U.S. Department of Health and Human Services

Office of Inspector General

Fiscal Year 2022

Justification of Estimates for Congress

Pre-Decisional, Internal to HHS and OMB

DEPARTMENT of HEALTH and HUMAN SERVICES

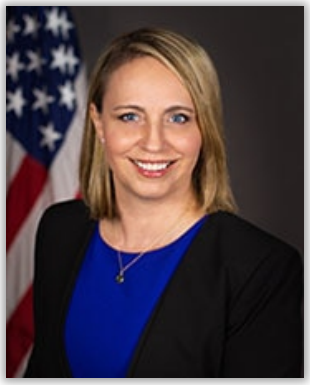
Fiscal Year

2022

Office of Inspector General

Justification of Estimates for Congress

A Message From the Office of Inspector General



I am pleased to present the Department of Health and Human Services (HHS), Office of Inspector General (OIG), fiscal year (FY) 2022 budget submission. It represents OIG's budgetary requirements for meeting its responsibility to protect the integrity and efficiency of more than 100 HHS programs as well as the health and welfare of the beneficiaries they serve.

OIG's FY 2022 budget requests a total of $428.9 million to oversee HHS programs, including $106.5 million for oversight of HHS's Public Health and Human Services (PHHS) programs and $322.5 million for oversight of the Medicare and Medicaid programs, including Health Care Fraud and Abuse Control (HCFAC) Program activities and law enforcement activities coordinated with HHS and the Department of Justice.

The Fiscal Year 2022 Budget request:

- Provides consistent support for oversight of the Medicare and Medicaid programs, including the Children's Health Insurance Program (CHIP). The request supports oversight work promoting patient safety and quality of care in nursing homes and other settings; growing managed care programs; addressing the high costs of prescription drugs; and detecting and preventing fraud, waste, and abuse.
- Supports oversight of the Department's response to the COVID-19 pandemic across PHHS programs as well as Medicare and Medicaid. OIG has outlined four strategic goals with respect to COVID-19 oversight work: (1) protecting people, (2) protecting funds, (3) protecting infrastructure, and (4) promoting the effectiveness of programs, now and in the future.
- Continues OIG's longstanding oversight in key PHHS areas, including the health and safety of children served by HHS programs; the quality, safety, and integrity of services provided by public health programs; grants and contracts management; and emergency preparedness and response.
- Expands OIG's cybersecurity and digital technology capabilities to combat increasingly sophisticated cybercrime through strategic investments in personnel, contractual support, training, and software.
- Allows OIG to begin information blocking enforcement activities using new authorities. This request includes new funding for positions, training, investigative costs, and enforcement litigation costs to implement this new authority.

Amid the COVID-19 pandemic, OIG continues its enterprisewide oversight of HHS's $2.4 trillion in spending in FY2020. With these FY 2022 resources, we will 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's teams tackle problems by connecting the perspectives of multiple experts including law enforcement agents, attorneys, auditors, analysts, data scientists, clinicians, and other specialists. Using this approach, OIG produces outsized impact.

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
Principal Deputy Inspector General
Performing the Duties of the Inspector General

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AGENCY OVERVIEW

Mission, Vision, and Values

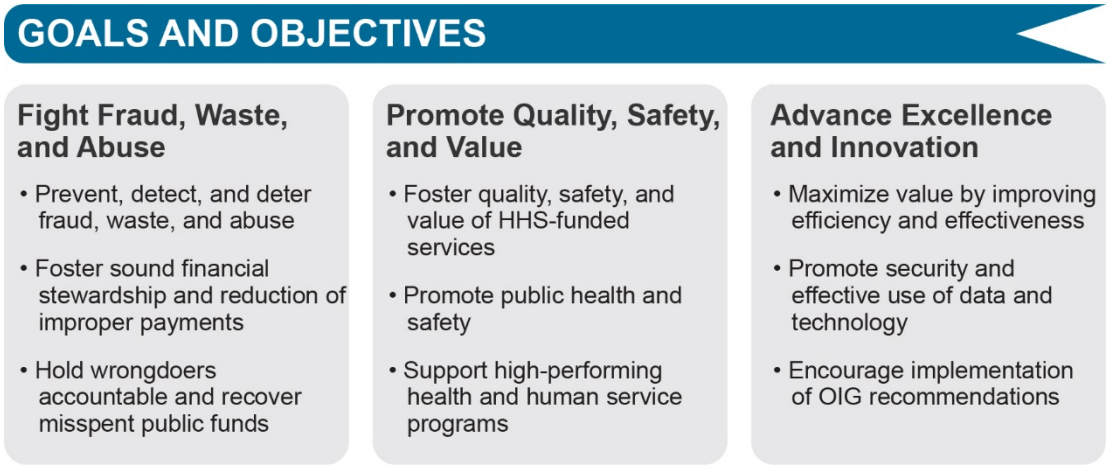
The Office of Inspector General of the Department of Health and Human Services (HHS, or the Department) conducts independent oversight of HHS programs that provide health insurance, promote public health, respond to public health emergencies, protect the safety of food and medical products, and fund medical research, among other activities. Our goals are to fight fraud, waste, and abuse; to promote quality, safety, and value in HHS programs and for HHS beneficiaries; and to 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.

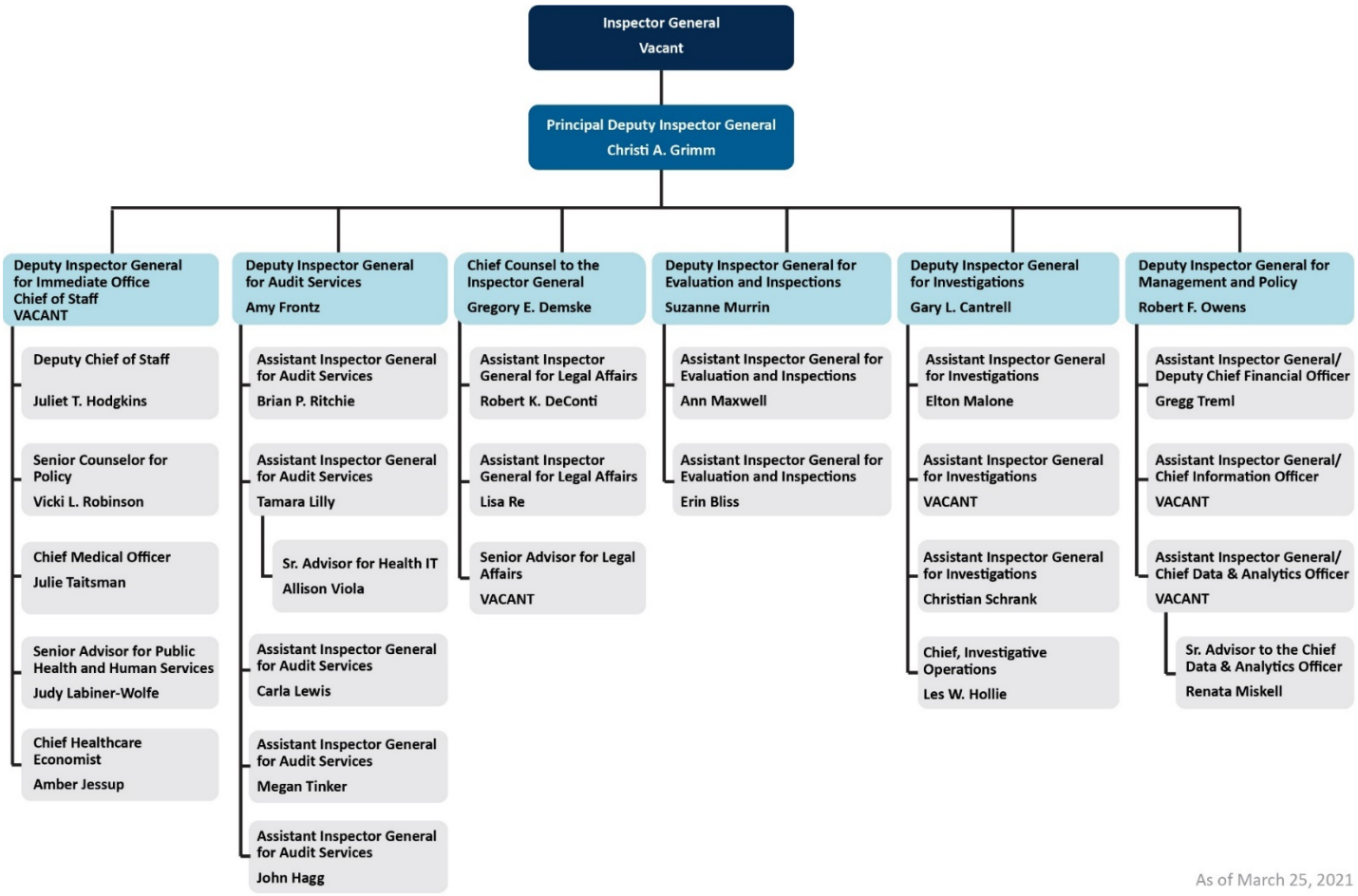
Vision: OIG's vision is to drive positive change in HHS programs and in the lives of the people served by these programs. We pursue this vision through independent oversight of HHS programs and operations, and by providing HHS and Congress with objective, reliable recommendations and information for 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 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.



