U.S. Department of Health & Human Services

Office of Inspector General

HHS-OIG Strategic Plan

2020–2025

A Message From the Inspector General

Christi A. Grimm
Inspector General

I am pleased to present the 2020–2025 Strategic Plan of the Office of Inspector General (OIG), Department of Health and Human Services (HHS). Every day, OIG's more than 1,600 dedicated public servants provide oversight for HHS's over $1 trillion portfolio of health and human services programs that touch the lives of virtually all Americans. Our 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. Our work ensures that Federal dollars are used for their intended purposes and that eligible beneficiaries receive safe, high-quality services. We are trusted guardians, relied upon by taxpayers, HHS officials, and policymakers to ferret out fraud, waste, and abuse and to recommend sound improvements to program operations. We do this with data-driven reviews and investigations, supported with modern auditing, investigative, and evaluative methods.

This Strategic Plan reflects the values and goals that inspire our work. In all we do, we strive to be impactful, innovative, and people-focused. We have three clear goals: (1) fight fraud, waste, and abuse, (2) promote quality, safety, and value in HHS programs and for HHS beneficiaries, and (3) advance excellence and innovation. This plan also reflects current priorities, which range from safeguarding the Medicare trust funds to combatting cybersecurity threats to protecting beneficiaries from prescription drug abuse, including opioids. The plan is dynamic to accommodate a rapidly changing health and human services environment, including emergent threats and vulnerabilities.

This Strategic Plan is a roadmap to guide our entire multidisciplinary workforce in planning and conducting the most consequential oversight work, optimizing use of our available resources and delivering results for our stakeholders. To support our workforce, OIG will continue to prioritize investment in data analytics, technology, expertise, and training. This strengthens OIG's modern approach to oversight that allows us to quickly adapt to emerging risks, including the coronavirus disease 2019 (COVID-19) pandemic.

Everyone in our organization plays an important role in carrying out our mission. Together, we will remain vigilant in pursuing our goals and, through our oversight, drive positive change at HHS and for all Americans.

Christi A. Grimm

OIG's Strategic Plan at a Glance

2020–2025

MISSION, VISION, AND VALUES

our MISSION	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
our VISION	drive positive change in HHS programs and in the lives of the people served by these programs
our VALUES	impact, innovation, and people-focus

GOALS AND OBJECTIVES

Fight Fraud, Waste & Abuse

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

Promote Quality, Safety & Value

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

Advance Excellence & Innovation

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

Who We Are and What We Do

Since 1976, OIG has provided objective, independent oversight of HHS programs. HHS is the largest civilian agency in the Federal Government, with more than $1.3 trillion in program investments, representing more than one-quarter of the total Federal budget. The Department is also the largest grant-making and fourth-largest contracting agency in the Federal Government. OIG is at the forefront of fighting fraud, waste, and abuse, promoting the efficiency, economy, and effectiveness of HHS programs and, where necessary, taking enforcement action to address violations of law.

OIG's program integrity and oversight and enforcement activities are shaped by legislative and budgetary requirements and adhere to professional standards established by the Government Accountability Office (GAO), the U.S. Department of Justice (DOJ), and the Council of the Inspectors General on Integrity and Efficiency. OIG has dual reporting responsibility to the HHS Secretary and to Congress.

Organization

OIG is a multidisciplinary organization comprised principally of auditors, investigators, and evaluators, supplemented by professionals with expertise in law, technology, cybersecurity, data analytics, statistics, medicine, economics, health policy, and mission support operations. We carry out our oversight mission using a collaborative approach, with each of our components playing a vital role in government oversight.

Most of OIG's resources go toward the oversight of Medicare and Medicaid, the Department's largest programs. More than 136 million beneficiaries rely on these programs for their healthcare. OIG investigates suspected fraud against Medicare and Medicaid and takes enforcement actions as appropriate. OIG's oversight and law enforcement activities extend to all HHS agencies and programs, including the Centers for Medicare & Medicaid Services (CMS), the National Institutes of Health (NIH), Administration for Children and Families (ACF), Centers for Disease Control and Prevention (CDC), Indian Health Service (IHS), Substance Abuse and Mental Health Services Administration (SAMHSA), and the Food and Drug Administration (FDA). OIG assesses the management and operation of these programs – whether operated by HHS or through its partners (i.e., contractors, grantees, States) – and recommends improvements where needed to better protect beneficiaries and promote efficient and effective use of taxpayer dollars.

OIG cultivates a knowledge-centered work environment that enhances productivity and promotes information sharing while fostering a culture of continuous improvement. We are building a modern, mobile, geographically dispersed workforce and giving them tools they need to tackle 21st century

issues. We manage our workforce to retain current knowledge, anticipate advances in HHS programs and related industry, and prepare staff for future leadership positions. OIG is focused on providing our multidisciplinary workforce with the freedom and skills to work in new ways across our organization to identify program vulnerabilities and bring new insights into how to address them. OIG places an emphasis on using the latest law enforcement techniques and investigative strategies. OIG special agents are assigned a diverse portfolio of investigations and are consequently required to make arrests, conduct surveillance, serve search warrants, seize evidence, and testify in State and Federal proceedings. Given the inherent dangers associated with this work, OIG is committed to providing our special agents with state-of-the-art training and equipment to ensure operational readiness, agent safety and employee resiliency.

