957	2.977	1.020
25.4	Operation and maintenance of facilities	.355	.355	.495	.140
25.5	Research and development contracts	-	-	-	-
25.6	Medical care	.004	.004	.007	.003
25.7	Operation and maintenance of equipment	7.093	7.093	10.652	3.559
25.8	Subsistence and support of persons	-	-	-	-
Subtotal	Other Contractual Services	14.303	14.313	21.367	8.616
26	Supplies and materials	.240	.240	.367	.127
Subtotal	Nonpay Costs	17.052	17.052	25.795	8.743
Total	Salary and Expenses	81.948	81.948	106.170	24.222
23.1	Rental Payments to GSA	2.687	2.687	4.045	1.358
	Grant Total, Salaries & Expenses and Rent	84.635	84.635	110.215	25.580
Total	Direct FTE	333	328	354	+26

Object Class Tables | HCFAC Salary and Expenses

Object Class Code	Description	FY 2021 Final	FY 2022 CR	FY 2023 President's Budget	FY 2023 +/- FY 2022
11.1	Full-time permanent	162.018	163.258	175.801	12.543
11.3	Other than full-time permanent	3.721	3.795	3.900	.105
11.5	Other personnel compensation	5.063	5.164	5.800	.636
11.8	Special personnel services payments	.056	.057	.056	-.001
Subtotal	Personnel Compensation	170.858	172.275	185.557	13.282
12.1	Civilian personnel benefits	67.775	69.131	68.047	-1.084
12.2	Commissioned Corps benefits	-	-	-	-
13	Benefits for former personnel	.269	.274	.271	-.003
Total	Pay Costs	238.902	241.680	253.875	12.195
21	Travel and transportation of persons	2.376	2.424	2.450	.026
22	Transportation of things	1.995	2.035	2.100	.065
23.3	Communications, utilities, and misc. charges	4.830	4.527	5.500	.973
24	Printing and reproduction	.038	.039	.036	-.003
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services from non-Federal sources	31.102	29.224	31.044	1.650
25.3	Other goods and services from Federal sources	7.203	7.347	7.900	.553
25.4	Operation and maintenance of facilities	1.309	1.335	1.461	.126
25.5	Research and development contracts	-	-	-	-
25.6	Medical care	.016	.016	.020	.004
25.7	Operation and maintenance of equipment	13.947	13.426	17.658	4.232
25.8	Subsistence and support of persons	-	-	-	-
Subtotal	Other Contractual Services	53.577	51.349	58.083	7.627
26	Supplies and materials	.836	.853	.890	.037
Subtotal	Nonpay Costs	63.652	61.225	69.059	7.664
Total	Salary and Expenses	302.554	302.905	322.934	19.859
23.1	Rental Payments to GSA	15.987	16.239	10.911	-5.328
	Grant Total, Salaries & Expenses and Rent	318.541	319.144	333.845	14.531
Total	Direct FTE	1290	1271	1284	+13

Object Class Tables | Reimbursable Salary and Expenses

Object Class Code ²²	Description	FY 2021 Final	FY 2022 CR	FY 2023 President's Budget	FY 2023 +/- FY 2022
11.1	Full-time permanent	2.058	2.058	2.058	-
11.3	Other than full-time permanent	-	-	-	-
11.5	Other personnel compensation	.348	.348	.348	-
11.8	Special personnel services payments	-	-	-	-
Subtotal	Personnel Compensation	2.406	2.406	2.406	-
12.1	Civilian personnel benefits	.601	.601	.601	-
12.2	Commissioned Corps benefits	-	-	-	-
13	Benefits for former personnel	-	-	-	-
Total	Pay Costs	3.007	3.007	3.007	-
21	Travel and transportation of persons	.122	.122	.122	-
22	Transportation of things	.016	.016	.016	-
23.3	Communications, utilities, and misc. charges	-	-	-	-
24	Printing and reproduction	-	-	-	-
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services from non-Federal sources	.089	.089	.089	-
25.3	Other goods and services from Federal sources	17.743	17.743	17.743	-
25.4	Operation and maintenance of facilities	-	-	-	-
25.5	Research and development contracts	-	-	-	-
25.6	Medical care	-	-	-	-
25.7	Operation and maintenance of equipment	-	-	-	-
25.8	Subsistence and support of persons	-	-	-	-
Subtotal	Other Contractual Services	17.970	17.970	17.970	-
26	Supplies and materials	.006	.006	.006	-
Subtotal	Nonpay Costs	17.976	17.976	17.976	-
Total	Salary and Expenses	20.983	20.983	20.983	-
23.1	Rental Payments to GSA	-	-	-	-
	Grant Total, Salaries & Expenses and Rent	20.983	20.983	20.983	-
Total	Direct FTE	10	10	10	-

²² OIG always budgets \$21 million for reimbursable work. .