Organizational Chart

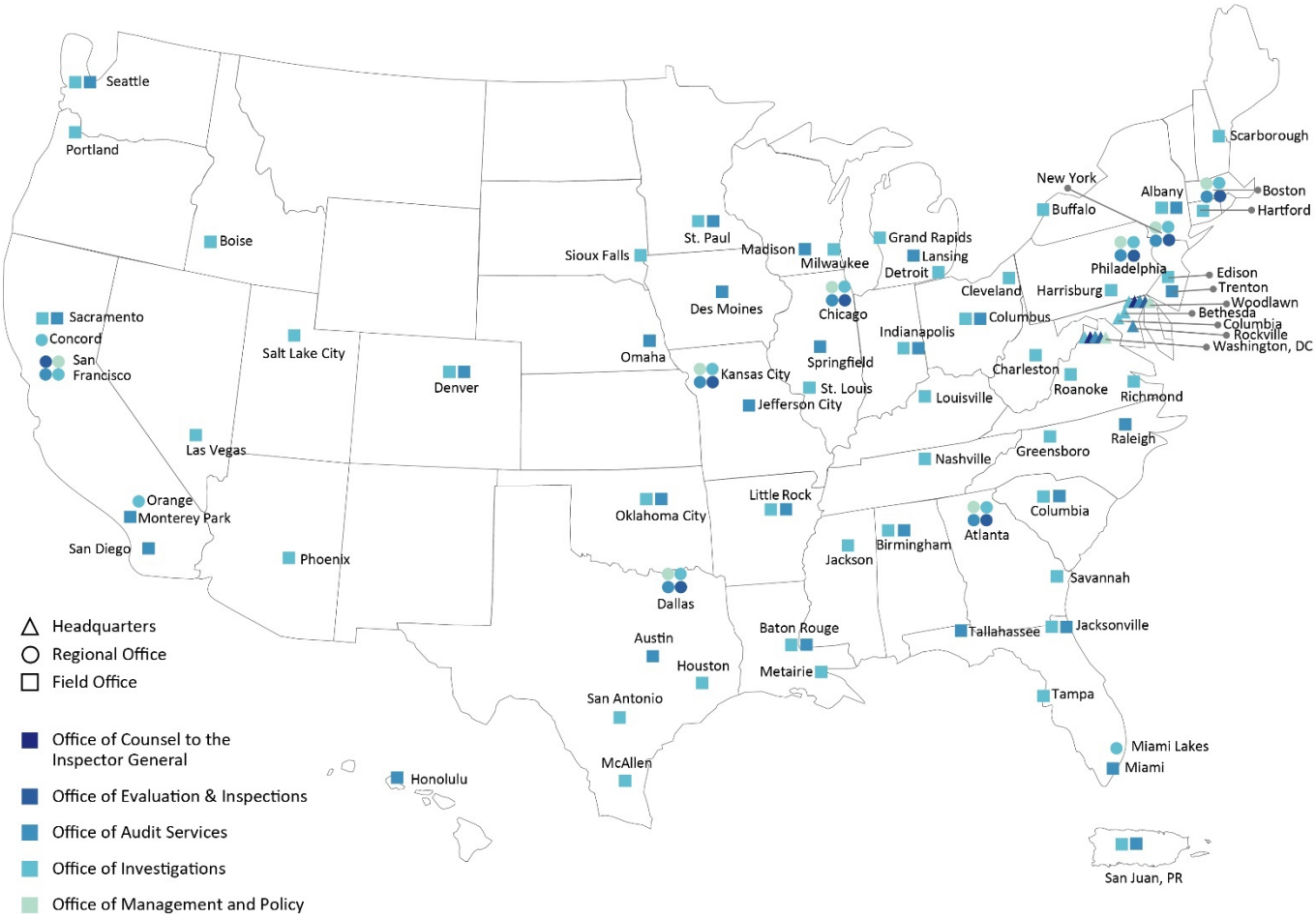


As of March 25, 2021

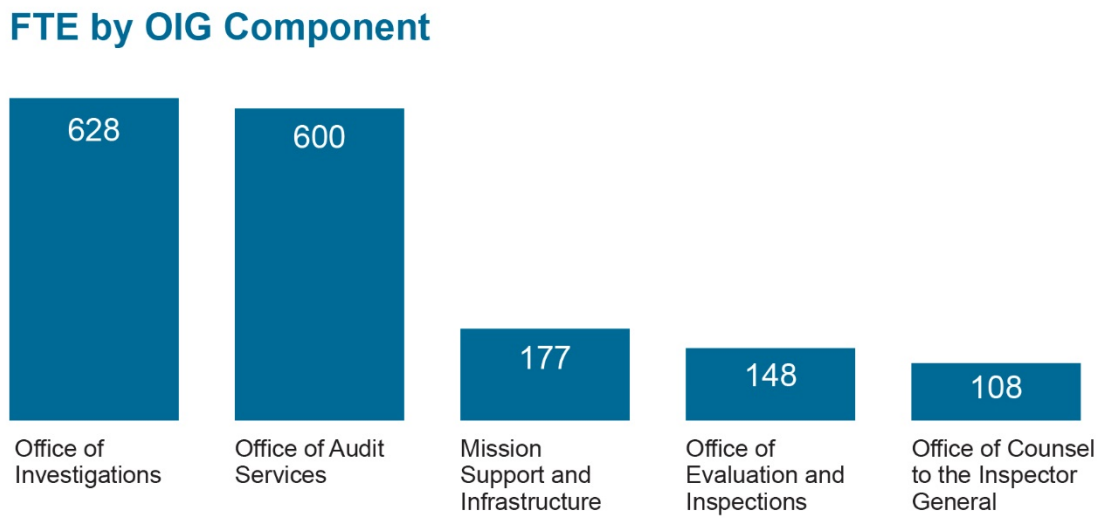
Organizational Components

OIG's professional staff is a multidisciplinary workforce comprised of investigators, auditors, analysts, attorneys, program specialists, clinicians, economists, digital and technology specialists, and other experts. This workforce integrates diverse professional skills, tools, and perspectives to tackle complex health and human services issues and sophisticated fraud schemes. For example, OIG pairs criminal investigators and forensic auditors—armed with data and technology—to investigate complex financial fraud cases more effectively. OIG uses this crosscutting approach strategically to address fraud and abuse from prevention and detection to, when necessary, enforcement.

OIG maintains a Washington, DC office and a nationwide network of regional and field offices. More than 70 percent of employees work outside of the Metropolitan Washington area.



In FY 2020, OIG's total funding supported 1,661 full-time equivalents (FTEs) across OIG's 5 components.



Office of Audit Services

The Office of Audit Services (OAS) provides auditing services for HHS either 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. The investigative efforts of OI 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.

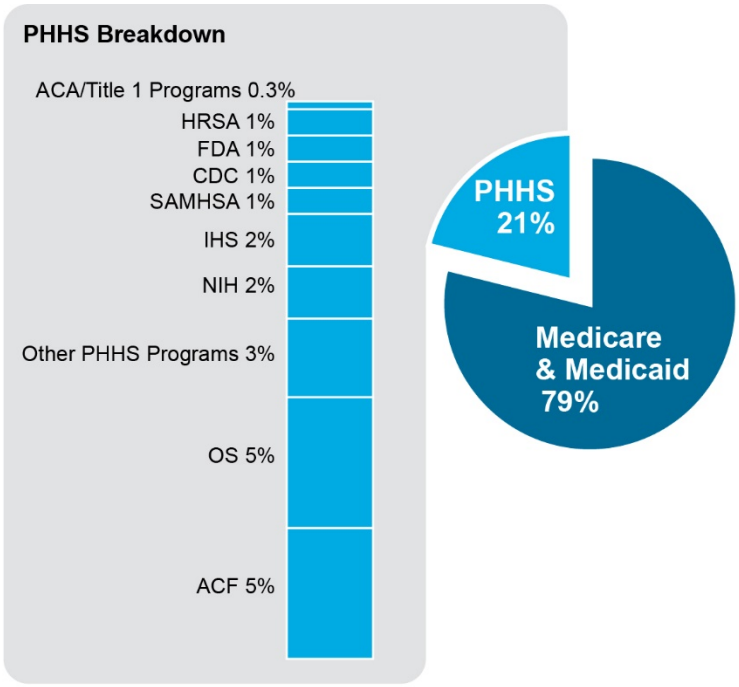
Office of Counsel to the Inspector General

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 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 conduct their 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 for their actions. In FY 2020, OIG's investigative work led to $3.14 billion in expected investigative recoveries and 624 criminal actions. OIG also took civil actions, such as excluding 2,148 individuals and entities from Federal health care programs and assessing monetary penalties against 791 individuals and entities.

The following information highlights OIG significant, recent accomplishments. For a more detailed discussion of OIG's recent accomplishments, please see OIG's *Fall 2020 Semiannual Report to Congress* on our website.

Responding to the COVID-19 Pandemic

The emergence of COVID-19 created unprecedented challenges for HHS and the delivery of health and human services to 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, 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.

In May 2020, OIG published **OIG Strategic Plan: Oversight of COVID-19 Response and Recovery**. The plan sets forth the four goals to drive OIG's strategic planning and mission execution with respect to HHS's COVID-19 response and recovery. These goals are to: (1) protect people, (2) protect funds, (3) protect infrastructure, and (4) promote the effectiveness of HHS programs.

- As of April 2021, our work in response to COVID 19 included 8 completed reviews, 57 publicly announced ongoing reviews, 2 issued toolkits, stakeholder education and guidance, as well as ongoing fraud prevention, investigation, and enforcement activities.
- OIG is publishing audits and evaluations assessing COVID-19 preparedness and response in programs that serve HHS beneficiaries and the public. Completed and ongoing reviews cover a range of topics, including testing and vaccine distribution, provider relief funds, telehealth, health equity, contracts and grants management, opioid use during the pandemic, health and safety in nursing homes and other settings, and many others. For example, in a review of nursing home infection control and complaint surveys, *Onsite Surveys of Nursing Homes During the COVID-19 National Emergency: March 23–May 30, 2020*, OIG found that some efforts instituted by CMS have resulted in less comprehensive oversight of nursing homes and residents. OIG recommended that CMS assess the results of the infection control survey and revise the survey as appropriate. Our findings and recommendations can help CMS enhance its approach to nursing home oversight.

- OIG also created a **COVID-19 Portal** that alerts the public about emerging fraud schemes related to COVID-19 and provides a list of all ongoing and completed oversight work.
- Through the **Operation CARE (Caring, Awareness, & Resources for Our Elders) Nursing Home Initiative**, OIG made in-person contact with 493 nursing homes and 236 emergency medical services providers that serve nursing homes to educate them about how to report allegations of unsafe practices resulting in COVID-19 exposure, overall quality of care concerns, patient abuse and neglect, and fraud and misconduct. OIG created and updates a web page to provide additional elder care and safety awareness resources and support information for seniors, their families, and caregivers.

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 $4.20 returned for every $1 invested.[1] This is a ratio of actual monetary returns to the Government to total HCFAC program appropriations. Since the HCFAC program's inception in 1997, program activities have returned more than $35 billion to the Medicare trust fund. The HCFAC program's continued success in returning more money than is spent confirms the soundness of a collaborative approach to identifying and prosecuting the most egregious instances of health care fraud, preventing future fraud, and protecting program beneficiaries.[2]

FY 2019 HCFAC ROI

$4.20 : $1

$35 billion
Returned to the Medicare Trust Fund since 1997

In FY 2019, Medicare spent nearly $800 billion providing health coverage to about 60 million beneficiaries. The Federal Government and States spent nearly $614 billion providing Medicaid and CHIP coverage to about 72 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:

- **2020 National Health Care Fraud Takedown**. Along with our State and Federal law enforcement partners, OIG participated in the largest ever health care fraud takedown and opioid enforcement action in September 2020. More than 345 defendants in 51 judicial districts were charged with participating in health care fraud schemes. The takedown focused on several schemes including alleged telefraud scams that leverage aggressive marketing and so-called telehealth services to commit fraud. The telemedicine schemes caused more than $4.5 billion in loss and the revoking of Medicare and Medicaid billing privileges of over 250 medical professionals. Since 2016, HHS OIG has seen a significant increase in these types of scams.
- **Combating the Opioid Epidemic**. OIG continues to prioritize oversight activities to protect beneficiaries from prescription drug abuse and provide insight into the challenges the COVID-19 pandemic is having on opioid users. In February 2021, OIG released a data snapshot *Opioid Use*

[1] The HCFAC ROI from the FY 2019 HCFAC Report is based on a 3-year rolling average.

[2] ROIs can vary over time for a variety of reasons including, for example, the size of settlements in a given year and the type and complexity of fraud schemes under investigation.

in Medicare Part D During the Onset of the COVID-19 Pandemic. OIG found during the first 8 months of 2020—from the onset of the COVID-19 pandemic—at least 5,000 Medicare Part D beneficiaries per month suffered opioid overdoses and almost a quarter of a million received high amounts of opioids. At the same time, the number of beneficiaries receiving drugs for medication-assisted treatment increased slightly and the number receiving naloxone declined through April 2020 but increased during the following months. In another review, *Opioids in Medicaid: Concerns About Opioid Use Among Beneficiaries in Six Appalachian States*, OIG found the COVID-19 pandemic may have been putting Medicaid beneficiaries at greater risk of opioid misuse or overdose in 2020 and beyond.

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 and Alaska Natives, preparing for and responding to emergencies, research integrity, and grants and contracts management. Significant, recent OIG work in PHHS oversight includes:

- **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. A recent review, *The Office of Refugee Resettlement Did Not Award and Manage the Homestead Influx Care Facility Contracts in Accordance With Federal Requirements*, found that ORR did not award a $341 million sole source contract in accordance with Federal regulations and did not effectively manage its HHS contracts for services provided at the Homestead Influx Care Facility, renamed Biscayne Influx Care Facility in February 2020. We made recommendations to ORR, including that it develop plans for upcoming service needs by using all available data and indicators, establish a policy and procedure that describes when an influx care facility should be placed into warm status, and take other measures to better protect Federal funds and manage its contracts in the future. In another recent review, *The Office of Refugee Resettlement's Incident Reporting System Is Not Effectively Capturing Data To Assist Its Efforts To Ensure the Safety of Minors in HHS Custody*, OIG found that important information about facilities' actions were not systematically collected to help ORR determine whether facilities responded appropriately to incidents. ACF concurred with our recommendations to improve the incident reporting system.
- **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 integrity of taxpayer-funded 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. A recent review, *NIH Has Made Strides in Reviewing Financial Conflicts of Interest in Extramural Research, But Could Do More*, found that NIH has improved its tracking and review of investigators' financial conflicts of interest (FCOIs) over the past decade and could further strengthen oversight of investigators' FCOIs involving foreign interests. NIH agreed with our recommendations to perform quality assurance reviews of FCOI information and use information during the pre-award reporting process.

EXECUTIVE SUMMARY

Preface to FY 2022 President's Budget

OIG provides objective and independent oversight of HHS's programs, driving positive change across HHS programs to improve the lives of the people they serve. OIG's work ensures Federal dollars support their intended purposes and that eligible HHS program beneficiaries receive safe, high-quality services. Supporting the work of OIG is a sound investment for the American taxpayer's dollar. In FY 2019, the Health Care Fraud and Abuse Control (HCFAC) program, in which OIG is a major participant, returned to the Federal Government $4.20 for every $1 expended.[3]

OIG's oversight responsibilities are immense and have only grown with the addition of $463 billion in funding for HHS's pandemic response and recovery. Financially speaking, HHS is the largest Federal department in the U.S. Government. With total budgetary resources of $2.4 trillion in FY 2020, it accounts for more than one-quarter of all Federal Government spending. It is the largest grant-making department in the U.S. Government and the fourth-largest contracting department. It houses nearly a dozen large agencies and employs more than 80,000 people. HHS administers Medicare and Medicaid, which are the largest public health care programs in the Nation.

OIG provides oversight of Department operations and the more than 100 programs administered by HHS's Operating Divisions (OpDivs). OIG's oversight extends to nearly 1.4 million noninstitutional providers, 6,000 hospitals, and more than 300,000 other institutional providers with respect to their participation in Medicare and in Medicaid, for those who participate in that program.

OIG's staff of just over 1,600 people are entrusted with this oversight work. OIG carries out its mission through audits, evaluations, inspections, investigations, and legal actions in accordance with professional standards established by the Government Accountability Office, DOJ, and the Inspectors General community. OIG's staff works closely with stakeholders in the executive branch, legislative branch, State and local agencies, and with private sector partners to bring about systemic improvements. OIG fosters improvements through successful criminal and civil investigations and prosecutions, negotiated settlements, publication of actionable data, and the implementation of OIG recommendations by HHS, States, and others subject to OIG review or by Congress through legislation. When necessary, OIG brings administrative actions against wrongdoers to impose monetary penalties and exclude bad actors from participating in Federal health care programs. In addition to this oversight and enforcement work, OIG agents provide physical protection for the Secretary of Health and Human Services.