We are focused on diversity, equity, and inclusion in our efforts to recruit and retain talented employees, foster the highest standards of professional conduct, and empower our diverse workforce. We seek to streamline hiring practices, improve professional development and education opportunities, and retain and reward exceptional performers. More information about careers at OIG is available on our website.

OIG Recommendations to Drive Positive Change

OIG's audits, investigations, and evaluations result in timely information as well as recommendations related to HHS programs and operations. HHS and its agencies are responsible for responding to those recommendations, including whether and how they plan to implement recommendations. Congress, States, and others, such as individual providers and grantees, may also take actions to address our recommendations. For example, Congress has previously incorporated OIG's recommendations into legislation to achieve substantial savings, put public funds to better use, improve program integrity, and ensure quality of care. We actively track recommendations that remain unimplemented, and each year we include the most significant recommendations in our *Solutions to Reduce Fraud, Waste, and Abuse in HHS Programs: OIG's Top Recommendations.* The expected impact of OIG's recommendations varies from direct cost savings and recovery of misspent funds to improvements in payment efficiency, program operations, quality of services, and public safety.

OIG Work Planning to Select Relevant and Impactful Work

OIG uses a dynamic and continuous work planning process to anticipate and respond to existing and emerging issues with the resources available (See Work Plan). We assess relative risks in HHS programs to identify areas most in need of attention and to prioritize the allocation of OIG resources. In evaluating potential projects, we consider several factors, including:

- statutory and regulatory requirements for OIG reviews;
- risk assessment and environmental scans;
- requests made or concerns raised by Congress, HHS management, or the Office of Management and Budget;
- top management and performance challenges facing HHS;
- work performed by other oversight organizations (e.g., GAO);
- management's actions to implement OIG recommendations from previous reviews; and
- potential for positive impact.

The OIG Engagement Committee, comprised of OIG senior executives and leaders, meets weekly to assess the merits of proposed future work, including audits, evaluations, and other oversight projects. The Engagement Committee considers the merits of each proposal, OIG's jurisdiction and relevant authorities, and whether the proposal constitutes a sound investment of OIG resources.

Engagement With Stakeholders

OIG regularly communicates with our stakeholders and partners—Congress; HHS; health and human services professionals; other Federal, State, and private sector partners; and taxpayers—to inform our work planning process, share data and analytic tools, as appropriate, and promote the implementation of our recommendations for program improvement. In addition, OIG cultivates a culture of compliance through educational and outreach efforts to promote best practices and share lessons learned. For example, OIG conducts compliance training activities for public stakeholders, most recently for providers of health and human services programs for American Indians and Alaska Natives. Materials are maintained on OIG's website.

Measuring OIG's Performance

OIG sets priority outcomes to focus our oversight efforts where we believe we can achieve the greatest impact across HHS's diverse programs. Our establishment of priority outcome areas and corresponding performance indicators demonstrate our intent to strategically target oversight, realize measurable results, and achieve overarching performance goals (See Appendix for list of Priority Outcomes). For each priority outcome area, OIG develops strategies, drives action, unleashes organizational creativity, and measures impact to provide solutions and improve outcomes for HHS programs and beneficiaries. OIG's priority outcome areas are selected based on past and ongoing work; top challenges facing HHS as identified annually by OIG; our data collection and analysis; and our ability to influence outcomes. Priority outcomes do not encompass all of OIG's efforts to achieve positive change, but rather, are used by leaders and staff in regular reviews to track progress of an important part of OIG's portfolio.

In addition to the priority outcomes, we also monitor and report on a variety of performance indicators as part of our routine internal management efforts intended to improve our own efficiency and effectiveness. For example, indicators such as reports and evaluations issued, expected recoveries, recommendations accepted and implemented, criminal and civil actions, and exclusions are reported in the *Semiannual Report to Congress.*

Mission, Vision, and Values

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 and objective organization that fights fraud, waste, and abuse and promotes efficiency, economy, and effectiveness in HHS programs and operations. We work to ensure that Federal dollars are used appropriately and that HHS programs well serve the people who depend on them.

Vision: *Our 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 information for use in policymaking. We assess the Department's performance, administrative operations, and financial stewardship. We evaluate risks to HHS programs and the people they serve 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 and provide stakeholders and decision makers with compelling information to help them improve HHS programs and operations by changing rules, policies, and behaviors.

our MISSION	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
our VISION	drive positive change in HHS programs and in the lives of the people served by these programs
our VALUES	impact, innovation, and people-focus

Goals and Objectives

OIG's goals and objectives reflect the positive changes toward which we strive. Accompanying each goal below are relevant OIG Objectives, as well as examples of OIG's work to improve HHS programs and ensure the health and safety of the people served by them.

Goal 1: Fight Fraud, Waste, and Abuse

OIG's first goal is to fight fraud, waste, and abuse in HHS programs. To do this, OIG conducts investigations, audits, evaluations, and enforcement actions; makes recommendations to protect the fiscal integrity of HHS programs and help ensure that beneficiaries have access to the services they need; and promotes compliance with program rules and requirements.

Objectives:

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

Prevent, detect, and deter fraud, waste, and abuse

Fraud, waste, and abuse divert needed program resources to inappropriate, unauthorized, or illegal purposes. OIG aggressively pursues those who defraud HHS-funded programs; assists those who seek guidance to improve compliance; and makes recommendations for the Department to apply a robust program integrity strategy to protect current and future HHS programs.