Detail of Full-Time Equivalents

OIG ²³	FY 2021 (Actual)			FY 2022 CR (Estimated)			FY 2023 (Estimated)		
	CIV	CC	Total	CIV	CC	Total	CIV	CC	Total
PHHS ²⁴	333		333	328		328	354		354
Reimbursable	10		10	10		10	10		10
PHHS Subtotal FTE	343		343	338		338	364		364
HCFAC Direct	1,290		1,290	1,271		1,271	1,284		1,284
HCFAC Subtotal FTE	1,290		1,290	1,271		1,271	1,284		1,284
OIG Total FTE	1,634		1,634	1,609		1,609	1,648		1,648
Average GS Grade			12.8			12.8			12.8

²³ Abbreviation key: CIV—Civilian; CC—Commissioned Corps

²⁴ PHHS includes FTE from COVID supplemental funding.

Detail of Positions

Direct Civilian Positions	FY 2021 Final	FY 2022 CR	FY 2023 President's Budget
Executive Level (EX)			
EX Level III ²⁵		1	1
Subtotal, Executive Level Positions		1	1
Total, Executive Level Salaries		\$197,300	\$197,300
Senior Executive Service (SES) and Senior Level (SL)²⁶			
SES Positions	22	20	20
SL Positions	9	8	9
Subtotal, SES & SL Positions	31	29	30
Subtotal, SES & SL Salaries	\$6,079,956	\$5,601,482	\$5,801,440
Summary of EX, SES, and SL			
Total, SES & SL Positions	31	28	30
Total, SES & SL Salaries	\$6,079,956	\$5,798,782	\$5,998,740
General Schedule (GS)²⁷			
GS-15	137	142	144
GS-14	291	288	291
GS-13	765	746	765
GS-12	238	236	238
GS-11	66	75	75

²⁵ The Inspector General position is the only Senate Approved Position.

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

²⁷ Includes GL and GM schedules.

GS-10	0	0	0
GS-9	58	62	58
GS-8	1	3	1
GS-7	34	22	29
GS-6	1	1	1
GS-5	8	2	8
GS-4	9	7	13
Subtotal, GS Positions	1,608	1,584	1,623
Subtotal, GS Salaries	\$187,731,243	\$188,515,786	\$193,157,273
Total OIG Summary			
OIG Total Salaries	\$193,811,199	\$194,314,568	\$199,156,013
OIG Total Positions	1,639	1,613	1,653
Average Salary Information			
Average ES & SL Salary	\$196,906	\$199,958	\$199,958
Average GS Grade	12.8	12.8	12.8
Average GS Salary	\$116,748	\$120,517	119,012
Average GL Salary	\$60,272	\$66,425	66,425
Average GM Salary	\$153,053	\$152,998	152,998

Performance for Priority Outcomes

Priority Outcomes demonstrate our focus on strategically targeting oversight and achieving measurable results.

Priority Outcomes	Measure	Most Recent Results	FY 2022 Target	FY 2023 Target	Target Delta
Reduce risk to beneficiaries from substance use disorder	Reduce the number of Medicare Part D prescribers identified as having questionable prescribing practices.	TBD FY 2020 Target = 134 Results = 99 (Target Met) FY 2021 Target = -10%	-10%	-5%	-5%
	Increase the proportion of Medicare beneficiaries with a diagnosis of opioid use disorder who receive medication-assisted treatment drugs.	Baselining new measure in FY 2022	17%	19%	+2%
Promote patient safety and accuracy of payments in home and community settings	Reduce level of unreported critical incidents reported by providers to the States involving Medicaid beneficiaries with developmental disabilities residing in group homes.	Baselining new measure in FY 2022	Baseline: Target = 40%	35%	-5%
Improve emergency preparedness and COVID-19 response and recovery	Baseline under development				

Strengthen Medicaid effectiveness and protections against fraud, waste, and abuse	Reduce Medicaid improper payments made to MCOs for beneficiaries concurrently enrolled in multiple states.	Baselining new measure in FY 2023	N/A	TBD	N/A
	Increase referrals of MCO provider fraud to OIG and/or MFCUs.	Baselining new measure for FY 2023	N/A	TBD	N/A
Strengthen HHS cybersecurity protection for systems and data	Reduce the backlog of HHS cybersecurity incidents reported that have been open for more than 30 days.	Baselining new measure for FY 2023	N/A	TBD	N/A
	Improve the closure rate of new incidents to within 30 days.	Baselining new measure for FY 2023	N/A	TBD	N/A