The FY 2022 President's Budget (PB) provides justification for increasing its resources from FY 2021 funding levels. OIG's oversight responsibilities have increased substantially over the past year as new program integrity risks emerged. HHS programs have grown significantly without a comparable increase in funding for OIG oversight. For the past five fiscal years, OIG's annual PHHS oversight budget has been held flat. This budget request targets much needed areas to help recalibrate OIG's operational budget.

The additional funding is requested in two strategic areas: cybersecurity and information blocking. It includes resources to address thinning staffing levels caused by the extremely competitive cybersecurity

[3] This is a 3-year rolling average. HCFAC Annual Report for 2019. https://oig.hhs.gov/publications/docs/hcfac/FY2019-hcfac.pdf.

job market, as well as resources to enhance investments made in cybersecurity, digital technology, and IT. This, along with funding for OIG's specific new information blocking authorities, will have a tremendous impact on the Department, OIG, and the public health care system.

OIG's initial investments in Artificial Intelligence (AI) have accelerated OIG's ability to identify and investigate high-risk Medicare and Medicaid providers and support fraud detection in HHS discretionary programs. The new resources requested in this budget will advance OIG's data infrastructure and improve capabilities that support machine learning, natural language processing, robotics process automation, and predictive analytics. It will provide the opportunity for OIG to accelerate integration of AI into OIG's investigative and oversight processes. Investing in cutting-edge technology for data analytics is necessary given the growing volume of data generated in fraud and abuse cases and data central to evaluating program operations and effectiveness.

In sum, OIG is targeting strategic operational areas that will significantly enhance its oversight and enforcement work. The increase in funding will directly increase the potential for transformational change, paving the way for sustained improvement through greater efficiency, effectiveness, transparency, and accountability.

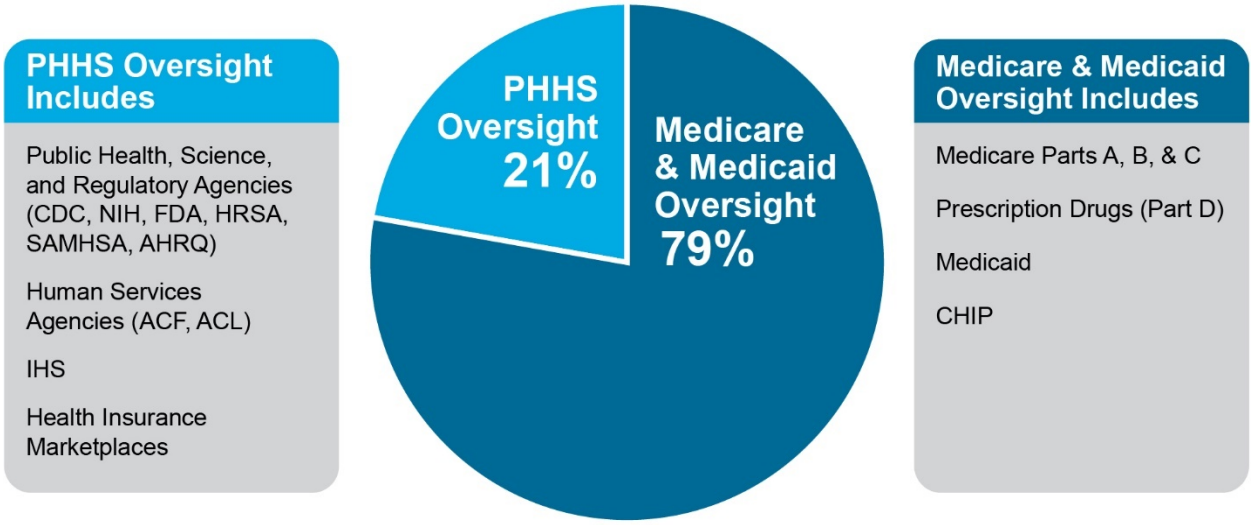
FY 2022 Budget Request Overview

The total FY 2022 request for OIG is $428.9 million, $17.6 million above the FY 2021 enacted level and assumes sequestration and appropriate suspension.

OIG's oversight work is divided into two, legally defined programmatic categories:

PHHS Oversight. Twenty-one percent of OIG funding supports oversight of PHHS programs and management processes. This includes programs responding to the COVID-19 pandemic and other emergency preparedness and response programs; programs addressing opioid addiction, substance abuse treatment, and serious mental illness; the health and safety of children served by HHS programs; the quality, safety, and integrity of the Indian Health Service (IHS) and programs serving American Indians and Alaska Natives; oversight of HHS grants and contracts management; and oversight of health insurance marketplaces.

HCFAC 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 Prescription Drugs (Part D) and CHIP.



PHHS Oversight

Budget Request: $100 Million (+$20 Million From FY 2021 Enacted)

For the past five fiscal years, OIG's annual appropriations for PHHS oversight have been held flat at $80 million. Each year, as mandatory expenses such as civilian pay and benefits expenses have increased, OIG has made difficult operational decisions to accommodate the impact. OIG's hiring and investment capabilities in infrastructure have suffered as a consequence. This requested increase in resources seeks to recalibrate OIG's financial position by targeting specific programmatic areas:

Cybersecurity and Digital Technology Expansion | $14.7 million

This funding will be dedicated to cybersecurity and digital technology expansion. This initiative (see page 27) 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.

Information Blocking Investigations | $5.3 million

This funding is requested for OIG to carry out new investigative and enforcement authorities related to the detrimental practice known as information blocking, as authorized in the 21st Century Cures Act (Cures Act), 2016 P.L. 114-255, Section 4004 (see page 32). Information blocking is a practice that is likely to interfere with, prevent, or materially discourage access, exchange, or use of electronic health information. Such practices can threaten patient safety and undermine efforts by providers, payors, and others to make the U.S. health care system more efficient and effective.

Medicare and Medicaid Oversight

Budget Request: $322.5 Million (-$2.4 Million From FY 2021 Enacted)

- $208.9 million in HCFAC Mandatory funds (-$5.0 million from FY 2021 PB);
- $102.1 million in HCFAC Discretionary funds (+$3.1 million from FY 2021 PB); and
- $11.5 million in estimated HCFAC Collections.

OIG will continue its 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.

Key oversight of Medicare and Medicaid will continue to include COVID-19 testing and treatment, combatting the substance use disorder epidemic (including opioids), home and community-based services, cybersecurity, health technology (including telehealth), prescription drug costs, managed care and value-based health care programs, improper payments, and program integrity, including provider enrollment and other integrity measures. OIG will continue to foster strong, productive relationships with Federal and State Government partners and public-private partners, and promote compliance through education and outreach efforts.

Overview of Performance

OIG delivers results for taxpayers by safeguarding programs from mismanagement and fraud and protecting beneficiaries from harm. OIG continues to modernize its infrastructure capacity to deliver high quality, timely, actionable data to frontline staff, OIG partners and, as appropriate, other stakeholders. OIG focuses on developing data-driven Key Performance Indicators (KPIs) to track results in priority areas that further the goals of OIG's work. OIG deploys data-driven decision making to achieve outcome-focused results.

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

OIG Priority Outcomes

OIG's current priority outcome areas 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 area, OIG develops strategies, drives action, unleashes organizational creativity, and measures impact to provide solutions and improve outcomes for HHS programs and beneficiaries.

BUDGET EXHIBITS

All Purpose Table

OIG[4] *(dollars in millions)*	FY 2020		FY 2021		FY 2022	
	Enacted	**COVID Funds**	**Enacted**	**COVID Funds**	**PB**	**FY 2022 +/- FY 2021**
PHHS Oversight						
Discretionary Budget Authority (BA)	$80.000	$12.000	$80.000	$5.000	$100.000	$20.000
Information Blocking Investigations[5] [non-add]					*[$5.300]*	*[$5.300]*
Cybersecurity and Digital Technology Expansion [non-add]					*[$14.700]*	*[$14.700]*
FDA Transfer	$1.500		$1.500		$1.500	-
NIH Transfer	$5.000		$5.000		$5.000	-
Subtotal, PHHS BA	**$86.500**	**$12.000**	**$86.500**	**$5.000**	**$106.500**	**$20.000**
HCFAC Oversight						
HCFAC Mandatory BA[6]	$205.326		$213.887		$208.863	-$5.024
HCFAC Discretionary BA	$93.000		$99.000		$102.145	$3.145
Subtotal, HCFAC BA[7]	**$298.326**		**$312.887**		**$311.008**	**-$1.879**
HCFAC Collections[8]	$11.751		$12.000		$11.487	-$0.513
Subtotal, HCFAC PL	**$310.077**		**$324.887**		**$322.495**	**-$2.392**
TOTAL BA	**$384.826**	**$12.000**	**$399.387**	**$5.000**	**$417.508**	**$18.121**
TOTAL PL	**$396.577**	**$12.000**	**$411.387**	**$5.000**	**$428.995**	**$17.608**
NEF						
IT Modernization	**$11.315**		**-**		**TBD**	

All Purpose Table Footnotes

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

[5] Two-year funding is requested for Information Blocking. See budget narrative on page 36 for more information.

[6] Reflects actual sequestration (and suspension) in both FY 2020 and FY 2021. FY 2022 reflects a 5.7% sequestration for the three quarters in CY 2022.

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

[8] Actual collections vary each year and, thus, so does the amount of sequestration and suspension savings. FY 2021 reflects twelve months of sequestration suspension. FY 2022 estimates a 5.7% 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, [$80,000,000] *$100,000,000*: Provided, that of such amount, necessary sums shall be available for providing protective services to the Secretary and investigating non-payment of child support cases for which non-payment is a Federal offense under 18 U.S.C. 228: *Provided further, that of the amount appropriated under this heading, $5,300,000 shall be available through September 30, 2023, for activities authorized under section 3022 of the Public Health Service Act, relating to information blocking.*

Appropriations Language Analysis

Language Provision	Explanation
Information Blocking	Since the information blocking appropriation is a carveout from the OIG discretionary appropriation, the specific reference to the Public Health Service Act is necessary to demonstrate that OIG's information blocking activities are not limited to those related solely to Inspector General Act and non-Medicare/Medicaid HHS oversight.

Nonrecurring Expenses Fund

OIG *(dollars in thousands)*	FY 2020[9]	FY 2021[10]	FY 2022[11]
Notification[12]	$11,000		TBD

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 IT and facilities infrastructure acquisitions.

In FY 2020, OIG received $11.3 million for their Legacy Modernization initiative.

OIG's NEF funding has allowed OIG to approach Legacy Modernization in a strategically planned, long-term, two-phase approach. In FY 2015, Phase 1 was funded. Starting in FY 2019, Phase 2 was started. Included below is a high-level explanation:

Phase 1: Modernized OIG's IT network that supports its national workforce; consolidated OIG's on-premise data centers into two advanced commercial data centers; and enhanced data storage capacity to support OIG's growing demand for advanced data analytic capabilities.

Phase 2: Creates four areas of enterprise capabilities that: 1) transition legacy mission and business support application systems onto a commercial cloud platform; 2) develop a consolidated enterprise technology platform using proven solutions to manage and provide data and analyses across the organization; 3) continue to use Federal shared systems, where appropriate, to reduce redundancy and eliminate duplicative systems; and 4) provide tools for our increasing mobile national workforce to work and collaborate wherever the work takes them.

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[9] Notification submitted to the Committees on Appropriations in the House of Representatives and the Senate on July 20, 2020.

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

[11] HHS has not yet notified for FY 2022.