OIG's audits and evaluations address program integrity risks within HHS programs and frequently result in changes in policy and legislation, along with monetary savings. Our investigations result in prosecutions and civil and administrative actions against those who commit fraud. Moreover, OIG combines proactive data analysis, risk assessments of emerging issues, field intelligence, and state-of-the-art investigative techniques to combat fraud, waste, and abuse. We use advanced data analytics to more effectively assess risk across HHS programs, provider types, and geographic locations, and to efficiently deploy resources and further our oversight efforts. OIG will also build on our detection capabilities by leveraging artificial intelligence (AI) and machine learning to better predict the potential for fraud, waste, and abuse.

Foster sound financial stewardship and reduction of improper payments

The Department's responsible stewardship of funds is paramount to ensuring that HHS beneficiaries and the American public get the true benefit of the substantial financial investment in HHS programs. Due to their size, HHS programs account for some of the largest estimated improper payments in the Federal Government. Medicare and Medicaid, including the Children's Health Insurance Program

(CHIP), accounted for $106.3 billion, or 99.7 percent, of the $106.7 billion in estimated improper payments that HHS reported in its FY 2019 Agency Financial Report. Furthermore, strong HHS oversight of grant programs and contracts identifies and helps to prevent significant improper payments and payments for unallowable costs. Although not all improper payments constitute fraud, all improper payments pose a risk to the financial security of Federal programs. Reducing improper payments is critical to protecting the financial security of HHS programs.

OIG has long been at the forefront of measuring, monitoring, and recommending actions to prevent improper payments. OIG further focuses on recommendations to reduce wasteful spending. In addition to reviewing and reporting on HHS's annual improper payment information, OIG's audits, evaluations, and investigations identify improper payments for specific services and items, assess internal control and payment vulnerabilities, and make recommendations to prevent future improper payments and improve program efficiency. Administering grant programs and contracts requires HHS to implement internal controls to help ensure that program goals are met and funds are used appropriately. OIG prioritizes work on billing and payment errors, efficient expenditures, effective program administration, and grant and contract oversight. In addition, we help to ensure the integrity of grant application and selection processes, as well as to protect intellectual property and research integrity. We also review HHS's annual financial statement audits and error rate reports and conduct targeted reviews to identify improper payments to be recovered and recommend management improvements.

Hold wrongdoers accountable and recover misspent public funds

OIG works to hold wrongdoers accountable and recover misspent public funds, both independently and in cooperation with Federal and State partners. With support of the Healthcare Fraud and Abuse Control Program (HCFAC) funding, OIG partners with DOJ and HHS agencies on healthcare fraud enforcement activities such as the Medicare Fraud Strike Force teams. These teams harness data analytics and the combined resources of Federal, State, and local law enforcement entities to prevent and combat healthcare fraud, waste, and abuse.

OIG uses our administrative civil monetary penalty and exclusion authorities to complement criminal and civil actions to hold fraud perpetrators accountable and recover stolen funds. We protect HHS programs, beneficiaries, and recipients by excluding individuals and entities from Federally funded healthcare programs based on certain convictions and other criteria established in the Social Security Act. Additionally, we enforce OIG's civil monetary penalties and exclusions authorities through administrative litigation and settlements. Further, OIG uses a risk-based analysis to determine how to best leverage the exclusion authority to protect HHS programs and beneficiaries when resolving False Claims Act cases. Based on the risks presented, we may seek exclusion, provide an administrative

release, close the exclusion case, or require the settling entity to enter into a Corporate Integrity Agreement, which requires compliance controls and reporting to OIG.

our IMPACT | *Examples*

Nation-wide Brace Scam. OIG, with our law enforcement partners, announced in April 2019 our efforts in dismantling one of the largest healthcare fraud schemes involving telemedicine and medically unnecessary back, shoulder, wrist, and knee braces. Hundreds of thousands of elderly and/or disabled patients nation-wide and abroad were lured into the criminal scheme. Twenty-four defendants were charged for allegedly participating in the scheme, in which fraudsters submitted over $1.7 billion in Medicare claims.

Illegal Prescribing and Distributing of Opioids and Other Narcotics. OIG, along with our State and Federal law enforcement partners, participated in the largest ever prescription opioid law enforcement operation. The April 2019 Appalachian Regional Prescription Opioid Surge Takedown resulted in charges against 60 individuals for their alleged participation in the illegal prescribing and distributing of over 32 million pills of opioids and other dangerous narcotics in West Virginia, Ohio, Kentucky, Alabama, and Tennessee.

Identifying Medicare Patients at Serious Risk of Opioid Overdose and Medicare Providers Exhibiting Questionable Prescribing Practices. OIG published studies related to the extreme use and prescribing of opioids in Medicare Part D and Ohio Medicaid. OIG determined beneficiaries' morphine equivalent dose (MED), which is a measure that equates all the various opioids and strengths into one standard value. OIG also published a toolkit to share how to use data analysis to calculate opioid levels and identify patients at risk of misuse or overdose so that our partners can analyze their own prescription drug claims to help combat the opioid crisis.

Finding Significant Cost Savings. OIG found that most Medicare claims that durable medical equipment suppliers submitted for replacement positive airway pressure (PAP) device supplies did not comply with Medicare requirements. Based on our sample results, OIG estimated that Medicare made overpayments of almost $631.3 million for replacement PAP device supply claims that did not meet Medicare requirements.

