DEPARTMENT OF HEALTH AND HUMAN SERVICES

Fiscal Year

2009

Office of Inspector General

Performance Appendix

The Online Performance Appendix is one of several documents that fulfill the Department of Health and Human Services' (HHS') performance planning and reporting requirements. HHS achieves full compliance with the Government Performance and Results Act of 1993 and Office of Management and Budget Circulars A-11 and A-136 through HHS agencies' FY 2009 Congressional Justifications and Online Performance Appendices, the Agency Financial Report and the HHS Performance Highlights. These documents can be found at: http://www.hhs.gov/budget/docbudget.htm and http://www.hhs.gov/afr/.

The Performance Highlights briefly summarizes key past and planned performance and financial information. The Agency Financial Report provides fiscal and high-level performance results. The FY 2009 Department's Congressional Justifications fully integrate HHS' FY 2007 Annual Performance Report and FY 2009 Annual Performance Plan into its various volumes. The Congressional Justifications are supplemented by the Online Performance Appendices. Where the Justifications focus on key performance measures and summarize program results, the Appendices provide performance information that is more detailed for all HHS measures.

The Office of Inspector General Congressional Justification and Online Performance Appendix are located on the OIG web site at http://www.oig.hhs.gov/publications.

Summary of Measures and Results

FY	Total Targets	Results Reported		Targets			
					Not Met		
		Number	%	Met	Total	Improved	% Met
2002	5	5	100%	5	0	N/A	100%
2003	5	5	100%	3	2	2	60%
2004[1]	6	5	100%	3	2	0	60%
2005[2]	3	2	100%	2	0	N/A	100%
2006	3	3	100%	3	0	N/A	100%
2007	3	3	100%	3	0	N/A	100%
2008	3	Jan 09	Jan 09	Jan 09	Jan 09	Jan 09	Jan 09

[1] Unreported result is the developmental measure, for which the baseline was set in FY 2004.

[2] The third measure was developmental; therefore, there was no target for FY 2005.

Performance Detail

Key Outcomes Table

#	Key Outcomes	FY 2004 Actual	FY 2005 Actual	FY 2006		FY 2007		FY 2008 Target	FY 2009 Target	Out-Year Target
				Target	Actual	Target	Actual			
Long Term Objective 1: Make a positive impact on HHS programs										
1.1	Expected recoveries from investigative receivables and audit disallowances[3] (Dollars in millions)	$2,024	$2,346	$2,580	$2,678	$2,460	$2,835	$2,623	Sept-08	Sept-09
1.1	Return on Investment[3]	$10.5 : 1	$11.6 : 1	$11.9 : 1	$12.9 : 1	$11.4 : 1	$16.4 : 1	$13.5: 1	Sept-08	Sept-09
1.3	Number of accepted quality and management improvement recommendations	68	73	70	116 [4]	75	88	75	Sept-08	Sept-09

**note: Performance measures 1.1 and 1.2 reflect the three-year moving average ending in the year indicated by the column heading. A description for this reporting methodology is on page 3.*

Performance Narrative

The OIG performance reporting framework contains three performance measures that articulate the organization's progress in accomplishing its mission of preventing and detecting fraud, waste, and abuse and promoting economy, efficiency and effectiveness in HHS programs and operations. The performance measures are:

(1) expected recoveries from investigative receivables and audit disallowance,
(2) return on investment, and
(3) number of accepted quality and management recommendations.

These measures are "intermediate outcome" measures that capture organizational performance by tracking the results of discreet program activities that are expected to contribute to the accomplishment of OIG's "end outcome" goal (e.g., to prevent and detect fraud, waste and abuse). The distinctions between intermediate outcome and end outcome measures are especially useful in the context of law enforcement agencies, and in Offices of Inspector General they enable performance reporting consistent with the actual organizational scope of influence.

OIG's are collaborative organizations by nature, and the ultimate measures of organizational effectiveness (e.g., number of prosecutions, financial returns to the government etc.) are highly dependent on the combined success of partners spanning various levels of government. For

[3] The Deficit Reduction Act of 2005, which became law during the second quarter of FY 2006, appropriated $25 million per year to OIG from FY 2006 to 2010, to be available until expended. None of the FY 2006 appropriation was spent; therefore, the denominator used to calculate return on investment covering FY 2006 excludes that amount.