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

Amounts Available for Obligation

OIG *(dollars in thousands)*	FY 2020 Final	FY 2021 Enacted	FY 2022 President's Budget
General Fund | Discretionary Appropriation			
Annual Appropriation (Labor/HHS)	$80,000	$80,000	$100,000
Total, Discretionary Appropriation	**$80,000**	**$80,000**	**$100,000**
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	$93,000	$99,000	$102,145
Total, HCFAC Discretionary	**$93,000**	**$99,000**	**$102,145**
Trust Fund | HCFAC Mandatory			
Trust Fund HCFAC Mandatory Appropriation	$212,627	$213,887	$218,164
Trust Fund HCFAC Mandatory Sequestration	-$7,301		-$9,300
HCFAC Collections	$12,169	$12,000	$12,000
HCFAC Collections Sequestration	-$417		-$513
Previously Sequestered, but Available	$744	$417	
Total, HCFAC Mandatory	**$217,822**	**$226,304**	**$220,351**
Total Amount Sequestered	**-$7,718**	**-$0**	**-$9,813**
Carryover			
Unobligated Balance, Start of Year	$44,825	$12,669	$9,101
Unobligated Balance, End of Year	$12,669	$9,101	$10,000
Unobligated Balance, Lapsing	$300	$300	$300
TOTAL OBLIGATION AVAILABILITY	**$397,322**	**$411,804**	**$428,996**

Summary of Changes

OIG *(dollars in thousands)*	
FY 2021 Enacted	
PHHS Discretionary Budget Authority	$86,500
FY 2022 President's Budget	
PHHS Discretionary Budget Authority	$106,500
Net Change	**$20,000**

OIG *(dollars in thousands)*	FY 2021 Enacted		FY 2022 President's Budget		FY 2022 +/- FY 2021	
Increases	**FTE**	**BA**	**FTE**	**BA**	**FTE**	**BA**
A. Built-in:						
1. Salaries	333	$45,086	359	$53,186	26	+$8,100
2. Benefits		$16,799		$20,199		+$3,400
3. Contracts		$12,879		$15,879		+$3,000
4. Training, Travel, Materials		$11,736		$17,236		+$5,500
Subtotal, Built-in Increases						**+$20,000**

Budget Authority by Activity

OIG *(dollars in thousands)*	FY 2020 Final	FY 2021 Enacted	FY 2022 President's Budget
PHHS Oversight			
Discretionary BA[13]	$86,500	$86,500	$106,500
Subtotal, PHHS Oversight	**$86,500**	**$86,500**	**$106,500**
Medicare and Medicaid Oversight[14]			
HCFAC Mandatory BA	$205,326	$213,887	$208,863
HCFAC Discretionary BA	$93,000	$99,000	$102,145
Subtotal, Medicare and Medicaid Oversight BA	**$298,326**	**$312,887**	**$311,008**
HCFAC Collections [2]	$11,751	$12,000	$11,487
Subtotal, Medicare and Medicaid Oversight PL	**$310,077**	**$324,887**	**$322,495**
Total, BA	**$384,826**	**$399,387**	**$417,508**
Total, PL	**$396,577**	**$411,387**	**$428,995**
FTE[15]	**1,652**	**1,603**	**1,629**

[13] Like prior tables, FY 2020 and FY 2021 include one-time NIH and FDA transfers.

[14] Like prior tables, FY 2020 includes actual sequestration for HCFAC Mandatory and HCFAC Collections; FY 2021 reflects no sequestration and FY 2022 reflects three quarters of sequestration.

[15] Does not include reimbursable or supplemental FTE's.

Program Authorizing Legislation

OIG *(dollars in thousands)*	FY 2021 Amount Authorized	FY 2021 Amount Appropriated	FY 2022 Amount Authorized	FY 2022 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	$213,887	$207,775	$217,950	$205,527
HIPAA, as amended, HCFAC Discretionary	Enabling Only	$99,000	Enabling Only	$102,145
HIPAA, as amended, HCFAC Collections	Enabling Only	Indefinite	Enabling Only	Indefinite
Unfunded authorizations:				
21st Century Cures Act (P.L. No 114-255)	$0	$0	$0	$5,300

Appropriations History

Fiscal Year	Details	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
2013	Direct Discretionary	$58,579,000	-	$55,483,000	$50,083,000
	Rescission	-	-	-	($100,000)
	Sequestration	-	-	-	($2,518,000)
	HCFAC Discretionary Allocation Adjustment	$102,500,000	-	$102,500,000	$29,855,000
	Rescission				($59,348)
	Sequestration				($1,492,771)
	HCFAC Mandatory	$196,669,000			$196,299,000
	Sequestration				($10,011,228)
	Disaster Relief Appropriations Act of 2013				$5,000,000
	Sequestration				($251,849)
	Subtotal	***$357,748,000***	**-**	***$157,983,000***	***$266,803,804***
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***
	Direct Discretionary	$80,000,000	$85,000,000	$86,500,000	$86,500,000

2020	HCFAC Discretionary Allocation Adjustment	$98,000,000	$93,000,000	$89,625,000	$93,000,000
	HCFAC Mandatory (including suspension)	$213,248,000	$200,082,000	$200,082,000	$212,626,959
	Sequestration (including suspension)				($7,300,773)
	Subtotal	***$391,248,000***	***$378,082,000***	***$376,207,000***	***$384,826,186***
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			
	HCFAC Discretionary Allocation Adjustment	$102,145,000			
	HCFAC Mandatory	$218,164,332			
	Sequestration	($9,300,973)			
	Subtotal	***$417,508,359***			

BUDGET NARRATIVES

PHHS Oversight

Header Table

OIG *(dollars in thousands)*	FY 2020 Final	FY 2021 Enacted	FY 2022 President's Budget	FY 2022 +/- FY 2021
Budget Authority	**$80,000**	**$80,000**	**$100,000**	**$20,000**
Cybersecurity and Digital Technology Expansion [non-add]			*[$14,700]*	*[$14,700]*
Information Blocking [non-add]			*[$5,300]*	*[$5,300]*
FDA Transfer	$1,500	$1,500	$1,500	-
NIH Transfer	$5,000	$5,000	$5,000	-
Total, PHHS BA	**$86,500**	**$86,500**	**$106,500**	**$20,000**
FTE	**342**	**333**	**359**	**+26**

Authorizing Legislation……...Inspector General Act of 1978, as amended
FY 2021 Authorization……..……..……..……...……...…..…Enabling Only
Allocation Method...…….....……..…Direct Federal

Five-Year Funding Table

Fiscal Year	Amount
FY 2018	$81,500,000
FY 2019	$86,500,000
FY 2020	$86,500,000
FY 2021 Enacted	$86,500,000
FY 2022 President's Budget	$106,500,000

Program Description

PHHS programs represent approximately $100 billion in HHS spending each year. This does not account for the $463 billion in additional resources that HHS has received through COVID-19 supplemental funding in the past 12 months. PHHS programs include those led by, among others, HHS' public health and human services, science and regulatory agencies, and Indian Health Services. OIG uses funding from its annual direct discretionary appropriation to strengthen PHHS programs by leveraging data, modern technology, specialized expertise, and strategic partnerships to target high-risk areas, thus maximizing the effectiveness and outcomes of these critical programs. We use advanced data analytics and multidisciplinary, state-of-the-art investigative techniques to address program integrity in PHHS grant programs and contract services. OIG uses an enterprisewide data strategy to more effectively detect fraud that touches multiple programs. This request will support expansion of OIG's cybersecurity and digital technology capabilities as well as implementation of OIG's new authorities related to information blocking. OIG will continue its longstanding oversight in other key areas, including the health and safety of children served by HHS programs; quality, safety, and integrity of services provided by PHHS programs; grants and contracts management; the health insurance marketplaces; and emergency preparedness and response activities, including those related to the COVID 19 pandemic. In addition to this oversight and enforcement work, OIG agents continue to provide physical protection for the Secretary of Health and Human Services.

Cybersecurity and Digital Technology Expansion

$14.7 million | 47 positions; 23 FTEs

The Challenge

The rapid growth of health technology in the 21st century is transforming how health care is delivered and received. To improve health care outcomes and promote patient care and engagement, health care providers are increasingly using mobile-first technology based in cloud environments, which means that many health care IT environments are in a state of transition. And with the rapid expansion of telehealth during the pandemic, how and where health care providers deliver care changed and became more reliant on technology. This, in turn, created more potential cybersecurity vulnerabilities for a health care system that was already a frequent target of cyberattacks. Furthermore, the Office of the National Coordinator for Health Information Technology (ONC) and CMS enacted changes under the 21st Century Cures Act to promote and improve the exchange of electronic health information. Consequently, health care industry cybersecurity will only increase in importance as providers, patients, and other entities become more interconnected and more easily share data.

Providing objective, independent audits and assessments of HHS systems and health care industry systems and any associated risks facilitates effective, more secure modernization. Additionally, law enforcement investigations of computer crimes and cybersecurity breaches hold wrongdoers accountable and identify opportunities for HHS and the health care industry to improve their cybersecurity posture and prevent future cybercrimes.

Furthermore, the quantity, frequency, and sophistication of cybercrime activity continues to increase rapidly. More than ever, health care and public health sector providers are the targets of serious cybersecurity attacks. This trend was exacerbated by an increase in attacks during the pandemic that targeted HHS, the health care industry, medical research entities, pharmaceutical manufacturers, and other entities that are key to the pandemic response. Adversaries are vigilantly exploiting the increasing reliance on the internet and other technologies in order to steal valuable personal medical information, destroy sensitive data, and paralyze medical operations. The growing number of ransomware attacks at hospitals has resulted in entire computer systems being taken offline, thereby eliminating the ability of some patients to receive medical care. Weak cybersecurity defenses are exploited, especially during times of crisis such as during the COVID-19 pandemic. This can hamper medical professionals' abilities to provide needed medical care as well as a provide a coordinated approach to public health and medical research to develop and deploy medical countermeasures for COVID-19 and other public health threats.

HHS maintains its own internal IT and cybersecurity staff for management and operations, and performs independent validation of HHS systems and processes. They are responsible for developing, acquiring, and implementing IT networks and systems to facilitate the efficient and effective performance of their respective missions. OIG's role, on the other hand, focuses on the independent review of cybersecurity controls and technologies while maintaining an independent IT infrastructure. This allows OIG to conduct needed independent audits, evaluations, and investigations that assess the soundness of HHS IT systems management and operations.

President Biden issued an Executive Order on Improving the Nation's Cybersecurity, which directs the Federal Government to improve its efforts to identify, deter, protect against, detect, and respond to malicious cybersecurity campaigns. OIG's oversight of HHS' cybersecurity will include assessing the

Department's implementation of the Executive Order and the effect implementation has on securing HHS systems.

Declining cybersecurity staffing levels hinder OIG's ability to fulfill its oversight role. Large workloads, noncompetitive compensation, and a competitive cybersecurity job market make it difficult to retain and obtain needed staff. The explosive growth in the complexity and volume of data that OIG needs to collect and analyze is placing an increasing burden on our limited resources. In sum, retaining skilled IT and cybersecurity specialists and timely backfilling are challenging. Two critical areas are particularly impacted, as described under the next two subheadings.

Digital Investigations Branch

To carry out OIG's specialized law enforcement authority related to cybersecurity, the Digital Investigations Branch (DIB) conducts digital forensics investigations involving incidents that impact networks, systems, and data related to HHS programs and operations. DIB employs mobile teams of highly trained Digital Investigators and Forensic Computer Examiners who serve as technical experts in the fields of information technology, information security, and digital forensics.

During FY 2020, DIB completed 255 collections, including the execution of 81 search warrants, that resulted in the forensic acquisitions of 822 electronic devices totaling more than 448 terabytes of Electronically Stored Information. In addition, DIB supported 18 percent of OI's reported monetary accomplishments. The requests for DIB to accomplish this critical work continue to grow; however, additional resources are required.

In FY 2020, DIB also experienced a 10-percent decrease in staffing, which was attributable to employees leaving for better compensation elsewhere—usually the private sector. Retaining highly qualified personnel has been a challenge and negatively affects OIG's ability to conduct timely investigations. The current digital analyses performed by DIB has an average timeframe of 6 months, and will likely increase to somewhere between 12 to 18 months if appropriate talent is not retained and recruited.

Cybersecurity and IT Audit Division

To carry out the oversight function, the Cybersecurity and IT Audit Division (CITAD) performs independent cybersecurity and IT audits of the networks and information systems maintained by, or on behalf of, HHS. These independent assessments of OpDiv cybersecurity programs, controls, and systems assess their cybersecurity posture and defenses while identifying risks, vulnerabilities, and poor practices. OIG's separation from the HHS cybersecurity components and offices allows OIG to provide objective analyses and reporting to the appropriate HHS officials who may not be aware of the vulnerabilities in their own cybersecurity defenses.

CITAD staff are IT specialists and auditors focused on two, OIG core program integrity principles—prevention and detection of cyberthreats. CITAD is on the frontlines in combatting cybersecurity threats against HHS and the health care system by assessing and reporting the cybersecurity controls that ensure the confidentiality, integrity, and availability of sensitive data, including COVID-19-related research data. If OIG identifies an urgent risk or vulnerability during an audit, we provide real-time notification to HHS officials so that they can take immediate action.

Over the past 2 years, CITAD experienced a 30-percent decrease in staffing as a result of 6 employees leaving for better compensation elsewhere. Three of the six departures occurred within a 6-month period.

Report production needs to increase significantly as cybersecurity audits increase due to the accelerated and expanded use of IT in health care. Currently, the average amount of time expended from the start of an audit planning process to issuance of a final report is 18 months. Additional personnel and recruiting resources will significantly improve OIG's ability to hire and retain the appropriate staff and increase the speed and efficiency of audits.

Ultimately, if there are delays in issuing reports, our audit recommendations may not be implemented in a timely manner. Although OIG takes proactive measures to notify HHS and its programs of cybersecurity vulnerabilities during the course of an audit, any delay in completing the audit report may result in vulnerable IT systems and other pervasive cybersecurity vulnerabilities going unaddressed. This exposes HHS programs to malicious threats. Fraudsters continue to seek to exploit such vulnerabilities in order to gain unauthorized access to data, such as personally identifiable information or Personal Health Information (PHI). Valuable data such as FDA proprietary data, sensitive NIH research, and CDC critical public health information remain at risk. Successful exploitations can result in identity theft, public loss of trust in HHS, and patient safety issues if PHI data is altered, destroyed, or stolen.