Goal 2: Promote Quality, Safety, and Value

OIG's second goal is to promote quality, safety, and value in HHS programs, which provide critical services to diverse populations across a broad range of care settings. OIG is committed to providing oversight that helps HHS improve its programs and ensure that eligible beneficiaries receive appropriate services and are not subjected to abuse or neglect.

Objectives:

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

Foster quality, safety, and value of HHS-funded services

OIG's work helps to ensure that beneficiaries have access to care and that care meets quality and safety standards across HHS' health and human services programs. For example, HHS operates the Medicare Program serving 60 million elderly or disabled Americans. In partnership with the States, HHS operates the Medicaid and Children's Health Insurance Programs serving 75 million and 7 million beneficiaries, respectively. HHS also operates programs that serve American Indians and Alaska Natives; children in temporary shelters and foster care; families with childcare needs; people living with disabilities, and many others.

OIG's oversight work fosters safe, high quality care in services furnished to vulnerable populations. We build on oversight successes, such as our work examining hospice care, personal care services, adverse events in healthcare facilities, the Unaccompanied Alien Children (UAC) program, prescription drug programs, nursing home care, and care in group homes and assisted living facilities. For example, OIG has identified alarming rates of adverse events in hospitals, nursing homes, and other settings, resulting in substantial changes to HHS standards.

OIG provides oversight, recommendations, and training to promote high quality of care for HHS beneficiaries by working both independently and in key partnerships with HHS partners and States. We focus on ensuring that the people served by HHS programs receive safe, quality services to which they are entitled. We also focus on ensuring that taxpayer funds are used to deliver high-value services.

Promote public health and safety

OIG promotes public health and safety by recommending improvements to HHS programs that address public health and safety and emergency preparedness. For example, OIG conducts critical oversight of programs administered by the Food and Drug Administration, the Centers for Disease Control and Prevention, and the Assistant Secretary for Preparedness and Response. HHS is the lead Federal department responsible for providing medical support and coordination during public health

emergencies, such as disease outbreaks. OIG's work also helps ensure that hospitals and nursing homes are prepared to respond to public health emergencies caused by communicable diseases and natural disasters, and that the food supply, drugs, and devices are safe and secure. Prior OIG work identified gaps in emergency preparedness and response planning for healthcare facilities during disasters and pandemics. Disease outbreaks, such as the COVID-19 pandemic, pose an ongoing challenge and demonstrate HHS's need to rapidly detect, diagnose, assess, and respond to these threats. OIG will assess the effectiveness and efficiency of preparedness and response efforts. We will also regularly engage with stakeholders and work with leadership from across HHS on issues that have public health and safety implications.

Support high-performing health and human services programs

OIG conducts oversight to support a high-performing healthcare system to foster better health outcomes and lower costs. We have made recommendations to HHS to improve quality and achieve greater value, including better patient and health outcomes. The Department continues to enact reforms in Medicare and Medicaid that come with an array of operational and program integrity challenges, as well as promising opportunities for better health outcomes, lower costs, improved transparency and choices for consumers, and reduced administrative burden on providers. HHS has introduced, and is continuing to introduce, a range of innovative payment and delivery models, including accountable care organizations, medical homes, bundled payment models, primary care models, and others.

OIG work has long demonstrated a range of challenges in both CMS and other HHS programs, from flaws in program design and administration (e.g., improper payments, misaligned program incentives, and confusing or insufficient program guidance), to deficiencies in how providers deliver care to beneficiaries (e.g., poor quality and unsafe care or inappropriate utilization), to gaps in provider enrollment systems and available data needed for proper oversight. Moreover, OIG work has identified problems in ensuring that eligible beneficiaries have adequate access to covered services in both Medicare and Medicaid fee-for-service and managed care. OIG will conduct audits and evaluations of value-based healthcare and undertake enforcement actions in instances of substandard care, where appropriate.

Further, we will make recommendations to the Department to protect vulnerable beneficiaries in the Department's human services programs and ensure that those programs' funds are used efficiently to achieve their intended purposes. This includes HHS-funded child care services, as well as services furnished to unaccompanied children, children in foster care, and people with disabilities.

our **IMPACT** | *Examples*

Identifying and Combatting Potential Abuse and Neglect of Beneficiaries. OIG work has revealed widespread problems in providing safe, high-quality care to Medicare and Medicaid beneficiaries in many settings and ongoing failures to identify, report, and correct incidents of abuse and neglect of our nation's most vulnerable populations, including seniors and individuals with developmental disabilities, when they occur. OIG issued an early alert followed by two June 2019 reports, which identify thousands of Medicare claims that indicate abuse and neglect of Medicare beneficiaries, including beneficiaries in skilled nursing facilities. CMS has provided details about the actions it has taken and plans to take to ensure incidents of potential abuse or neglect of Medicare beneficiaries in SNFs are identified and reported.

Programs Serving Children. OIG takes very seriously HHS's responsibility to protect the health and welfare of children in HHS custody. In 2018, OIG rapidly deployed multidisciplinary teams of more than 200 staff to conduct site visits at 45 ACF-funded facilities nation-wide to review the care and well-being of unaccompanied children residing in these facilities, including the children who were separated due to the zero-tolerance policy. OIG also reviewed HHS program data and interviewed HHS staff, officials, and senior leadership to understand how HHS identified, tracked, and reunified separated children. OIG has issued reports that identified the most significant challenges that facilities faced in addressing the mental health needs of children in ORR care and employee screening for those with direct access to children.