PRIORITY OUTCOME 1:
Reducing Risks to Beneficiaries from Substance Use Disorder²⁸

Background

Opioids serve a useful role in treating certain kinds of pain. However, they can also lead to significant adverse effects, including an opioid use disorder (OUD) or a fatal overdose. Recognizing that the benefits and downsides vary from patient to patient and across situations, OIG uses a risk-based approach to focus its resources on addressing the opioid epidemic. OIG will measure Medicare Part D prescribers who are questionably prescribing opioids to high-risk beneficiaries. Identifying these questionable prescribers is an important first step in determining who could benefit from educational resources or warrant further oversight. The goal of this work is to help OIG Federal and State partners promote appropriate prescribing practices and reduce the misuse of opioids.

Along with recognizing the need to promote appropriate prescribing practices, OIG’s approach to the opioid epidemic includes a second measure focusing on increasing access to effective

²⁸ We have updated the name of this priority outcome from “Protect Beneficiaries From Prescription Drug Abuse, Including Opioids” to “Reduce Risks to Beneficiaries From Substance Use Disorder” to capture work addressing treatment for Substance Use Disorder (SUD). Our current performance metrics are focused on opioids, which is a subset of this work, so we use the term “Opioid Use Disorder (OUD)” throughout this section to be specific to the substance in view.

treatment for individuals diagnosed with an OUD. An OUD is a chronic disease that impacts a patient's ability to abstain from using opioids. The FDA has approved three medications for the treatment of OUD. These medications, in combination with counseling and behavioral therapies, are referred to as medication-assisted treatment (MAT)—a safe and effective treatment for OUD. In FY 2021, OIG reported that just over 1 million Medicare beneficiaries had a diagnosis of opioid use disorder, yet less than 16 percent of these beneficiaries received medication-assisted treatment drugs. The goal of this work is to increase that proportion.

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, as well as hold bad actors accountable while increasing access to safe and effective treatment.

Discussion of Progress

OIG's efforts contributed to a 1-year, 31-percent decrease in the number of Part D prescribers with questionable prescribing practices, from 142 such prescribers in CY 2019 to 98 in CY 2020. OIG initiated criminal investigations into some of the 98 prescribers as warranted and referred others to CMS and other law enforcement partners for further action as appropriate. Additionally, OIG excluded from participation in Federal health care programs 619 individuals and entities in CY 2019 and another 454 in CY 2020 for opioid-related offenses. The continued effort to pursue criminal investigations involving questionable prescribing resulted in 157 opioid-related criminal actions in FY 2020.

OIG aims to continue reducing the percent of prescribers with questionable prescribing practices. The goal is a 10-percent reduction from the FY 2021 level to the FY 2022 level, and then another 5-percent reduction from FY 2022 to FY 2023. OIG is supporting CMS's efforts to educate high-opioid prescribers about best practices in prescribing these drugs. CMS uses OIG's analytic methods to identify prescribers for intervention. OIG also continues to prioritize supporting DOJ Strike Force efforts, DOJ Opioid Fraud and Abuse Detection Units, as well as the ARPO Strike Force with staff and resources.

PRIORITY OUTCOME 2:

Promote Patient Safety and Accuracy of Payments in Home and Community Settings

Background

OIG has identified serious vulnerabilities in both the fiscal integrity of payments made for services delivered and the quality of care received in home and community settings. As more Medicare and Medicaid patients seek and receive a growing volume and range of services at home, the risks of fraud and abuse may change or become more pronounced. OIG has found that providers and State agencies did not always report potential incidents of abuse or neglect involving Medicaid beneficiaries with developmental disabilities living in group homes. For example, OIG audits have reported that providers and various State agencies did not report between 58 and 99 percent

of critical incidents. Failure to comply with reporting policies and procedures put Medicaid beneficiaries at risk of serious harm.

OIG work in several States has found that residents in group homes often experienced critical incidents that resulted in emergency room visits or hospital stays. A critical incident is one that may include physical and/or sexual assault, a suicide attempt, unplanned hospitalization, near drowning, serious injury, or even death. Individuals living in group homes are at a higher risk of abuse and neglect and may have limited access to police or support services. OIG's reviews also found that health and safety policies and procedures for group homes were not being followed.

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

Discussion of Progress

OIG's initial focus was on reducing inappropriate Medicare spending on home health. Using data analytics, OIG identified four geographic hotspots—Florida, Texas, and select areas in Southern California and the Midwest—that have large numbers of home health providers with characteristics that OIG determined, based on previous work, are commonly associated with suspicious activity. OIG focused on reducing inappropriate Medicare spending to home health providers in these identified geographic hotspots. From the baseline year of CY 2015, OIG investigations, audits, evaluations, and other efforts contributed to an overall 20-percent decrease in Medicare home health payments in these hotspots in 2020. Nationally, the decrease in home health spending over this same period was 11 percent. With the sizeable reduction in home health expenditures, several of these hotspots are much closer to national expenditure levels. Given this improvement, OIG adjusted focus in this priority area and developed a measure related to group homes and incidents affecting beneficiary safety.