The Response

To effectively fulfill mounting obligations and combat increasingly sophisticated cybercrime, OIG needs resources to bolster its cybersecurity programs. With this request, OIG would address this need through investments in personnel, contractual support, training, and software.

Personnel: $10 million | 47 positions

Hiring personnel skilled in cybersecurity and digital forensic investigations is vital. OIG is requesting 47 positions: 8 auditors, 5 evaluators, 3 investigators, and 31 other professional staff, which would include 11 forensic examiners, 8 IT and information security specialists, 6 cybersecurity auditors and/or IT specialists, and 6 data analytics specialists. The compiled skills represented here include, but are not limited to, penetration testing, red-teaming, cyberthreat hunting, mobile applications, reverse engineering, cloud security, cyber incident response and investigation, and health IT security. This request will enable OIG to improve its capabilities to plan and conduct work, address the current backlog in report production, decrease the average analysis timeframe and overall report timeline, and increase OIG's current oversight and enforcement-work portfolio which includes:

- cybersecurity audits of HHS risk management, resiliency, and IT controls;
- evaluations of HHS's management of cybersecurity risks and risk mitigation efforts;
- technical cybersecurity assessments such as penetration and compromise assessments; and
- collaboration with HHS, law enforcement, and the health care sector to bring additional resources and situational awareness to the latest cybersecurity threat tactics, espionage, and foreign threats.

With additional personnel, CITAD will be able to expand its focus to audit mobile application testing and tools, and conduct manual and automated code reviews of HHS web apps and services (e.g., CMS Blue Button 2.0). Additionally, it will allow CITAD to increase assessments of Application Program Interfaces across HHS, System Development Life Cycle reviews of the new IHS Electronic Health Records (EHR) system and the cloud EHR's vendor systems, and ONC's oversight of EHRs. Finally, CITAD will be able to conduct more sophisticated cloud security assessments across HHS.

Recruitment and Retention Incentives

Recruitment and retention incentives are becoming increasingly necessary for attracting human capital in the cybersecurity job market. In today's world, this expertise is in high demand. The *Federal Cybersecurity Workforce Strategy* issued by the Office of Management and Budget (OMB) in conjunction with the Office of Personnel Management (OPM) on July 12, 2016, highlighted "governmentwide actions to identify, expand, recruit, develop, retain, and sustain a capable and competent cybersecurity workforce in key functional areas to address complex and ever-evolving cyber threats," and identified recruitment and retention pay as one of those key mechanisms meant to retain a talented cybersecurity workforce. OIG will use additional funding for retention incentives to secure about 40 key personnel who will be identified throughout the Agency as eligible for this pay; they will be highly and uniquely skilled, and would be likely to leave Federal service for higher pay elsewhere. These funds will also allow OIG to use recruitment incentives to bring on board specialized personnel with cybersecurity and digital forensic skill sets.

Information Systems Security Officers

Federal Information Security Modernization Act of 2014 (FISMA) goals require that Information Systems Security Officers (ISSOs) be appointed to information systems. ISSOs are primary and frontline points of contact who implement and monitor security for information systems. They also develop and maintain Security Plans, and are responsible for overall system security. So critical to system security is their role that collateral duties are not to interfere with their ISSO duties. Currently, a gap exists with respect to human capital with the requisite skills available to be assigned to the IT systems residing in the HHS-OIG FISMA Portfolio. Therefore, this funding is necessary to hire at least three additional full-time equivalent positions to serve as ISSOs for OIG systems. (These are already included in the 23 requested FTEs.)

Contractual Support: $3 million

Opportunities for expanding oversight can be realized by leveraging contracts to complement OIG's work. Funding for contractual support will enable OIG to outsource audits that assess new threats impacting Americans, such as threats to connected medical devices and telehealth, and allow OIG to procure contractor support for their cyber range environment—a critical piece of OIG's IT strategy. Significantly, OIG will use these funds to procure support in furthering IT capabilities and technologies, such as AI and quantum computing, that would enhance all of OIG's oversight and enforcement work. Expansion of AI will increase OIG's efficiency, allowing more work to be done in shorter timeframes. It will also increase OIG's capabilities to gather, analyze, and use data and gain better insights about program risks.

Artificial Intelligence

OIG is well positioned to expand and improve its use of AI and cloud computing technology to prevent and detect fraud, waste, and abuse that harm HHS programs and beneficiaries. OIG has access to valuable health care data and law enforcement data as well as expertise in both data analytics and health care programs, providing extraordinary opportunities for using emerging technologies to improve OIG's analytic capabilities. To date, OIG has successfully leveraged AI 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 A-133 single audit findings. For example, we implemented machine learning and advanced AI capabilities, including neural networks and text mining, to identify A-133 audit findings buried in millions of pages of documentation. The impact was immediate. The time needed for auditors' and investigators' researching has been reduced from a matter of months to seconds.

This request will provide the resources to continue OIG efforts to modernize software applications on a cloud platform that supports AI, advanced data analytics, and streamlined business processes. It builds on OIG's previous IT investments which have served as the model for other agencies across HHS and the Federal Government as a whole for securely adopting cloud computing. OIG's IT infrastructure supports a diverse array of functions and large data sets across a widely disbursed geographic area, making it the ideal platform for testing innovative technology in a low-risk, high-impact environment. As a result, not only do OIG's IT investments multiply the impact of our employees, but they also advance innovation throughout the Government.

Security Awareness Training

FISMA, *OMB A-130*, and the *National Institute of Standards and Technology (NIST) (Draft) Special Publication (SP) 800-16 Rev.1* require periodic security awareness training to educate and inform personnel, including contractors and other users of information systems that support the operations and assets of the Agency. Funding is required to update and invigorate the current security awareness offering intended for OIG personnel so that techniques to guard against new cybersecurity threats are included.

Significant Nonpersonnel Expenses: $1.7 million

This funding will ensure subject matter experts maintain technical competencies and professional certifications—critical when testifying in judicial proceedings and auditing network security for cybercriminal activity. It will support training and necessary travel for auditors and investigators whose oversight work requires travel for onsite foreign and domestic visits.

These funds will also be used to purchase software and hardware for CITAD operations which include, but are not limited to, software licenses to conduct mobile application assessments and application source-code analyses. This request also includes funds for DIB costs related to digital forensic equipment acquisitions, digital forensic software tools, and a digital forensic network infrastructure. It will allow OIG to procure additional IT equipment to enhance our infrastructure and data analytics capabilities and invest in AI such as machine learning in order to:

- better identify and address security vulnerabilities;
- mature data operations infrastructure to integrate new and existing data sets; and
- develop tools to streamline internal processes and enhance human capabilities.

Conclusion

With these additional resources, OIG will be able to address growing cybersecurity workloads and audit report backlogs, enabling us to provide more actionable information to HHS, Congress, and the American people in a timelier manner. OIG will be better able to facilitate information and intelligence sharing, respond to cyber incidents and emergencies, and conduct further oversight and enforcement work related to network intrusions, insider threats, and cybercrimes. Finally, it will allow OIG to reprioritize staff to expand its cybersecurity and digital forensics work.

Information Blocking

$5.3 million | 5 positions; 3 FTEs

The Challenge

One major impediment to improving the effectiveness and efficiency of the U.S. health care system has been the lack of interoperability, or the ability for health care providers and patients to securely access, exchange, or use electronic health information. The availability of information when and where it is needed is a critical element of a high-functioning health care system. The 21st Century Cures Act (Cures Act) implemented significant policies to improve electronic health information interoperability, including a prohibition on information blocking.

Information blocking, as defined in the Cures Act, is "a practice that is likely to interfere with, prevent, or materially discourage access, exchange, or use of electronic health information." Information blocking can pose a threat to patient safety and undermine efforts by providers, payors, and others to make our health care system more efficient and effective. For example, when pertinent information is not available in a patient's record, a physician may inadvertently prescribe a contraindicated drug, causing the patient to become ill.

ONC has issued rules required by the Cures Act to define information blocking and identify reasonable and necessary exceptions. ONC's information blocking rules in 45 CFR part 171 are effective as of April 5, 2020. As authorized by the Cures Act, OIG will investigate information blocking by health information technology developers, health information exchanges and networks, and health care providers. Health information technology developers and health information exchanges and networks are subject up to a $1 million civil monetary penalty if OIG determines they engaged in information blocking.

These new authorities, once funded, will act as an effective enforcement tool against the individuals and entities that continue this detrimental practice and impede the U.S. health care system's continued progress in health information interoperability.

The Response

OIG requests that $5.3 million, as a two-year appropriation, be appropriated to fund immediate information blocking investigations and enforcement actions. This will enable us to develop the professional skillsets required for this new and unique work. This request includes positions, training, investigative costs, and enforcement litigation costs to implement this new authority. Without dedicated funding, OIG is unable to do this work.

Personnel: $1.5 million | 5 Positions

Immediate costs include hiring four attorneys and one investigator for conducting information blocking cases on a full-time basis. Given the two-year appropriation that information blocking activities will be funded from, $1.5 million would cover the cost of salaries and benefits for these 5 individuals for both years.

Significant Nonpersonnel Expenses: $3.8 million

OIG requires funding for one-time startup costs associated with preparing OIG's internal capabilities to conduct information blocking investigations:

Training

OIG requests $1.1 million for the development and deployment of targeted and specific information blocking training for OIG investigators and attorneys as well as the development of internal procedures for investigating information blocking.

Information Blocking Cases

OIG requests $2.7 million for information blocking case-related expenses. Investigative and litigation costs can vary in an active investigation, as it is hard to predict whether a case may settle early in the process and require fewer investigative resources or whether a case may result in litigation that might last multiple years. For instance, a covered actor might appeal an imposed penalty to an administrative law judge, requiring more time and expenses in order for OIG to bring a resolution. This funding will afford OIG the opportunity to start its investigations of information blocking violations.

Conclusion

OIG needs this dedicated funding in order to start exercising new information blocking enforcement authorities. Without the specific funding written into OIG's appropriations language, OIG will be unable to start this critical work. Once begun, information blocking enforcement will act as an effective deterrent against the individuals and entities that continue this detrimental practice.

HCFAC Oversight

Header Table

OIG *(dollars in thousands)*	FY 2020 Final	FY 2021 Enacted	FY 2022 President's Budget	FY 2022 +/- FY 2021
HCFAC Mandatory	$205,326	$213,887	$208,863	($5,024)
HCFAC Discretionary	$93,000	$99,000	$102,145	$3,145
BA Total	**$298,326**	**$312,887**	**$311,008**	**($1,879)**
HCFAC Collections	$11,752	$12,000	$11,487	($513)
PL Total	**$310,078**	**$324,887**	**$322,495**	**($2,392)**
FTE	**1,312**	**1,290**	**1,290**	**0**

Five-Year Funding Table

Fiscal Year	Amount
FY 2018	$287,159,000
FY 2019	$294,241,000
FY 2020	$310,078,000
FY 2021 Enacted	$324,887,000
FY 2022 President's Budget	$322,495,000

Program Description

Medicare and Medicaid are high-risk programs administered by CMS that require sustained focus on effective administration. They are the Nation's largest health insurance programs, serving approximately 43 percent of Americans. In FY 2020, CMS had outlays of approximately $1.3 trillion (net of offsetting receipts and payments of the Health Care Trust Funds), which were approximately 19 percent of total

Federal outlays.[16] For FY 2020, CMS estimated there were more than $130 billion in Medicare, Medicaid, and CHIP improper payments.[17]

OIG is a leader in the fight against Medicare and Medicaid fraud and uses sophisticated data analytics and multidisciplinary, state-of-the-art investigative techniques to detect crime and investigate fraud. Through its multidisciplinary oversight work, OIG saves taxpayer dollars and works to ensure that patients receive safe, medically appropriate care. OIG relies on principles of prevention, detection, and enforcement to address fraud, waste, and abuse in these programs. OIG's work promotes sound fiscal management of the programs, patient safety, and quality of care (including prevention of patient abuse and neglect), and beneficiary access to high-quality care furnished in an appropriate setting and in accordance with program requirements.

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

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

Oversight Activities

In FY 2022, OIG will continue to be a leader in combating fraud, waste, and abuse in Medicare and Medicaid through a strategic program of investigations, audits, evaluations, inspections, and legal actions. Available funding will help OIG combat COVID-19-related fraud. Other key oversight areas will continue to include quality of care and safety in nursing homes, prescription drug abuse (including opioids abuse), home and community-based services, cybersecurity, health information technology (including telehealth), prescription drug programs, managed care and value-based programs, improper payments, combating fraud, and strengthening program integrity (including provider enrollment and other integrity measures). OIG will use advanced data analytics and tools, combined with subject matter expertise in emerging areas such as clinical science, data science, and AI to provide cutting-edge, data-informed oversight and, where necessary, take enforcement action to hold wrongdoers accountable.

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[16] Centers for Medicare & Medicaid Services, *2020 CMS Financial Report*. https://www.cms.gov/files/document/cms-financial-report-fiscal-year-2020.pdf.