Goal 3: Advance Excellence and Innovation

Advancing excellence and innovation requires investment and commitment in our people, processes, and data. OIG is committed to building an innovative, agile, continuous-learning organization that can respond quickly to changing oversight needs. We maximize value by improving efficiency and effectiveness; promote the secure and effective use of data and technology; and encourage the Department to implement our recommendations.

Objectives:

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

Maximize value by improving effectiveness and efficiency

Within OIG, we make operational improvements that optimize our performance and results. We routinely identify opportunities to create efficiencies and streamline processes—from prioritization of our work, management processes, data management, analytics, human resources, budget, and facilities. By streamlining day-to-day operations as much as possible, OIG can ensure that we are leaner and more responsive and maximize our resources to deliver results that advance our mission.

OIG is planning technology enhancements that will automate time-consuming tasks, allowing OIG staff to increase productivity and efficiency and develop more impactful reports and investigations. We are using data visualization to better aid our audiences in understanding critical information. We are using new tools to strengthen internal coordination and collaboration and instituting new internal governance methods, including data governance. We focus on human-centered design—for our website, for our reports, for our tools—to achieve greater impact.

OIG embraces continuous innovation. We encourage taking measured risks because we understand that for innovation to work, we must embrace change. We are adopting three goals established by Office of Management and Budget (OMB) for Enterprise Risk Management (ERM): (1) promote and facilitate a risk-aware culture while developing and refining new strategies and policies as needed for continued improvement and ERM implementation, (2) promote integrated strategy-setting with performance and cost management practices that are supported by quality data that OIG can rely on to manage risk in creating, preserving, and realizing value, and (3) drive resource prioritization and allocation by leveraging risk informed decisions. Our goal is to apply risk management at the enterprise level, where risks and opportunities discussions are embedded in strategic planning, resource allocation, processes, and decision making.

Promote the secure and effective use of data and technology

The Department's programs are becoming increasingly integrated through greater networking and automation. In addition, emerging technologies like machine learning and AI have the potential to transform how HHS operates its programs. As a result, effective oversight will depend on our ability to deploy data and IT solutions that have the right capabilities and allow OIG to be adaptable in a rapidly changing technology environment. We arm our experts with the best available data and technology, in order to effectively analyze problems in HHS programs and propose practical solutions. We will modernize our IT infrastructure to deliver high-quality, timely, actionable data and technology to frontline staff throughout OIG. OIG's strategic investments in cloud computing and network modernization are serving as models for transformation for all of HHS.

To adapt and respond to new priorities, it is essential that we develop and deploy IT that rapidly handles large and diverse data sets. We are using cutting-edge data tools that enable analysts to explore, transform, and enrich raw data into clean and structured formats. We are integrating data sets and tools where appropriate and providing data at our users' fingertips. We will continue to find ways to leverage data assets and continue to expand access or gain real-time access to additional Departmental data. Robust data and technology solutions enable maximum effectiveness, strengthen our ability to work with partners, and improve the business processes of our enterprise automated systems.

Encourage implementation of OIG recommendations

We drive positive change by rigorously following up with the Department on implementation of our recommendations. We will create processes and systems that better enable streamlined communication about outstanding recommendations and progress made. OIG has multiple communication procedures for engaging with key stakeholders on recommendation followup. OIG plans to strengthen our processes by implementing new technologies, such as an integrated and modernized audit and evaluation recommendation tracking system to streamline our current processes and enhance collaboration with internal and external stakeholders. The goal is better, more timely understanding of findings and solutions and reduction in the average time for implementing recommendations. We will also explore ways to improve public transparency about OIG recommendations and their implementation status.

our IMPACT | *Example*

Data at OIG's Fingertips. Self-service data and analytics tools empower OIG to use data proactively, providing data and products at users' fingertips. We've created portals that offer access to data analytics tools used to oversee the Medicare program as well as enable grants oversight work. Other tools in our cloud-based integrated data platform enable real-time views into our work and support geospatial analytics.

Modernized Tools. The Hotline portal provides a convenient public online entry form and modernized submission process that accepts complaints about potential fraud, waste, and abuse of resources in HHS programs. The main goals of modernizing the OIG Hotline were to improve the quality of data obtained through Hotline submissions, improve data integrity, protect whistleblowers, and ensure ease of use. The Hotline portal now obtains more concise, higher quality data and offers a higher level of security for evidence handling practices. This improved the overall intake process by increasing efficiency—reducing processing time by 100 to 200 hours per month. The team worked with OIG partners to ensure that hotline complaints are relevant, timely, and visible. To submit a hotline complaint: https://oig.hhs.gov/fraud/report-fraud/index.asp

Priorities

Safeguarding the Medicare Trust Funds

OIG continues to prioritize the fiscal integrity of Medicare funds. The Medicare program, administered by CMS, consists of four parts covering fee-for-service healthcare, managed care, and outpatient prescription drugs for eligible beneficiaries. The Medicare program faces significant challenges with respect to solvency and spending. The most recent annual Medicare Trustees' Report found, for example, that the Hospital Insurance Trust Fund, which funds Medicare Part A, will be able to fund full benefits only until 2026, and that total Medicare costs will grow from approximately 3.7% of Gross Domestic Product (GDP) in 2018 to 5.9% of GDP by 2038. Overall estimates of waste in the United States healthcare system range upwards of 30% of healthcare spending. To control Medicare costs, it is imperative that Medicare funds be spent to furnish covered services of appropriate quality for eligible beneficiaries, at appropriate rates, and in accordance with program rules.