For FY 2021 reporting, OIG focused on reducing the percentage of potential critical incidents of abuse or neglect involving Medicaid beneficiaries with developmental disabilities living in group homes that are not reported to appropriate authorities by providers and State agencies. OIG performed follow up audits in two States and is working to complete an audit in a third State. OIG's efforts had a positive effect on providers and States reporting of critical incidents that would otherwise have gone unreported. These collective efforts in those two States show a dramatic overall reduction of 65 percent in unreported critical incidents, exceeding the targeted FY 2021 measure of a 5-percent overall reduction. The third State had operational changes that complicated OIG's ability to obtain comparable data. The measure is being discontinued because of the data limitations.

In FY 2023, a more simplified measure seeks to reduce by 5 percent the aggregate percentage of unreported critical incidents that providers report to two States (Pennsylvania and Iowa) involving Medicaid beneficiaries with developmental disabilities residing in group homes. OIG will

perform follow up audits in these two States where initial work identified significant reporting problems. The hope is that our initial work in these two States have also made positive strides towards improving provider reporting of critical incidents and overall improvement in beneficiary health and safety.

PRIORITY OUTCOME 3:

Improve Emergency Preparedness and COVID-19 Response and Recovery

Background

Public emergencies, such as emerging infectious disease outbreaks and natural disasters, present a broad range of human, social, economic, and environmental impacts, with potentially long-lasting effects on the Nation's health care system. These events often have significant effects on nursing homes in particular. Residents and their families rely on nursing homes to plan and execute appropriate procedures to keep residents safe during emergency events. Recent OIG work has identified gaps in nursing home preparedness and planning efforts. OIG is increasing its focus on nursing home emergency preparedness to provide insights for improving the efficiency and effectiveness of preparedness, response, and recovery activities.

The COVID-19 pandemic has had a devastating impact on many nursing homes nationwide and has highlighted the importance of emerging infectious disease preparedness. An OIG report found that in 2020, 2 in 5 Medicare beneficiaries in nursing homes were diagnosed with COVID-19 or likely COVID-19, and the overall mortality rate in nursing homes rose 32 percent during the first year of the pandemic. Natural disasters have also posed significant challenges for nursing homes and resulted in tragic deaths of residents, further underscoring the need for strengthened preparedness and planning. Nursing homes must be prepared for all types of disasters, which can range from hurricanes, tornados, fires, and floods, to infectious diseases, oil spills, and chemical releases.

One of the most important decisions that nursing homes must make during an emergency is whether to evacuate or shelter in place. Whichever is decided, nursing homes typically need assistance from other community members (e.g., other health care providers, public health agencies, and emergency management agencies) for needs such as finding placement for residents or securing resources. Nursing homes must also establish a broad set of capabilities required for managing resident care needs while under duress.

Discussion of Progress

This priority outcome measure will focus on tracking nursing home progress related to ensuring the safety and continuity of care for nursing home residents during emergencies. OIG believes that improvement in two general areas will result in increased safety and prevent disruption of care for nursing home residents during emergencies: (1) nursing homes develop the necessary internal capabilities to ensure safety and continuity of care for residents during emergencies and (2) nursing homes establish meaningful, collaborative relationships with other community members.

The specific areas of measurement and their baselines are under development. To help develop measures, OIG is surveying a sample of nursing homes in FY 2022. The responses from this survey will inform the specific nursing home capabilities and collaboration relationships we will track over time as well as the baselines for them. Once the baselines are established, OIG plans to survey nursing homes on a biannual basis to measure progress against them.

PRIORITY OUTCOME 4:

Strengthen Medicaid: Protecting Managed Care from Fraud and Abuse and Reducing Improper Payments

Background

As of September 2021, Medicaid serves nearly 85 million enrollees, more than any other Federal health care program, and represents one-sixth of the national health care economy. OIG conducts reviews across a range of Medicaid topics. Current focus areas include reducing improper payments, addressing program integrity in Medicaid managed care, promoting health and safety for Medicaid beneficiaries, and strengthening Medicaid protections against fraud. OIG, which administers the grant program that funds 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) approving 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 has been satisfied with the progress made by MFCUs and plans to continue its focus on strengthening MFCUs and their impact. Although OIG is discontinuing two MFCU-related performance measures, OIG will continue to support MFCUs through technical assistance, funding, training, and guidance.