[17] Centers for Medicare & Medicaid Services, *2020 Estimated Improper Payment Rates for Centers for Medicare & Medicaid Services (CMS) Programs.* https://www.cms.gov/newsroom/fact-sheets/2020-estimated-improper-payment-rates-centers-medicare-medicaid-services-cms-programs.

Consistent with efforts to promote efficiency and economy in PHHS programs, OIG plans to identify potential opportunities and best practices for reducing unnecessary paperwork and streamlining program requirements. OIG will also continue to foster strong, productive relationships with Federal and State Government partners and public-private partners, and will promote compliance through education and outreach efforts.

Performance Priority Outcomes

Priority Outcome Areas	Measure	Most Recent Results	FY 2021 Target	FY 2022 Target	Target Delta
REDUCE risks to beneficiaries from substance use disorder*	Reduce amount of Medicare Part D prescribers identified as having questionable prescribing practices.†	CY 2019 Target: -20% CY 2019 Result: 28% (Target exceeded)	-10%	-10%	0
	Increase the proportion of Medicare beneficiaries with a diagnosis of opioid use disorder who receive medication-assisted treatment drugs.‡	CY 2019 Target: N/A CY 2019 Result: N/A (New measure in 2022) Baseline: 13%	N/A new measure in 2022	17%	+4%
PROMOTE patient safety and accuracy of payments in home and community settings	Reduce Medicare spending on home health providers in geographic fraud hot spots.	FY 2019 Target: -12.5% CY 2019 Result: -10% (Target not met)	Discontinued	Discontinued	N/A
	Reduce level of unreported incidents of abuse or neglect involving Medicaid beneficiaries with developmental disabilities.‡	FY 2019 Target: N/A CY 2019 Results: 95% (Baseline)	90%	TBD	TBD
ENSURE health and safety of children served by HHS grants	Increase number of States and territories requiring CCDF providers to conduct all required criminal background checks at least once every 5 years.	**Intrastate** FY 2019 Target: 40 States FY 2019 Result: N/A ACF provided waivers to 43 states because of the COVID emergency.** (Target not met)	Discontinued	Discontinued	N/A
		Interstate FY 2019 Target: 10 States FY 2019 Result: 3 States** (Target not met)	Discontinued	Discontinued	N/A
STRENGTHEN Medicaid protections against fraud and abuse	Improvement of MFCU indictment rates.	FY 2020 Target: 17.2%†† FY 2020 Result: 17.1% (Target not met)	17.4%	18.4%	+1%
	Improvement of MFCU conviction rates.	FY 2020 Target:†† 90.8% FY 2020 Result: 87.7% (Target not met)	90.8%	89%	-1.8%

* Opioid data is systemically available only on a CY cycle.

† Reduction targets are based on most recent completed year of execution. FY 2021 target is based on FY 2019 results. FY 2022 target is based on FY 2020 results.

‡ New Measure. Some data points cannot yet be ascertained.

** FY 2019 results are based on ACF provided data as of March 1, 2020.

†† OIG recalculated the indictment and conviction target rates upon receipt of FY 2019 and FY 2020 data; these updated rates are published in the MFCU Annual Reports for FY 2019 and FY 2020.

Acronyms

CY: Calendar Year

FY: Fiscal Year

CCDF: Child Care Development Fund

MFCU: Medicaid Fraud Control Units

OIG's Priority Outcome areas demonstrate our focus on strategically targeting oversight, driving measurable results, and achieving overarching performance goals. The table above shows KPIs for each Priority Outcome area. These KPIs are OIG's metrics for measuring its impact in each of the four areas.

PRIORITY OUTCOME 1:
Reducing Risks to Beneficiaries From Substance Use Disorder[18]

Background

Opioids serve a useful role in treating certain kinds of pain. However, they can also cause 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. This KPI focuses on 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.

While recognizing the need to promote appropriate prescribing practices, OIG's approach to the opioid epidemic includes a second KPI focusing on increasing access to effective 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. OIG reported that in 2019 about 960,000 Medicare Part D beneficiaries had been diagnosed with an OUD, yet just 13 percent of these beneficiaries received MAT drugs through Part D. The goal of this work is to increase that proportion. Due to the expansion in coverage of MAT drugs in 2020 for Medicare Part B, the KPI will expand in future years to include both Medicare Parts B and D.

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, 28-percent decrease in the number of Part D prescribers with questionable prescribing practices, from 198 such prescribers in CY 2018 to 142 in CY 2019. OIG initiated criminal investigations into some of the 142 prescribers and shared information about some of the other prescribers with CMS and Federal law enforcement partners. Additionally, OIG implemented opioid-related exclusions for 751 individuals and entities in CY 2018 and another 619 in CY 2019. The

[18] We have changed 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 better encapsulate our expanding work into treatment related aspects of the Substance Use Disorder (SUD) epidemic as well as other prescription drugs of abuse within our jurisdiction beyond opioids. For now, however, our performance metrics are still focused on opioids, so we use the term "Opioid Use Disorder (OUD)" rather than "Substance Use Disorder (SUD)" throughout this section, except for the title.

continued effort to pursue criminal investigations involving questionable prescribing resulted in 204 opioid-related criminal actions in FY 2019, an increase of almost 37 percent.

OIG aims to continue reducing the number of prescribers with questionable prescribing practices. The goal is a 10 percent reduction from the FY 2020 level to the FY 2021 level, and another 10 percent reduction from FY 2021 to FY 2022. 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 Appalachian Regional Prescription Opioid Strike Force with staff and resources.

PRIORITY OUTCOME 2:
Promote Patient Safety and Accuracy of Payments in Home and Community Settings

Background

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

OIG has identified serious health and human services program vulnerabilities in both the fiscal integrity of payments made for services delivered and the quality of care received in home and community settings. For example, OIG's home health investigations resulted in more than 450 criminal and civil actions and yielded $1.3 billion in expected receivables for the fiscal years 2013 to 2017. Medicare Parts A and B spending was approximately $18 billion for home health services in 2018. As more patients seek and receive a growing volume and range of services at home, the risks of fraud and abuse will likely become more pronounced. OIG has also found that providers and State agencies did not always report potential incidents of abuse or neglect involving Medicaid beneficiaries with developmental disabilities. For example, OIG audits have reported that providers and various State agencies did not report between 58 percent and 99 percent of critical incidents. Failure to comply with reporting policies and procedures put Medicaid beneficiaries at risk of serious harm.

Discussion of Progress

Using data analytics, OIG identified four geographic hotspot areas—Florida, Texas, and select areas in Southern California and the Midwest—that have large numbers of home health providers with characteristics that OIG determined, based on previous work, are commonly associated with suspicious activity. OIG sought to reduce fraud, waste, and abuse, and enhance program integrity in home and community settings through outreach, education, audits, evaluations, inspections, investigations, and administrative enforcement. Specifically, OIG has focused on reducing inappropriate Medicare spending to home health providers in identified geographic hotspots. OIG efforts contributed to an almost 10 percent decrease in Medicare home health payments in the four geographic hotspots in 2019. Nationally, the decrease in home health spending over this same time period was 1.5 percent. With the sizeable reduction in home health expenditures, several of these hotspots are much closer to national expenditure levels. Given this improvement, OIG is adjusting our focus in this priority area and has developed a new measure related to group homes and incidents affecting beneficiary safety.

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. In one State, OIG found that up to 99 percent of

these critical incidents were not reported to the appropriate law enforcement or state agencies, as required. 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. These reviews also found that health and safety policies and procedures for group homes were not being followed.

To address these troubling findings, we gathered together expertise on this issue from across HHS, specifically the Administration for Community Living and the HHS Office for Civil Rights, as well as from DOJ, to create the Joint Report: Ensuring Beneficiary Health and Safety in Group Homes Through State Implementation of Comprehensive Compliance Oversight. This joint report, issued in January 2018, contains workable solutions that States can use to protect the health and safety of their residents living in group homes.

OIG is focusing on reducing the percentage of potential critical incidents of abuse or neglect involving Medicaid beneficiaries with developmental disabilities that are not reported to appropriate authorities by providers and State agencies. To accomplish this objective, OIG has started follow-up audits in three benchmark States where initial work was performed and problems identified. We expect that our initial audits and Joint Report will have a sentinel effect by contributing to improved reporting. Initial indications are that several States have adopted the Joint Report's model practices in order to reform their laws and regulations related to their group home, critical incident reporting systems. We anticipate that OIG efforts in this area will contribute to improved reporting by providers and State agencies, and a continued reduction in unreported critical incidents in identified States where OIG subsequently is performing audits.

PRIORITY OUTCOME 3:
Ensure Health and Safety for Children Served by HHS Grants

Background

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

To measure progress, OIG tracked the number of States that have a monitoring process in place that ensures child care provider compliance with each of the States' implemented criminal background checks requirements for child care provider staff and household members, including interstate and intrastate requirements. OIG has issued 21 reports that focus on protecting children thorough background checks for the CCDF program.

Discussion of Progress

According to ACF, the Federal agency that oversees CCDF, the background check provisions in the CCDBG Act were challenging to implement because they included checks of criminal and sex offender records, and child abuse and neglect records, which are typically housed by separate State agencies, and therefore different approaches and solutions are required to obtain the records. Additional challenges

include, among others, differences in State laws and processes, lack of automation and infrastructure across the States, and temporary waivers issued in response to the COVID-19 pandemic.

We have discontinued tracking implementation of criminal background checks by States after September 30, 2020. We are closely monitoring the challenges States face along with new flexibilities related to the criminal background check requirements. We meet regularly with ACF officials to exchange information and gain insight into their analysis of the information provided by States to grant waiver requests and monitor those respective States in order to achieve the goal of compliance with criminal background checks established in the CCDBG Act.

PRIORITY OUTCOME 4:
Strengthen Medicaid Protections Against Fraud and Abuse

Background

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

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

Performance Goals

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

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

The measures on OIG-wide Performance Table reflects 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, 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. These 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.

Performance Outputs

Office of Inspector General OIG-Wide Performance Table				
Key Outcomes[19]	FY 2020 Most Recent Actuals	FY 2021 Current Year Target	FY 2022 Proposed Target	FY 2022 +/- FY 2021
Expected recoveries resulting from OIG involvement in healthcare fraud and abuse oversight activities (dollars in millions)	$4,101 (Target Met)	$3,615	$3,630	+$15
ROI resulting from OIG involvement in healthcare fraud and abuse oversight activities	$12:$1 (Target Met)	$12:$1	$13:$1	+$1
Number of quality and management improvement recommendations accepted	128 (Target Met)	123	130	+7
PL funding (dollars in millions)	**$396.6**	**$404.9**	**$425.5**	**+$20.6**
Key Outputs	FY 2020 Most Recent Actuals	FY 2021 Current Year Target	FY 2022 Proposed Target	FY 2022 +/- FY 2021
Audits:				
Audit reports started	178 (Target Met)	128	148	+20
Audit reports issued	178 (Target Met)	128	148	+20
Audit reports issued within 1 year of start (percentage)	26% (Within Target Range)[2]	39%	39%	--%
Evaluations:				
Evaluation reports started	53 (Target Met)	41	44	+3
Evaluation reports issued	44 (Target Met)	41	44	+3
Evaluation reports issued within 1 year of start (percentage)	45% (Within Target Range)[20]	49%	49%	--%
Investigations:				
Complaints received for investigation	4,021 (Target Met) (Tracking Metric)	3,055	3,115	+60

[19] The "expected recoveries" and ROI performance measures are calculated using 3-year rolling averages.

[20] Performance was within 20 percent of projected target.

Investigative cases opened	2,524 (Target Met)	2,185	2,278	+93
Investigative cases closed	2,173 (Target Met)	1,975	2,045	+70
PL funding (dollars in millions)	**$396.6**	**$411.4**	**$428.9**	**+$17.6**

Performance Information for PHHS Oversight

Key Outputs	FY 2020 Most Recent Actuals	FY 2021 Current Year Target	FY 2022 Proposed Target	FY 2022 +/- FY 2021
Audits:				
Audit Reports Started	64	36	42	**+6**
Audit Reports Issued	58	36	42	**+6**
Evaluations:				
Evaluation Reports Started	21	9	11	**+2**
Evaluation Reports Issued	14	9	11	**+2**
Investigations:				
Complaints Received for Investigation	707	624	635	**+11**
Investigative Cases Opened	410	636	698	**+62**
Investigative Cases Closed	347	375	413	**+38**
PL funding (Dollars In millions)	**$86.5**	**$86.5**	**$106.5**	**+$20.0**

FY 2020 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 Cost[21]	Funds Put to Better Use[22]
ACF	11	26	97	15	$28,684,202	-
ACL	-	-	-	-	-	-
AHRQ	-	-	-	-	-	-
CDC	5	-	-	-	$7,023,216	$362,324
CMS-Exchanges	-	-	-	-	-	-
FDA	1	-	10	10	$107,371	-
HRSA	2	1	3	-	-	-
IHS	4	2	16	-	-	-
NIH	8	10	25	9	$598,145	-
SAMHSA	8	4	5	5	$1,800,212	-
OS	18	15	59	3	-	-
PHHS Other[23]	7	-	-	-	-	-
Total	**64**	**58**	**215**	**42**	**$38,213,146**	**$362,324**

Office of Evaluation and Inspections					
Category	Evaluations Started	Evaluations Issued	Rec's Issued	Rec's Concur Implemented	Rec's Concur Unimplemented
ACF	2	3	11	-	11
ACL	1	-	-	-	-
AHRQ	-	-	-	-	-
CDC	3	-	-	-	-
CMS-Exchanges	-	-	-	-	-

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

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

[23] PHHS-related matters that span multiple OPDIVs.