Priorities

- Safeguarding the Medicare Trust Funds
- Strengthening Medicaid protections against fraud, waste, and abuse
- Protecting beneficiaries from prescription drug abuse, including opioids
- Ensuring health and safety for children served by HHS programs
- Combatting cybersecurity threats within HHS and healthcare
- Promoting patient safety and accuracy of payments in home and community settings
- Leveraging technology as it intersects with HHS programs
- Ensuring HHS managed care and new healthcare models produce value
- Identifying opportunities to lower prescription drug spending for patients and programs

Going forward, OIG will build on its significant body of oversight work focused on proper spending of Medicare funds, including, for example, payment accuracy, eligibility determinations, and efficacy of payment policies. OIG identifies misspent funds for recovery by CMS and vigorously investigates and engages in enforcement actions against those who defraud Medicare, including through continued leadership and participation in the Medicare Strike Force. OIG also promotes economy and efficiency by identifying potential savings including ensuring that Medicare is a prudent purchaser of healthcare and pays appropriately in different settings. OIG uses data analytics and other methods to identify program areas with especially high rates of improper payments, as well as geographic areas or service lines with high incidence of suspected fraud, waste and abuse. OIG identifies inefficiencies that result in wasteful spending and makes recommendations to improve systemic weaknesses and promote effective program administration and contractor oversight. Other areas for which OIG will provide

strategic oversight include emergency preparedness and response affecting Medicare beneficiaries, Medicare Advantage, prescription drug spending, and the transition to value-based care.

Strengthening Medicaid protections against fraud, waste and abuse

OIG conducts reviews across a range of Medicaid topic areas including the reliability and completeness of national Medicaid data, reducing improper payments, the role of Medicaid managed care organizations, and health and safety for Medicaid beneficiaries. OIG audits have identified substantial improper payments to providers across a variety of Medicaid services. In addition, we have found that States are not always correctly determining eligibility of individuals to receive Medicaid benefits, resulting in potential improper payments. For FY 2019, CMS resumed the Medicaid eligibility component measurement, resulting in a significant increase in the Medicaid improper payment rate. Moving forward, OIG's recommendations to address problems with Medicaid eligibility determinations will be instrumental to the reduction of the Medicaid improper payment rate.

A key component in addressing Medicaid fraud is OIG's work with State Medicaid Fraud Control Units (MFCUs). OIG administers the grant program that funds MFCUs, partners with MFCUs in fraud investigations and strike force operations and supports the MFCU role in protecting vulnerable residents of health facilities against patient abuse and neglect. OIG has supported MFCUs' success in many ways. OIG streamlined its regulations, supported MFCU's efforts to use data mining to identify leads, certified new Units in North Dakota, Puerto Rico, and the U.S. Virgin Islands, and conducted extensive training for the MFCUs. These activities are part of a larger strategic vision OIG has developed to drive MCFU effectiveness and to encourage MFCUs continued success. This strategic vision includes OIG efforts to increase the use of data, expand the MFCU program to better align with a growing and evolving Medicaid program, improve MFCU training, and increase collaboration between MFCUs and OIG.

Protecting beneficiaries from prescription drug abuse, including opioids

OIG prioritizes enforcement and oversight activities that protect beneficiaries from prescription drug abuse, with a focus on addressing the opioid epidemic. OIG's efforts in this space fall in three areas: (1) identifying opportunities to improve the efficiency and effectiveness of HHS programs, (2) identifying and holding accountable those engaged in fraud, and (3) empowering partners through data sharing and education. In addition, OIG helps enable its Federal, State, and private sector partners through referrals and sharing our data analysis methods.

Moving forward, we plan to advance our efforts to reduce substance use disorder by pivoting from utilization control to treatment access and enhancing our fight against fraud in treatment programs. We will continuously review and shift our approach as warranted to reflect recent developments in the opioid epidemic; agency and HHS program responses to the epidemic; current law and proposed

legislation; and new data sources, analytic capabilities and investigative techniques. We are also expanding the scope of our efforts to include the treatment of opioid use disorders. To help ensure that beneficiaries have access to treatment, we are identifying barriers to access and engaging in enforcement to make sure HHS funds are not diverted from legitimate services to fraudulent service providers. Further, we share information, as appropriate, with HHS Operating Divisions about law enforcement efforts to facilitate the co-deployment of public health resources so that law enforcement activities do not disrupt beneficiaries' access to needed opioids or treatment.

Ensuring health and safety for children served by HHS programs

Keeping children safe is critically important to OIG. HHS programs provide needed health and human services to children through programs such as the UAC program, foster care, Head Start, and the Child Care and Development Fund (CCDF). To better ensure the health and safety of children served by HHS grants, OIG uses a multidisciplinary approach to oversight. For example, evaluators, auditors, investigators and lawyers all collaborated to conduct extensive reviews of the UAC program. We regularly meet with HHS Operating Division leadership. For example, we met with ACF to gain insight on State efforts and challenges related to the CCDF program. These interactions facilitate enhanced working relationships, increase the exchange of information, and provide OIG with valuable information that informs our oversight efforts to address the needs of vulnerable populations.