Protecting Managed Care from Fraud and Abuse

As noted earlier, Medicaid is one of the largest health care programs in the country and managed care is one of the fastest growing aspects of Medicaid care. OIG plans to leverage its unique expertise to drive increases in the number of high-quality referrals to OIG and/or MFCUs regarding suspected provider fraud in Medicaid managed care. This is an area of known vulnerability with a growing number of beneficiaries relying on Medicaid managed care and an increasing amount of Federal dollars at stake. Prior OIG work has found weaknesses in MCOs' efforts to identify and address fraud and abuse. OIG plans to engage with managed care organizations and with state Medicaid associations to provide outreach and technical assistance,

which may include toolkits. OIG will also explore relevant Medicaid managed care contract provisions via artificial intelligence, using proven techniques that OIG has used in reviewing grants, to determine the most effective program integrity language for encouraging high-quality referrals. Finally, OIG will continue to develop and perform audits and evaluations that identify what factors support high-quality and timely referrals and whether those factors can be replicated in other managed care organization (MCO) plans and states. OIG will also examine barriers that hinder referrals and how such barriers might be mitigated.

Reducing Improper Payments

In addition to reducing provider fraud through increased referrals from MCOs, OIG is focused on reducing Medicaid improper payments. In the short term, OIG will focus on reducing the Medicaid improper payments made to MCOs for beneficiaries concurrently enrolled in multiple States. OIG will utilize T-MSIS data and Public Assistance Reporting Information System Alerts to help identify Medicaid beneficiaries who were enrolled in multiple State Medicaid programs. This is a known risk area based on OIG audits in three States that found that millions in Medicaid improper payments were made for beneficiaries who were enrolled in more than one State Medicaid program at the same time. Based on ongoing and future work, OIG will help to reduce this type of improper payment by educating States regarding available data sources to identify beneficiaries with concurrent enrollment.

Through prior oversight work, OIG has also acquired significant knowledge on the types of Medicaid improper payments that are contributing to an increase in the Medicaid improper payment rate. Between 2018 and 2020, the Medicaid improper payment rate increased from 9.8 percent for 2018 to 21.4 percent for 2020. OIG teams are in the process of developing a strategy to maximize OIG's impact on reducing the national rolling Medicaid improper payment error rate.

PRIORITY OUTCOME 5: Strengthen HHS Cybersecurity Protections for Systems and Data

Background

HHS is the largest Federal department, accounting for nearly 23.2 percent of all Federal expenditures and has a vast network of grantees, contractors, and service partners. It also carries out a number of critical missions related to the health and welfare of the United States. The size and importance of HHS make it a prime target for cybersecurity attacks. On a daily basis, HHS systems and data, which are essential to performing mission-critical operations, are subject to thousands of cyberattacks. In response to growing cybersecurity threats to Government operations, the President issued the Executive Order "Improving the Nation's Cybersecurity," which includes the direction to improve Federal Government efforts to identify, deter, protect against, detect, and respond to these actions and actors. OIG understands the operational impacts that cyberattacks, such as denial-of-service attacks or breaches of protected personally identifiable information, can have on individuals, organizations, and the Nation as a whole. OIG works to ensure that these exploits are addressed in a timely fashion to minimize the impact.

Additionally, cybersecurity attacks have been on the rise during the COVID pandemic. Due diligence and the President's Executive Order demand a heightened sense of acknowledgment, awareness, and anticipation that HHS will always be a prime target of bad actors and should prepare itself accordingly.

Discussion of Progress

A multi-disciplinary OIG team examined the cybersecurity challenges facing HHS and how OIG can contribute to reducing departmentwide vulnerabilities and improving response efforts. To strengthen HHS cybersecurity, OIG will focus on reducing the backlog of longstanding unresolved HHS cybersecurity incidents. The OIG team will continue engagement with HHS CIO and CISO members, analyze HHS cybersecurity-incident ticket data, develop quarterly reports, and work with HHS divisions on actions needed to reduce the ticket backlog and improve the timely resolution of new incidents. During FY 2022, OIG will perform preliminary tests to better understand the structure of cybersecurity incidents and confirm reasonable targets for the reduction of the ticket backlog and the closure rate of new incidents. OIG also intends to identify strategies that HHS may implement to improve resolution of incidents in a timely manner.