FDA	3	2	7	1	4
HRSA	1	-	-	-	-
IHS	1	1	5	-	5
NIH	1	1	4	1	3
SAMHSA	1	2	3	-	3
OS	5	3	-	-	-
PHHS Other[44]	3	2	4	-	4
Total	**21**	**14**	**34**	**2**	**30**

Office of Investigations						
Category	Cases Opened	Cases Closed	Criminal Actions	Civil Actions	Complaints Received	Monetary Results
ACF	94	-	18	-	143	$6,242,625
ACL	7	7	1	-	12	$499,238
AHRQ	-	-	-	-	-	-
CDC	-	-	-	-	-	-
CMS-Exchanges	-	-	-	-	-	-
FDA	22	22	-	-	-	$45
HRSA	-	-	-	-	-	-
IHS	-	-	-	-	-	-
NIH	-	-	-	-	-	-
SAMHSA	-	-	-	-	-	-
OS	35	36	5	-	95	$697,314
PHHS Other[24]	252	282	22	10	457	$27,359,830
Total	**410**	**347**	**46**	**10**	**707**	**$34,799,052**

[24] PHHS-related matters that span multiple OPDIVs.

Performance Information for Medicare and Medicaid Oversight

Key Outputs	FY 2020 Most Recent Actuals	FY 2021 Current Year Target	FY 2022 Proposed Target	FY 2022 +/- FY 2021
Audits:				
Audit Reports Started	114	92	106	**+14**
Audit Reports Issued	120	92	106	**+14**
Evaluations:				
Evaluation Reports Started	32	32	33	**+1**
Evaluation Reports Issued	30	32	33	**+1**
Investigations:				
Complaints Received for Investigation	3,314	2,431	2,480	**+49**
Investigative Cases Opened	2,114	1,549	1,580	**+31**
Investigative Cases Closed	1,826	1,600	1,632	**+32**
PL funding (Dollars in Millions)	**$310.1**	**$324.9**	**$322.5**	**-$2.4**

FY 2020 Medicare and Medicaid Major Outputs by OIG Component:

Audits, Evaluations, Cases, and Monetary Impact

Office of Audit Services						
Category	Audit Starts	Audits Issued	Rec's Issued	Rec's Concur Implemented	Questioned Cost[25]	Funds Put to Better Use[26]
Medicare and Medicaid Oversight	**114**	**120**	**415**	**99**	**$1,011,233,306**	**$894,249,846**

Office of Evaluation and Inspections					
Category	Evaluation Starts	Evaluations Issued	Rec's Issued	Rec's Concur Implemented	Rec's Implemented
Medicare and Medicaid Oversight	**32**	**30**	**48**	**5**	**37**

Office of Investigations						
Category	Cases Opened	Cases Closed	Criminal Actions	Civil Actions	Complaints Received For Inv	Monetary Results
Medicare and Medicaid Oversight	**2,114**	**1,826**	**578**	**596**	**3,314**	**$3,028,142,099**

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

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

SUPPLEMENTARY TABLES

Object Classification Tables

Total Budget Authority | Direct *(dollars in thousands)*					
Object Class Code	Description	FY 2020 Final	FY 2021 Enacted	FY 2022 President's Budget	FY 2022 +/- FY 2021
11.1	Full-time permanent	$201,779	$206,029	$213,986	+7,957
11.3	Other than full-time permanent	4,635	4,732	4,897	+165
11.5	Other personnel compensation	6,305	6,438	6,662	+224
11.7	Military personnel	$0	$0	$0	0
11.8	Special personnel services payments	70	71	74	+3
Subtotal	***Personnel Compensation***	**212,789**	**217,270**	**225,619**	**+8,349**
12.1	Civilian personnel benefits	84,408	88,186	89,744	+1,558
12.2	Military benefits	-	-	-	0
13.0	Benefits for former personnel	335	342	353	+11
Total	***Pay Costs***	**297,532**	**305,798**	**315,716**	**+9,918**
21.0	Travel and transportation of persons	2,958	3,148	3,479	+331
22.0	Transportation of things	2,484	3,037	2,753	-284
23.1	Rental payments to GSA	12,321	12,580	12,856	+276
23.2	Rental payments to others	3	3	3	0
23.3	Communications, utilities, and misc. charges	6,016	7,942	6,667	-1,275
24.0	Printing and reproduction	47	48	46	-2
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services from non-Federal sources	22,439	25,311	27,178	+1,867
25.3	Other goods and services from Federal sources	8,971	10,360	10,858	+498
25.4	Operation and maintenance of facilities	1,629	1,664	1,806	+142
25.5	Research and development contracts	-	-	-	-
25.6	Medical care	20	20	22	+2
25.7	Operation and maintenance of equipment	32,520	33,134	35,925	+2,791
25.8	Subsistence and support of persons	-	-	-	-
26.0	Supplies and materials	1,054	1,076	1,147	+71
31.0	Equipment	8,345	7,010	10,260	+3,250
32.0	Land and structures	151	154	167	+13
41.0	Grants, subsidies, and contributions	-	-	-	-
42.0	Insurance claims and indemnities	28	53	63	+10
44.0	Refunds	-	-	-	-
99.1	Expenditures	60	49	49	-
Subtotal	***Non-Pay Costs***	**99,046**	**105,589**	**113,279**	**+7,690**
	TOTAL	**$396,578**	**$411,387**	**$428,995**	**+17,608**

PHHS Budget Authority | Direct *(dollars in thousands)*					
Object Class Code	**Description**	**FY 2020 Final**	**FY 2021 Enacted**	**FY 2022 President's Budget**	**FY 2022 +/- FY 2021**
11.1	Full-time permanent	$44,011	$44,011	$51,685	+7,674
11.3	Other than full-time permanent	1,011	1,011	1,169	+158
11.5	Other personnel compensation	1,375	1,375	1,590	+215
11.7	Military personnel	-	-	-	-
11.8	Special personnel services payments	15	15	18	+3
Subtotal	***Personnel Compensation***	**46,412**	**46,412**	**54,462**	**+8,050**
12.1	Civilian personnel benefits	18,411	18,411	21,850	+3,439
12.2	Military benefits	$0	-	-	-
13.0	Benefits for former personnel	$0	73	84	+11
Total	***Pay Costs***	**64,823**	**64,896**	**76,396**	**+11,500**
21.0	Travel and transportation of persons	645	645	899	+254
22.0	Transportation of things	542	542	755	+213
23.1	Rental payments to GSA	2,687	2,687	3,745	+1,058
23.2	Rental payments to others	1	1	1	-
23.3	Communications, utilities, and misc. charges	1,312	1,312	1,828	+516
24.0	Printing and reproduction	-	10	14	+4
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services from non-Federal sources	4,894	4,894	6,820	+1,926
25.3	Other goods and services from Federal sources	-			-
25.4	Operation and maintenance of facilities	1,957	1,957	2,727	+770
25.5	Research and development contracts	355	355	495	+140
25.6	Medical care	4	4	6	+2
25.7	Operation and maintenance of equipment	7,093	7,093	9,884	+2,791
25.8	Subsistence and support of persons	-	-	-	-
26.0	Supplies and materials	247	240	317	+77
31.0	Equipment	1,894	1,818	2,550	+732
32.0	Land and structures	33	33	46	+13
42.0	Insurance claims and indemnities	13	13	17	+4
44.0	Refunds	-	-	-	-
Subtotal	***Non-Pay Costs***	**21,677**	**21,604**	**30,104**	**+8,500**
	TOTAL	**$86,500**	**$86,500**	**$106,500**	**+$20,000**

HCFAC Budget Authority | Direct *(dollars in thousands)*					
Object Class Code	**Description**	**FY 2020 Final**	**FY 2021 Enacted**	**FY 2022 President's Budget**	**FY 2022 +/- FY 2021**
11.1	Full-time permanent	$157,768	$162,018	$162,301	+283
11.3	Other than full-time permanent	3,624	3,721	3,728	+7
11.5	Other personnel compensation	4,930	5,063	5,072	+9
11.8	Special personnel services payments	55	56	56	-
Subtotal	***Personnel Compensation***	**166,377**	**170,858**	**171,157**	**+299**
12.1	Civilian personnel benefits	65,997	69,775	67,894	-1,881
13.0	Benefits for former personnel	335	269	269	-
Total	***Pay Costs***	**232,709**	**240,902**	**239,320**	**-1,582**
21.0	Travel and transportation of persons	2,313	2,503	2,580	+77
22.0	Transportation of things	1,942	2,495	1,998	-497
23.1	Rental payments to GSA	9,634	9,893	9,111	-782
23.2	Rental payments to others	2	2	2	-
23.3	Communications, utilities, and misc. charges	4,704	6,630	4,839	-1,791
24.0	Printing and reproduction	47	38	32	-6
25.2	Other services from non-Federal sources	17,545	20,417	20,358	-59
25.3	Other goods and services from Federal sources	7,014	8,403	8,131	+13
25.4	Operation and maintenance of facilities	1,274	1,309	1,311	+2]
25.6	Medical care	16	16	16	--
25.7	Operation and maintenance of equipment	25,427	26,041	26,041	--
26.0	Supplies and materials	807	836	830	-6
31.0	Equipment	6,451	5,192	7,710	+2,518
32.0	Land and structures	118	121	121	--
42.0	Insurance claims and indemnities	15	40	46	+6
99.1	Expenditures	60	49	49	--
Subtotal	***Non-Pay Costs***	**77,369**	**83,985**	**83,175**	**-810**
	TOTAL	**$310,078**	**$324,887**	**$322,495**	**-$2,392**

Reimbursable Budget Authority *(dollars in thousands)*					
Object Class Code	**Description**	**FY 2020 Final**	**FY 2021 Enacted**	**FY 2022 President's Budget**	**FY 2022 +/- FY 2021**
11.1	Full-time permanent	$782	$2,058	$2,058	--
11.3	Other than full-time permanent	21	-	-	--
11.5	Other personnel compensation	480	348	348	--
11.7	Military personnel	-	-	-	-
Subtotal	***Personnel Compensation***	**1,282**	**2,406**	**2,406**	--
12.1	Civilian personnel benefits	395	601	601	--
12.2	Military benefits	-	-	-	-
13.0	Benefits for former personnel	-	-	-	-
Total	***Pay Costs***	**1,677**	**3,007**	**3,007**	--
21.0	Travel and transportation of persons	345	122	122	--
22.0	Transportation of things	8	16	16	--
23.1	Rental payments to GSA	-	-	-	-
23.3	Communications, utilities, and misc. charges	-	-	-	-
24.0	Printing and reproduction	-	-	-	-
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services from non--Federal sources	-	89	89	--
25.3	Other goods and services from Federal sources	12,907	17,743	17,743	-
25.4	Operation and maintenance of facilities	150	-	-	-
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	-	6	6	-
31.0	Equipment	13	17	17	-
32.0	Land and structures	-	-	-	-
41.0	Grants, subsidies, and contributions	-	-	-	-
42.0	Insurance claims and indemnities	-	-	-	-
44.0	Refunds	-	-	-	-
Subtotal	***Non-Pay Costs***	**13,423**	**17,993**	**17,993**	**-**
Total	**Budget Authority by Object Class**	**$15,100**	**$21,000**	**$21,000**	**-**

Salaries and Expenses Tables

Total Salaries and Expenses *(dollars in thousands)*					
Object Class Code	**Description**	**FY 2020 Final**	**FY 2021 Enacted**	**FY 2022 President's Budget**	**FY 2022 +/- FY 2021**
11.1	Full-time permanent	$201,779	$206,029	$213,986	+$7,957
11.3	Other than full-time permanent	4,635	4,732	4,897	+165
11.5	Other personnel compensation	6,305	6,438	6,662	+224
11.8	Special Personnel Services Payments	70	71	74	+3
Subtotal	***Personnel Compensation***	**212,789**	**217,270**	**225,619**	**+8,349**
12.1	Civilian personnel benefits	84,408	86,186	89,744	+3,558
12.2	Commissioned Corps benefits	-	-	-	--
13.0	Benefits for former personnel	335	342	353	+11
Total	***Pay Costs***	**297,532**	**303,798**	**315,716**	**+11,918**
21.0	Travel and transportation of persons	2,958	3,021	3,279	+258
22.0	Transportation of things	2,484	2,537	2,753	+216
23.3	Communications, utilities, and misc. charges	6,016	6,142	6,667	+525
24.0	Printing and reproduction	47	48	46	-2
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services from non-Federal sources	22,439	22,911	24,869	+1,958
25.3	Other goods and services from Federal sources	8,971	9,160	9,943	+783
25.4	Operation and maintenance of facilities	1,629	1,664	1,806	+142
25.5	Research and development contracts	-	-	-	-
25.6	Medical care	20	20	22	+2
25.7	Operation and maintenance of equipment	32,520	33,205	36,042	+2,837
Subtotal	***Other Contractual Services***	**65,579**	**66,960**	**72,682**	+5,722
26.0	Supplies and materials	1,054	1,076	1,147	+71
Subtotal	***Non-Pay Costs***	**78,138**	**79,784**	**86,574**	+6,790
Total	***Salary and Expenses***	**375,670**	**383,582**	**402,290**	+18,708
23.1	Rental payments to GSA	12,321	12,580	13,656	+1,076
Total	**Salaries, Expenses, and Rent**	**$387,991**	**$396,162**	**$415,946**	+19,784
	Direct FTE	**1,652**	**1,603**	**1,629**	**+26**