Ensuring that Federal funds for these programs serve their intended purposes and are not mismanaged or misappropriated is crucial. OIG is prioritizing oversight work that identifies ways in which HHS can improve program integrity for child welfare programs. We focus on internal controls; program effectiveness; and prevention of fraud, waste, and abuse. This initiative includes a focus on the CCDF, the UAC program, including the emergency preparedness at UAC facilities, and other child welfare programs.

Combatting cybersecurity threats within HHS and healthcare

OIG is focused on cybersecurity oversight of HHS agencies and programs. Cyberattacks aimed to destroy, alter, or steal sensitive information threaten HHS, its Operating Divisions, and healthcare providers daily. Cybersecurity attacks can threaten HHS's mission critical operations during national public health emergencies. The security of HHS information technology (IT) systems and the personal information and data collected and maintained by HHS programs is critically important to the health and well-being of the American people. OIG has been ramping up its oversight work focused on combatting cybersecurity threats within HHS and the healthcare system. Such cybersecurity threats range from the hacking and manipulation of medical devices, such as pacemakers and continuous infusion pumps, to that of healthcare facilities and major infrastructure systems. Other examples include risks to national security when permitting foreign principal investigators to access U.S. genomic data. OIG performs cybersecurity audits of HHS agencies and programs, including but not

limited to penetration and indicators of compromise testing, incident response and contingency controls assessments. Additionally, representatives from OIG's information technology team, Computer Crimes Unit, and cybersecurity audit team have partnered to bring awareness to situations, such as distributed denial-of-service attacks, and have made recommendations for improvement to the Department, some of which remain unimplemented.

Further, OIG will continue to conduct investigations that may involve espionage and foreign threats. To ensure HHS safety protocols remain relevant in the continuously changing technological landscape, OIG is concentrating its efforts on risk management, resiliency, and IT controls. We will expand our cyber reviews and conduct advanced penetration testing to identify exploitable vulnerabilities in HHS agency systems and will conduct broad evaluations of HHS cybersecurity-related programs. OIG's cybersecurity work identifies risks and vulnerabilities not yet enumerated by HHS during the normal course of operating its systems and recommends corrective actions to enable the Department to enhance its security posture and maintain the American public's trust over its most sensitive information.

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

OIG conducts oversight work aimed at reducing improper payments for services in noninstitutional settings, such as home health, hospice, and group homes. OIG has identified program integrity for home and community-based services as a top management challenge for HHS. We have issued more than 30 audits and evaluations, recommending the recovery of over $700 million and improvements to service delivery. OIG seeks to both reduce fraud, waste, and abuse and enhance program integrity in home and community settings through outreach, education, audits, evaluations, inspections, investigations, and administrative enforcement. OIG also seeks to foster quality and safety of services provided in home and community settings during disease outbreaks and other emergencies.

Another key oversight area involves OIG's work in Medicaid Personal Care Services (PCS)—services that help Medicaid beneficiaries with everyday tasks in their home. OIG has identified systemic problems related to the design and delivery of Medicaid PCS, as well as instances of patient harm. Over the past 6 years, OIG has opened more than 200 investigations involving fraud and patient harm and neglect in the PCS.

Moving forward, OIG remains committed to program integrity in home and community-based services and ensuring beneficiary health and safety. OIG will continue to collaborate with CMS and partner with other oversight agencies like Medicaid Fraud Control Units, DOJ, the Administration for Community Living, and the HHS Office of Civil Rights to achieve that goal.

Leveraging technology as it intersects with HHS programs

OIG anticipates substantial growth in its oversight of existing and new technology used to deliver health and human services. Leveraging digital and health technology to foster efficient, high-quality care is critical to a value-driven health and human services system, as is ensuring the appropriate flow of complete, accurate, timely, and secure information. Also critical is the effective use of technology, such as telemedicine and data monitoring systems, during and after disease outbreaks and natural disasters. HHS faces challenges in achieving an integrated healthcare system to support better coordinated and value-based care in which patients' data—including conventional healthcare data and newer types of data related to social determinants, demographics, and personal trackers—flow freely across provider settings, with appropriate privacy and security protections. Health-related applications (apps) and technologies, such as telemedicine, are proliferating and becoming integrated with the delivery of better coordinated and value-based care. To achieve the promise of technology, beneficiaries must be able to choose reliable and trustworthy apps and technologies. In many cases, new technologies and apps are being developed by individuals and entities—often engineers or scientists—unschooled in the complex regulations governing healthcare and unaware of the range of program integrity risks their inventions may face. These new participants in the healthcare ecosystem will need education, guidance, and appropriate oversight. If done right, empowering patients with appropriate information to make their own informed choices can improve the efficiency of the healthcare system and the care they receive.

In addition, AI and machine learning are introducing radically different paradigms that will require fresh thinking about compliance and fraud prevention. Relatedly, HHS will need to assess how it can use AI, machine learning, and other technologies to foster value and quality of care in Medicare, Medicaid, and other HHS programs.

OIG will coordinate with HHS agencies, including the Office of the National Coordinator for Health Information Technology, with respect to oversight of health information and other technologies.