Performance Measures Proposed Changes

Unique Identifier	Change Type	Original in FY 2022 CJ	Proposed Change	Reason for Change	HHS Performance Plan (APP/R) Measure
"Cybersecurity Protection"	Add New Performance Measure	Not included in FY 2022 CJ.	Propose adding measure: "Reduce the backlog of HHS cybersecurity incidents that have been open for more than 30 days."	OIG leadership has committed additional resources to strengthening HHS cybersecurity protection for systems and data.	No
"Cybersecurity Protection"	Add New Performance Measure	Not included in FY 2022 CJ.	Propose adding measure: "Improve the closure rate of new incidents to less than 30 days."	OIG leadership has committed additional resources to strengthening HHS cybersecurity protection for systems and data.	No
"Strengthen Medicaid"	Add New Performance Measure	Not included in FY 2022 CJ.	Propose adding: "Reduce Medicaid Improper payments made to MCOs for beneficiaries concurrently enrolled in multiple States."	OIG leadership has committed to strengthening Medicaid effectiveness and protections against fraud, waste, and abuse.	No
"Strengthen Medicaid"	Add New Performance Measure	Not included in FY 2022 CJ.	Propose adding: "Increase referrals of MCO provider fraud or patient abuse to OIG and/or MFCUs."	OIG leadership has committed to strengthening Medicaid effectiveness and protections against fraud, waste, and abuse.	No
"Group Homes"	Discontinue	Not included in FY 2022 CJ.	Propose discontinuing measure: "Reduce level of unreported incidents of abuse or neglect involving Medicaid beneficiaries with developmental disabilities."	One of the States included in this measure changed its statewide processes for incident report, making data from that State unavailable.	No

Performance Measures Discontinued

Unique Identifier	Change Type	Last Reported in a Prior CJ	Proposed Change	Reason for Change	HHS Performance Plan (APP/R) Measure
"Patient Safety"	Discontinued	FY 2021 CJ	Discontinued measure: "Reduce spending on home health providers in geographic fraud hot spots."	Most Results achieved: FY 2020 Target = -12.5% Results = -20% Target Met	No
"Patient Safety"	Discontinued	FY 2021 CJ	Discontinued measure: "Reduce level of unreported incidents of abuse and neglect involving Medicaid beneficiaries with developmental disabilities."	FY 2021 Target = -5% Result = -65%* (2 of 3 states reporting)	No
"MFCU"	Discontinued	FY 2021 CJ	Discontinued measure: "Improvements of MFCU indictment rate."	Most Results achieved: FY 2021 Target = 17.4%* Result = 14.7% (Target not met) FY 2022 = 18.4% *Footnote: OIG recalculated the indictment and conviction target rates upon receipt of FY 2019 and FY 2020 data; these updated rates are published in the Medicaid Fraud Control Units Annual Reports for FY 2019 and FY 2020.	No
"MFCU"	Discontinued	FY 2021 CJ	Discontinued measure: "Improvements of MFCU conviction rate."	Most Results achieved: FY 2021 Target = 90.8% Result = 91.2% Target Met	No

Performance Outputs and Outcomes

Performance Goals

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

- 3-year rolling average of expected recoveries from OIG's HHS oversight activities that resulted in investigative receivables and audit disallowances,
- 3-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 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, OIG has invested in data analytics to support data-driven decisions and outcomes-based performance, and it continues to report on the audit, evaluation, and investigative outputs that contribute to OIG's successes, performance impact and outcomes. An increase in resources in one fiscal year may not yield results in the same fiscal year, as most products and actions are multiyear efforts. Further, the volume of OIG outputs varies over time and reflects a range of factors based on strategic priorities, environmental factors, capacity planning, and availability resources. Factors include, for example, resources and capacity to undertake new products; the complexity and scope of cases, audits, and inspections; the quality, quantity, and availability of relevant data; and emergent issues that necessitate shifting resources. In some instances, OIG may strategically reduce the number of planned products to create space and ability for larger scale, higher value products and for critical infrastructure investments. Specifically, OIG has shifted audit resources from traditional audits to forensic audits to help criminal investigators and prosecutors follow the money in complex financial fraud cases or to meet the demands of unprecedented environmental circumstances, i.e., emergency preparedness and in response to public health emergencies and disasters.