[4] This result is higher than the target of 70 by nearly 60 percent. Most of the increase was attributable to evaluation/inspection reports, three of which were complex and contained an unusually large number of recommendations.

example, OIG investigates and develops cases for prosecution, but must then refer each case to the U.S. Attorney's Office at the Department of Justice for prosecution. Whether or not a case is ultimately pursued beyond OIG's referral to DOJ is dependent on numerous factors, including the availability of resources and prosecutorial discretion.

Similarly, OIG's audit and inspection reports contain findings and recommendations that fall outside OIG's scope of influence to implement. Such findings and recommendations often include specific information that enables HHS program managers to disallow program costs and pursue the recovery of misspent funds, to pursue administrative or legislative changes, or to improve the operations of a program. Almost all of OIG's audit and inspection reports contain findings and/or recommendations. In cases where recommendations to disallow costs or pursue administrative or policy improvements are made, HHS program managers have up to 6 months to respond to OIG findings/recommendations and to either concur with or reject OIG conclusions. In all cases, even when program managers accept OIG recommendations, implementation of recommendations beyond "acceptance" is predicated on management discretion, the availability of resources, and many other factors. As a result, some OIG recommendations are accepted by program managers and not implemented.

Summary of "Expected Recoveries" and "Return on Investment" Performance Measures:

The performance measure for expected recoveries is comprised of identified and documented expected recoveries that resulted in audit disallowances and investigative outcomes such as successful prosecutions, court ordered restitution, and out of court settlements during a given reporting period. Expected recoveries are generally a good measure of an OIG's direct financial benefit to the government, however as you will see throughout this section, measures of the many significant non-financial contributions of OIG's are important as well.

Once expected recoveries are determined for a reporting period, an OIG-wide return on investment is calculated. The return on investment is calculated as the ratio of expected recoveries to the total cost of operating the OIG (e.g., $10:1). Expected recoveries and return on investment are OIG Program Assessment Rating Tool (PART) measures for the HCFAC program, however similar calculations are also used to articulate the direct financial benefit of OIG's oversight of HHS' non-Medicare and Medicaid programs and operations as well.

For both performance measures, expected recoveries and return on investment, performance is reported using a three-year moving average. This methodology enables OIG to account for the multiple year duration that is typical of audits and investigations, the time required for the U.S. Attorney's to pursue and reach resolution on a case, and for the time built in to the recommendation process for program managers to respond to OIG recommendations. As a result of the long duration of audits and investigations and the staggering of results across multiple years, there are often significant year to year variances in OIG's reported program outcomes. The three-year moving average is an important control to reflect the "ground truth" within which OIG operates.

The challenges presented by the multiple year duration of OIG oversight activities are further complicated by the unpredictable outcomes of audit and investigative work in general. While OIG applies a rubric of several factors to target its resources to high risk areas, the outcomes of oversight activities are always subject to unpredictability. Although audit disallowances or investigative outcomes may be an anticipated result of OIG oversight activities, they are not

guaranteed and may not always be a good indicator of whether an OIG is fulfilling its responsibility to act as an unbiased agent of program integrity.

Performance Reporting for "Expected Recoveries" and "Return on Investment" Performance Measures

OIG's performance measures for expected recoveries and return on investment are reported at two levels, (1) organization-wide or (2) based on category of funding.

During the three-year period from FY 2005 to FY 2007 the total OIG expected recoveries averaged $3.14 billion per year, exceeding all previous reporting periods and the prior reporting period by 17 percent. The returns averaged more than $1.82 billion in investigative receivables and $1.32 million in audit disallowances per year. The resultant organization-wide return on investment for the FY 2005 to FY 2007 reporting period was 14.5 dollars for each dollar spent in the OIG operating budget.

Because approximately 80 to 83 percent of OIG's annual operating budget is appropriated through mandatory funding streams with specific requirements to oversee the Medicare and Medicaid programs (e.g., HIPAA/HCFAC and DRA/MIP) it is also important to separate reporting based on funding stream. In fact, both of these measures, expected recoveries and return on investment, are measures used for the PART for the HCFAC program. For the three-year period from FY 2005 to FY 2007, OIG investigative receivables and audit disallowances resulting from Medicare and Medicaid oversight averaged $1.8 billion and $1 billion per year respectively. The result was a Medicare and Medicaid oversight specific return on investment for OIG of $16.4:1. Both measures exceed the established PART targets.