Ensuring HHS managed care and non-traditional healthcare models produce value

The healthcare system and CMS's programs are changing rapidly. OIG is focusing on the transition to innovative, value-based, consumer-empowered care. HHS continues to enact reforms in Medicare and Medicaid to promote quality, efficiency, and value of care. These reforms come with an array of operational and program integrity challenges, as well as promising opportunities for better health outcomes, lower costs, improved transparency and choices for consumers, and reduced administrative burden on providers. OIG has identified three elements of this transition that are particularly critical to achieve better value, quality, and improved outcomes. These are (1) aligning program incentives with improved health outcomes, (2) strengthening program integrity, and (3)

delivering on the promise of innovative technology. Program integrity must be part of planning and implementation of value-based care and payment within HHS and by industry stakeholders.

OIG will undertake oversight work to ensure that value-based programs, including managed care, benefit patients, drive efficiency, and include appropriate safeguards against fraud, waste, and abuse. OIG's work will address familiar and emergent risks. OIG work has identified troubling fraud in managed care; OIG will be alert to similar problems in value-based care in fee-for-service programs. Value-based care models are expected increasingly to promote care in home and community settings, often preferred by patients, through home visits by practitioners and care managers, remote monitoring, and other technologies. OIG work in areas such as hospice care, home health, and personal care services consistently demonstrates that patients may be particularly vulnerable to fraud and abuse in home and community settings.

Identifying opportunities to lower prescription drug spending for patients and programs

OIG's commitment to providing oversight that promotes the economy and efficiency of HHS programs extends to spending for prescription drugs and biologics. OIG is focused on identifying opportunities for programs to lower prescription drug spending. Increases in prescription drug prices have contributed to the growth in total prescription drug spending for patients and programs. HHS programs accounted for 43 percent ($143 billion) of the total U.S. prescription drug expenditures in 2018. Increased costs may limit patients' ability to afford needed prescription drugs, in some cases causing patients to skip doses of medication or forgo purchasing it altogether. OIG has a long history of assessing policies for reimbursement of prescription drugs. OIG's reports and enforcement work helped pave the way for legislative changes in the reimbursement methodology for most drugs under Medicare Part B and the resulting programmatic changes that saved the Federal Government billions of dollars. Historically, OIG has focused its oversight on payment accuracy, ensuring that HHS programs and beneficiaries do not overpay for prescription drugs. OIG is dedicated to building on this body of work and finding opportunities to enhance our oversight of spending on prescription drugs and biologics. Ultimately, OIG aims to inform HHS efforts to promote drug affordability so that cost is not a barrier to patients receiving needed medications.

Want to learn more about...

The top challenges facing HHS?

OIG's annual *Top Management and Performance Challenges Facing HHS* identifies and assesses progress in addressing HHS's most significant management and performance challenges.

Our recommendations?

OIG annually summarizes significant monetary and nonmonetary *recommendations* that, when implemented, will result in cost savings and/or improvements in program efficiency and effectiveness.

Our plans for future work?

OIG's living *Work Plan* sets forth various projects underway or planned during the fiscal year and beyond. Throughout the year, OIG uses a dynamic and continuous work planning process to anticipate and respond to existing and emerging issues and adjusts our plans and enforcement efforts with the resources available.

Our reports and publications?

OIG publishes reports and publications including our portfolio reports and other reviews on our website https://www.oig.hhs.gov/.

Our results and what we report to Congress?

OIG's *Semiannual Report to Congress* communicates the impact of our efforts during the previous 6-month period. The Healthcare Fraud and Abuse Control Program (HCFAC) results, including those related to Medicare Fraud Strike Force efforts, are available in the annual *HCFAC Report to Congress*.

Our budget request?

OIG's *Congressional Budget Justification* presents our resource requirements and planned activities for the forthcoming fiscal year, and reports on recent financial and programmatic results. OIG's current resources are based on enacted appropriations.

How to report fraud?

The OIG *Hotline* accepts tips and complaints from all sources about fraud in HHS programs.

How to stay connected with HHS-OIG?

Appendix: OIG Priority Outcome Areas

OIG's current priority outcome areas fall into two general categories: (1) minimizing risks to beneficiaries and (2) safeguarding programs from improper payments and fraud. The table below shows a sample of key performance indicators (KPIs) for each of the four initial priority outcome areas. OIG monitors our impact in these priority outcome areas as measured by these KPIs. In the FY 2019 President's Budget, OIG introduced performance indicators that align with OIG's priority outcomes. The list below reflects our latest refinements to our measures in 2020. As we achieve results, OIG may update the indicator to strive for improvements in a different aspect of the priority outcome area.

Priority Outcome Area	Key Performance Indicator
Protect beneficiaries from prescription drug abuse, including opioids	Reduction of Part D prescribers whom OIG identified as having questionable prescribing practices (401 prescribers in Calendar Year (CY) 2017 baseline)
Promote patient safety and accuracy of payments in home and community settings	Reduction in the percentage of unreported critical incidents involving individuals with developmental disabilities residing in group homes
Ensure health and safety of children served by HHS grants	Increase in the number of States and territories requiring Child Care and Development Fund (CCDF) providers to conduct all required *intrastate* criminal background checks at least once every 5 years
	Increase in the number of States and territories requiring CCDF providers to conduct all required *interstate* criminal background checks at least once every 5 years
Strengthen Medicaid protections against fraud and abuse	Improvement of Medicaid Fraud Control Unit indictment rates
	Improvement of Medicaid Fraud Control Unit conviction rates