Office of Inspector General OIG-Wide Performance Table					
Key Outcomes²⁹	FY 2021 Most Recent Actuals	FY 2022 Current Year Target	FY 2023 Proposed Target	FY 2024 Proposed Target	FY 2024 +/- FY 2023
Expected recoveries resulting from OIG involvement in health care fraud and abuse oversight activities (dollars in millions)	\$3,588 (Target Met)	\$3,615	\$3,565	\$3,565	--
ROI resulting from OIG involvement in health care fraud and abuse oversight activities	\$12:\$1 (Target Met)	\$12:\$1	\$12:\$1	\$12:\$1	--
Number of quality and management improvement recommendations accepted	126 (Target Met)	123	120	120	--
PL funding (dollars in millions)	\$--	\$--	\$--	\$--	\$--
Key Outputs	FY 2021 Most Recent Actuals	FY 2022 Current Year Target	FY 2023 Proposed Target	FY 2024 Proposed Target	FY 2024 +/- FY 2023
Audits:					
Audit Products started	149 (Target Met)	128	137	142	+5
Audit Products issued	162 (Target Met) ³⁰	128	137	142	+5
Audit Products issued within 1 year of start (percentage)	32% (Target Met)P	25%	27%	29%	+2%
Evaluations:					
Evaluation Products started	47 (Target Met)	41	44	47	+3
Evaluation Products issued	46 (Target Met)	41	44	47	+3
Evaluation Products issued within 1 year of start (percentage)	32% (Target not Met) ³¹	45%	40%	40%	---%
Investigations:					
Complaints Received for investigation	3,316 (Target Met)	3,055	3,115	3,190	+75

²⁹ The “expected recoveries” and ROI performance measures are calculated using 3-year rolling averages.

³⁰ OAS issued 7 Other External Products (2 Other Medicare Integrity, 2 Other Medicaid, 2 Other Public Health/Human Services, and 1 Other CFO-related).

³¹ OEI was outside of 20 percent performance target range due to a shift in priorities to COVID related products.

	(Tracking Metric)				
Investigative Cases opened	1,975 (Target Met)	2,185	2,278	2,332	+54
Investigative Cases closed	2,141 (Target Met)	1,975	2,045	2,094	+149
PL funding (Dollars in millions)	\$--	\$--	\$--	+\$--	+/- \$--

Performance Information for Public Health and Human Services Oversight

Key Outputs	FY 2021 Most Recent Actuals	FY 2022 Current Year Target	FY 2023 Proposed Target	FY 2024 Proposed Target	FY 2024 +/- FY 2023
Audits:					
Audit Products started	50	32	34	36	+2
Audit Products issued	45	32	34	36	+2
Evaluations:					
Evaluation Products started	18	9	11	12	+1
Evaluation Products issued	21	9	11	12	+1
Investigations:					
Complaints Received for investigation	829	624	635	648	+32
Investigative Cases opened	422	636	698	712	+35
Investigative Cases closed	383	375	413	421	+21
BA funding (Dollars in Millions)	\$--	\$--	\$--	\$--	+/- \$--

**FY 2021 PHHS Major Outputs by OIG Component:
Audits, Evaluations, Cases, and Monetary Impact by OPDIV**

Office of Audit Services						
Category	Audits Started	Audits Issued	Rec's Issued	Rec's Concur Implemented	Questioned CostP1FP1F³²	Funds Put to Better UseP2FP2F³³
ACF	12	8	37	39	\$44,405,529	-
ACL	-	-	-	-	-	-
AHRQ	-	-	-	-	-	-
CDC	2	4	11	3	-	-
CMS-Exchanges	-	-	-	-	-	-
FDA	1	1	-	3	-	-
HRSA	6	2	4	7	\$631,654	-
IHS	4	2	3	5	-	-
NIH	6	4	9	6	-	-
SAMHSA	5	6	11	7	\$4,287,109	-
OS	12	18	24	17	-	-
PHHS OtherP3FP3F ³⁴	2	-	-	-	-	-
Total	50	45	99	87	\$49,324,292	-

Office of Evaluation and Inspections					
Category	Evaluations Started	Evaluations Issued	Rec's Issued	Rec's Concur Implemented	Rec's Concur Unimplemented
ACF	5	3	8	-	2
ACL	1	1	-	-	-
AHRQ	-	-	-	1	-
CDC	3	1	-	-	-
CMS-Exchanges	-	-	-	-	-
FDA	2	1	-	1	-
HRSA	-	-	-	-	-

³² Questioned Cost reflects disallowed cost and/or potential recoveries for which management concurred with the audit recommendation.

³³ Funds Put to Better Use reflects potential savings on those audit recommendations that achieve identifiable monetary savings.

³⁴ PHHS-related matters that span multiple OPDIVs.