The remaining 17 to 20 percent of OIG's annual operating budget is appropriated through a single discretionary funding stream that is available for oversight of the more than 300 non-Medicare and Medicaid programs and operations at HHS. In addition to funding oversight of these programs with discretionary resources, OIG must also fund activities related to several required roles that OIG takes within the department, including the financial statement audits, FISMA compliance audits, and for providing physical security to ensure the Secretary's safety. As a result of OIG's oversight of these programs, during the FY 2005 to FY 2007 period OIG audit disallowances and investigative receivables averaged $298 million and $10 million per year respectively. The result was a return on investment of $7.8 for each discretionary dollar spent in the OIG budget during the same period.

Detailed summaries of the audits and types of investigations that were completed during FY 2007 are reported in the OIG Fall and Spring Semiannual Report to Congress, which can be found on the OIG web site.[5] Samples of the outcome oriented descriptions included in the Semiannual Reports include:

<u>Examples of Oversight Related to the Medicare and Medicaid Programs:</u>

Purdue Companies and Three Executives to Pay Nearly $635 Million for Fraudulently Marketing OxyContin. As part of a global criminal, civil, and administrative settlement agreement, the Purdue Frederick Company, Inc., and Purdue Pharma L.P. (collectively, the

[5] Office of Inspector General, Semiannual Report. http://oig.hhs.gov/publications/semiannual.html#1

Purdue Companies), and three top executives agreed to pay almost $635 million to resolve a variety of Federal, State, and private liabilities. Specifically, the agreement resolved allegations that the Purdue Companies waged a fraudulent and deceptive marketing campaign aimed at convincing doctors nationwide that OxyContin, because of its time-release formula, was less prone to abuse and that it was less likely to cause addiction or to produce other narcotic side effects than competing immediate release opioids. The Purdue Frederick Company, Inc. is subject to a 25-year exclusion from Medicare/Medicaid; Purdue Pharma L.P. agreed to enter a 5-year corporate integrity agreement (CIA) with OIG.

South Florida Medicare Fraud. OIG used a multifaceted approach to fight Medicare fraud in South Florida in cooperation with our partners at the U.S. Attorney's Office for the Southern District of Florida. Together we developed innovative methods to identify and prosecute fraud resulting in $54.3 million in investigative receivables and a number of criminal indictments related to durable medical equipment fraud. Additionally, we analyzed the claims patterns of HIV/AIDS infusion therapy providers and beneficiaries in three South Florida counties and determined that in the last half of 2006, these counties accounted for half of the total amount, and 79 percent of the amount for drugs, billed nationally for Medicare beneficiaries with HIV/AIDS. We also found that the approaches CMS and its contractors have used to control these aberrant billing practices have not proven effective. We recommended that CMS treat South Florida as a high-risk area, mandate site visits for certain providers, adjust contractor standards for processing new applications, modify the Statement of Work for the jurisdiction that includes South Florida, review all reassignments in high-risk areas, and strengthen revocations.

Example of Oversight of HHS' Non-Medicare and Medicaid Programs:

Aid to Families With Dependent Children Overpayment Recoveries. OIG reviewed 43 States and found that 24 States complied with Federal requirements and reimbursed ACF $59 million for the Federal share of Aid to Families With Dependent Children (AFDC) overpayment recoveries from July 2002 through June 2006. Although the remaining 19 States and the District of Columbia continued to recover overpayments from former AFDC recipients after the program ended in 1996, these governments did not reimburse ACF $28.7 million for the Federal share of their recoveries. OIG determined that 19 States and the District of Columbia did not reimburse ACF as required because they did not follow ACF's program instruction. In addition, ACF did not have monitoring procedures to ensure that the Federal Government received its share of AFDC overpayment recoveries from all States. OIG recommended that ACF (1) collect from the 19 States and the District of Columbia the Federal share of AFDC overpayment recoveries totaling $28.7 million and (2) establish monitoring procedures to ensure that the Federal Government receives its share of future State-recovered AFDC overpayments in a timely manner. ACF agreed with the recommendations.