PHHS Salaries and Expenses *(amount in thousands)*					
Object Class Code	**Description**	**FY 2020 Final**	**FY 2021 Enacted**	**FY 2022 President's Budget**	**FY 2022 +/- FY 2021**
11.1	Full-time permanent	$44,011	$44,011	$51,685	+$7,674
11.3	Other than full-time permanent	1,011	1,011	1,169	+158
11.5	Other personnel compensation	1,375	1,375	1,590	+215
11.7	Commissioned Corps personnel	-	-	-	-
11.8	Special personnel services payment	15	15	18	+3
Subtotal	***Personnel Compensation***	**46,412**	**46,412**	**54,462**	**+8,050**
12.1	Civilian personnel benefits	18,411	18,411	21,850	+3,439
12.2	Commissioned Corps benefits	-	-	-	-
13.0	Benefits for former personnel	-	73	84	+11
Total	***Pay Costs***	**64,823**	**64,896**	**76,396**	**+11,500**
21.0	Travel and transportation of persons	645	645	899	+254
22.0	Transportation of things	542	542	755	+213
23.3	Communications, utilities, and misc. charges	1,312	1,312	1,828	+516
24.0	Printing and reproduction	-	10	14	+4
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services from non-Federal sources	4,894	4,894	6,820	+1,926
25.3	Other goods and services from Federal sources	1,957	1,957	2,727	+770
25.4	Operation and maintenance of facilities	355	355	495	+140
25.5	Research and development contracts	-	-	-	-
25.6	Medical care	4	4	6	+2
25.7	Operation and maintenance of equipment	7,093	7,093	9,884	+2,791
25.8	Subsistence and support of persons	-	-	-	-
Subtotal	***Other Contractual Services***	**14,303**	**14,303**	**19,932**	+5,629
26.0	Supplies and materials	247	240	317	+77
Subtotal	***Non-Pay Costs***	**17,049**	**17,052**	**23,745**	+6,693
Total	***Salary and Expenses***	**81,872**	**81,948**	**100,141**	+18,193
23.1	Rental payments to GSA	2,687	2,687	3,745	+1,058
Total	**Salaries, Expenses, and Rent**	**$84,559**	**$84,635**	**$103,886**	**+$19,251**
	Direct FTE	**340**	**313**	**339**	**+26**

HCFAC Salaries and Expenses *(amount in thousands)*					
Object Class Code	**Description**	**FY 2020 Final**	**FY 2021 Enacted**	**FY 2022 President's Budget**	**FY 2022 +/- FY 2021**
11.1	Full-time permanent	$157,768	$162,018	$162,301	+$283
11.3	Other than full-time permanent	3,624	3,721	3,728	+7
11.5	Other personnel compensation	4,930	$5,063	5,072	+9
11.7	Commissioned Corps personnel	-	-	-	0
11.8	Special personnel services payments	55	56	56	0
Subtotal	***Personnel Compensation***	166,377	170,858	171,157	+299
12.1	Civilian personnel benefits	65,997	69,775	67,894	-1,881
12.2	Commissioned Corps benefits	-	-	-	0
13.0	Benefits for former personnel	335	269	269	0
Total	***Pay Costs***	232,709	240,902	239,320	-1,582
21.0	Travel and transportation of persons	2,313	2,503	2,580	+77
22.0	Transportation of things	1,942	2,495	1,998	-497
23.3	Communications, utilities, and misc. charges	4,704	6,630	4,839	-1,791
24.0	Printing and reproduction	47	38	32	-6
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services from non-Federal sources	17,545	20,417	20,358	-59
25.3	Other goods and services from Federal sources	7,014	8,403	8,131	-272
25.4	Operation and maintenance of facilities	1,274	1,309	1,311	+2
25.5	Research and development contracts	-	-	-	-
25.6	Medical care	16	16	16	0
25.7	Operation and maintenance of equipment	25,427	26,041	26,041	-
25.8	Subsistence and support of persons	-	-	-	-
Subtotal	***Other Contractual Services***	**51,276**	**56,186**	**55,857**	-329
26.0	Supplies and materials	807	836	830	-6
Subtotal	***Non-Pay Costs***	**61,089**	**68,688**	**66,136**	-2,552
Total	***Salary and Expenses***	**293,798**	**309,590**	**305,456**	-4,134
23.1	Rental payments to GSA	9,634	9,893	9,111	-782
Total	**Salaries, Expenses, and Rent**	**$303,432**	**$319,483**	**$314,567**	+$533
	Direct FTE	**1,312**	**1,290**	**1,290**	**-**

Reimbursable Salaries and Expenses *(dollars in thousands)*					
Object Class Code	**Description**	**FY 2020 Final**	**FY 2021 Enacted**	**FY 2022 President's Budget**	**FY 2022 +/- FY 2021**
11.1	Full-time permanent	$782	$2,058	$2,058	-
11.3	Other than full-time permanent	21	-	-	-
11.5	Other personnel compensation	480	348	-348	-
Subtotal	***Personnel Compensation***	**1,282**	**2,406**	**2,406**	**-**
12.1	Civilian personnel benefits	395	601	601	-
Total	***Pay Costs***	**1,677**	**3,007**	**3,007**	**-**
21.0	Travel and transportation of persons	345	122	122	-
22.0	Transportation of things	8	16	16	-
23.3	Communications, utilities, and misc. charges	-	-	-	-
24.0	Printing and reproduction	-	-	-	-
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services from non-Federal sources	-	89	89	-
25.3	Other goods and services from Federal sources	12,907	17,743	17,743	-
25.4	Operation and maintenance of facilities	150	-	-	-
Subtotal	***Other Contractual Services***	**13,057**	**17,832**	**17,832**	**-**
26.0	Supplies and materials	-	6	6	-
Subtotal	***Non-Pay Costs***	**13,409**	**17,976**	**17,976**	**-**
Total	***Salary and Expenses***	**15,087**	**20,983**	**20,983**	**-**
23.1	Rental payments to GSA	-	-	-	-
Total	**Salaries, Expenses, and Rent**	**$15,087**	**$20,983**	**$20,983**	**-**
Total	**Direct FTE**	**7**	**10**	**10**	**-**

Detail of Full-Time Equivalents

OIG[27]	FY 2020			FY 2021			FY 2022		
	CIV	CC	**Total**	CIV	CC	**Total**	CIV	CC	**Total**
PHHS[28]	342		**342**	333		**333**	359		**359**
Reimbursable	7		**7**	10		**10**	10		**10**
PHHS Subtotal FTE	349		**349**	343		**343**	369		**369**
HCFAC Direct	1,312		**1,312**	1,290		**1,290**	1,290		**1,290**
HCFAC Subtotal FTE	1,312		**1,312**	1,290		**1,290**	1,290		**1,290**
OIG Total FTE	1,661		**1,661**	1,633		**1,633**	1,659		**1,659**
Average GS Grade			**12.6**			**12.8**			**12.8**

[27] Abbreviation key: CIV—Civilian; CC—Commissioned Corps

[28] PHHS includes FTE from COVID supplemental funding. See next table for additional details.

FTE Crosswalk to OMB Max-11 Entries

OIG	Total	Total	Total
Base FTE[29]	**1,559**	**1,613**	**1,639**
Supplemental FTE	**2**	**20**	**20**
Total FTE	**1,661**	**1,633**	**1,659**

Includes FTE funded by:

Coronavirus Preparedness and Response (Supp Package #1)

Coronavirus Aid Relief & Economic Security (CARES) Act (Supp Package #3)

Paycheck Protection Program (PPP)/HealthCare Enhancement Act (Supp Package #4)

COVID-19 (Supp Package #5)

American Rescue Plan Act, 2021

[29] Includes PHHS, HCFAC, and Reimbursable FTE.

Detail of Positions

Direct Civilian Positions	FY 2020 Final	FY 2021 Enacted	FY 2022 President's Budget[30]
Executive Level (EX)			
EX Level I	-	-	-
EX Level II	-	-	-
EX Level III	-	-	-
EX Level IV	-	-	-
EX Level X	0	1	1
Subtotal, Executive Level Positions	**0**	**1**	**1**
Total, Executive Level Salaries	**-**	**$173,452**	**$173,452**
Senior Executive Service (SES) and Senior Level (SL)[31]			
SES Positions	18	22	22
SL Positions	6	9	9
Subtotal, SES & SL Positions	**24**	**31**	**31**
Subtotal, SES & SL Salaries	**$4,678,958**	**$6,079,956**	**$7,834,846**
Summary of EX, SES, and SL			
Total, SES & SL Positions	**24**	**32**	**32**
Total, SES & SL Salaries	**$4,678,958**	**$6,253,408**	**$8,008,298**
General Schedule (GS)[32]			
GS-15	137	137	147

[30] The 52 GS positions requested in the FY 2022 PB are estimated at a half-year cost in anticipation of Federal hiring timelines. All eligible positions in FY 2022 assume a 2.7% civilian pay increase.

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

[32] Includes GL and GM schedules.

GS-14	293	291	300
GS-13	766	765	780
GS-12	240	238	246
GS-11	74	66	71
GS-10	0	0	0
GS-9	71	58	63
GS-8	1	1	1
GS-7	33	34	34
GS-6	1	1	1
GS-5	13	8	8
GS-4	15	9	9
Subtotal, GS Positions	**1,644**	**1,608**	**1,660**
Subtotal, GS Salaries	**$188,081,503**	**$187,731,243**	**$193,383,028**
Total OIG Summary			
OIG Total Salaries	**$192,760,461**	**$193,984,651**	**$201,391,326**
OIG Total Positions	**1,668**	**1,640**	**1,692**
Average Salary Information			
Average ES Level	**II**	**II**	**II**
Average ES & SL Salary	**$194,957**	**$196,906**	**$202,223**
Average GS Grade	**12.6**	**12.8**	**12.8**
Average GS Salary	**$114,796**	**$116,748**	**$119,074**
Average GL Salary	**$59,676**	**$60,272**	**$61,900**
Average GM Salary	**$151,538**	**$153,053**	**$157,185**

Programs Proposed for Elimination

There are no programs proposed for elimination in the FY 2022 budget request.

Physicians' Comparability Allowance

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) and 4) Please complete the table below with details of the PCA agreement for the following years.

	PY 2020 (Actual)	**CY 2021[33] (Estimates)**	**BY 2022 (Estimates)**
3a) Number of Physicians Receiving PCAs	1	1	1
3b) Number of Physicians With One-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)	$206	**$209	**$212
4b) Average Annual PCA Payment	$30	$30	$30

**CY 2021 and BY 2022 estimates reflect a conservative, 1.5-percent performance-based increase that may be authorized consistent with OIG's Senior Professional Pay-for-Performance System and annual supplemental guidance.

[33] FY 2021 data will be approved during the FY 2022 Budget cycle.

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 details. The position was not vacant in the prior fiscal year, which is attributable in part to the PCA.

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

OIG sets its annual PCA amount consistent with HHS policy. In 2022, approximately $30,000 will be provided to the physician in Category IV-B. Regarding the increase in the average annual PCA physician pay (without PCA payment), the estimated salary of OIG's 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 positions. Actual pay increases will be made in accordance with HHS and OIG policy and annual pay guidance and/or directives issued by OPM and/or OMB.

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 2022 process was $494.6 million.
- Funding requested for training is approximately $3 million.
- Funding amounting to $1 million will be necessary to support the Council of the Inspectors General on Integrity and Efficiency (CIGIE).

OIG Training Requirements

In accordance with section 6(f)(3)(C) of the IG Act, this budget requests approximately $4 million in FY 2022 for training expenses, of which a portion will be funded from the discretionary budget. This amount is composed of OIG's baseline training budget for its entire staff which, with the FY 2022 request, includes approximately 1,728 criminal investigators, auditors, program evaluators, attorneys, and administrative and management staff.

OIG Financial Support for CIGIE

In support of the governmentwide Inspectors General community, OIG contributes approximately $1 million annually for the operation of CIGIE. In accordance with the reporting requirements of section 6(f)(3)(D) of the Inspector General Act, this budget requests funding for OIG's support of CIGIE, of which a portion will be funded from OIG's discretionary budget.