IHS	-	5	15	-	15
NIH	2	1	2	1	-
SAMHSA	-	1	1	-	-
OS	1	1	-	3	-
PHHS OtherPP ⁴⁴	4	7	33	24	31
Total	18	21	59	30	48

Office of Investigations						
Category	Cases Opened	Cases Closed	Criminal Actions	Civil Actions	Complaints Received	Monetary Results
ACF	63	81	19	-	206	\$4,682,589
ACL	5	5	-	-	7	-
AHRQ	-	-	-	-	-	-
CDC	-	-	-	-	-	-
CMS-Exchanges	-	-	-	-	-	-
FDA	32	19	-	1	44	-
HRSA	-	-	-	-	-	-
IHS	-	-	-	-	-	-
NIH	-	-	-	-	-	-
SAMHSA	-	-	-	-	-	-
OS	86	62	1	-	203	\$1,315
PHHS OtherP4FP4F ³⁵	236	216	11	7	369	\$42,260,635
Total	422	383	31	8	829	\$46,944,539

Performance Information for Medicare and Medicaid Oversight

Key Outputs	FY 2021 Most Recent Actuals	FY 2022 Current Year Target	FY 2023 Proposed Target	FY 2024 Proposed Target	FY 2024 +/- FY 2023
Audits:					
Audit Products started	90	96	103	106	+3
Audit Products issued	117	96	103	106	+3

³⁵ PHHS-related matters that span multiple OPDIVs.

Evaluations:					
Evaluation Products started	29	32	33	35	+2
Evaluation Products issued	25	32	33	35	+2
Investigations:					
Complaints Received for investigation	2,487	2,431	2,480	2,542	+62
Investigative Cases opened	1,553	1,549	1,580	1,620	+40
Investigative Cases closed	1,758	1,600	1,632	1,673	+41
BA funding (Dollars in Millions)	\$--	\$--	\$--	\$--	+/- \$--

**FY 2021 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 Cost³⁶	Funds Put to Better Use³⁷
Medicare and Medicaid Oversight	99	117	327	203	\$730,975,802	\$1,238,879,922

Office of Evaluation and Inspections					
Category	Evaluation Starts	Evaluations Issued	Rec's Issued	Rec's Concur Implemented	Rec's Concur Unimplemented
Medicare and Medicaid Oversight	29	25	25	18	6

Office of Investigations						
Category	Cases Opened	Cases Closed	Criminal Actions	Civil Actions	Complaints Received For Inv	Monetary Results
Medicare and Medicaid Oversight	1,553	1,758	504	476	2,487	\$2,787,984,237

³⁶ Questioned Cost reflects disallowed cost and/or potential recoveries in which management concurred with the audit recommendation.

³⁷ Funds Put to Better Use reflects potential savings on those audit recommendations that achieve identifiable monetary savings.

Physicians' Comparability Allowance (PCA) Worksheet

1) Department and component:

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

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

(Please include any staffing data to support your explanation, such as number and duration of unfilled positions and number of accessions and separations per fiscal year.)

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

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

	PY 2021 (Actual)	CY 2022 (Estimates)	BY* 2023 (Estimates)
3a) Number of Physicians Receiving PCAs	1	1	1
3b) Number of Physicians With 1-Year PCA Agreements	0	0	0
3c) Number of Physicians With Multiyear PCA Agreements	1	1	1
4a) Average Annual PCA Physician Pay (Without PCA payment)	\$209	**\$212	**\$215
4b) Average Annual PCA Payment	\$30	\$30	\$30

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

**CY 2022 and BY 2023 estimates reflect a conservative performance-based increase (1.5 percent base pay plus bonus) that may be authorized consistent with OIG's Senior Professional Pay-for-Performance System and annual supplemental guidance.

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

(Please include any staffing data to support your explanation, such as number and duration of unfilled positions and number of accessions and separations per fiscal year.)

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

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

OIG sets its annual PCA amount consistent with HHS policy. In 2021, approximately \$30,000 will be provided to the physician in Category IV-B. Regarding the increase in the average annual PCA physician pay (without PCA payment), the estimated salary of OIG's 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 Senior-Level (SL) positions. Actual pay increases will be made in accordance with HHS and OIG policy and annual pay guidance/directives issued by the Office of Personnel Management and/or Office of Management and Budget.

SECTION V: OIG SPECIAL REQUIREMENTS

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

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

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

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

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

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

OIG meets the above requirement by providing the following information:

- OIG's aggregate budget estimate and request to HHS at the beginning of the FY 2023 process was \$479.3 million. This funding would have supported expanded or new OIG oversight and enforcement activities to investigate fraud; improve the Nation's emergency preparation, response, and recovery capabilities; better protect residents in nursing homes; better protect the health and well-being of children served by HHS programs; reduce error rates and modernize payment policies; ensure the integrity of growing managed care programs; address unmet needs for persons with behavioral health and substance abuse disorders; promote access, quality, and integrity in telehealth; advance equity in health and human services; protect and strengthen access to high quality, affordable Marketplace insurance; and increase the capacity and reach of OIG's whistleblower program.
- Funding requested for training is approximately \$4 million.
- Funding amounting to \$1.5 million will be necessary to support the Council of the Inspectors General on Integrity and Efficiency (CIGIE).