Summary of "Number of Accepted Quality and Management Improvement Recommendations"

In addition to the direct financial recoveries described above, OIG reports the number of accepted quality and management improvement recommendations that resulted from audit and evaluation reports issued during a reporting period. This performance measure captures an important aspect of OIG's efforts to identify and correct systematic weaknesses in program

administration and policy implementation and reflects a significant aspect of OIG's contribution to improving the operations of the department.
Once OIG reports are completed and transmitted to the program under consideration, HHS program managers have a defined time period during which they must submit a formal response to document their concurrence or disagreement with OIG findings and recommendations. Whether or not program managers concur or disagree with OIG recommendations is generally a good indicator of the merit and validity of OIG recommendations. However, acceptance of a recommendation is different from implementation of the recommendation, which is subject to many factors outside the control of OIG, such as the availability of resources and management discretion. As a result, some OIG recommendations are accepted and not implemented. OIG therefore considers the performance measure, number of accepted quality and management improvement recommendations, an intermediate outcome measure.

Performance Reporting for "Number of Accepted Quality and Management Improvement Recommendations"

HHS' Operating and Staff Divisions accepted 88 of OIG's quality and management improvement recommendations during FY 2007. This result exceeded the annual target of 75 by 17 percent.

Example "Accepted Quality and Management Improvement Recommendations:"

Enrollment Levels in Head Start. OIG assessed enrollment levels in the Head Start program, which is overseen by the Administration for Children and Families (ACF). Head Start regulations require grantees to maintain enrollment at 100 percent of the funded enrollment level. OIG found that almost all Head Start grantees had high enrollment levels. Overall, 5 percent of Head Start slots were funded but not filled. Grantees cited a variety of challenges to maintaining full enrollment, including transportation issues. OIG also found that ACF's monitoring of enrollment levels may rely on inaccurate data. Following the release of this report, ACF developed and put online a "transportation pathfinder," which provides transportation resources to grantees. Additionally, ACF made changes to their Program Information Report system to improve data accuracy. These changes are expected to improve ACF's ability to monitor Head Start enrollment as well as grantees' ability to maintain full enrollment.

FDA's Oversight of Clinical Trials Through Its Inspection Processes. Through an evaluation OIG identified data limitations and other factors that affect the Food and Drug Administration's (FDA) ability to effectively manage the Bioresearch Monitoring (BiMo) program. For example, FDA is unable to identify all clinical trials and institutional review boards (IRB), and it lacks a single database for tracking its own inspections. Furthermore, the three FDA centers and the Office of Regulatory Affairs inconsistently classify some inspections. In addition, FDA's guidance and regulations do not reflect current clinical trials practices. Finally, OIG developed estimates for the coverage of FDA clinical trials inspections for the fiscal year 2000–2005 period of approximately 1 percent. As a result, we recommended that FDA take the following steps to improve its information systems and processes: (1) develop a clinical trial database that includes all clinical trials, (2) create an IRB registry, (3) create a cross-center database that enables complete tracking of BiMo inspections, (4) establish a mechanism to provide feedback to BiMo investigators on their

inspection reports and findings, and (5) seek legal authority to provide oversight that reflects current clinical trial practices.

Additional summaries of OIG audit and evaluation reports that resulted in accepted quality and management improvement recommendations during FY 2007 can be found in the OIG's 2007 Semiannual Reports to Congress.

Program Performance Targets Exceeded or Not Met

OIG performance related to the "expected recoveries" and "return on investment" performance measures exceeded the established PART targets for the three year period ending in FY 2007. The higher than anticipated returns were the result several large civil and criminal settlements that spanned multiple years and were resolved during FY 2007. Based on the audits and investigations currently underway or anticipated to reach final resolution during FY 2008, OIG does not anticipate similarly high levels of recoveries in the next reporting period. As such, the targets set for the reporting period ending in FY 2008 have been adjusted downward to match the expectations of audits and investigations that should be finalized before year end.

Discussion of OIG Strategic Plan [6]

The mission of the Office of Inspector General (OIG), as mandated by the Inspector General Act of 1978 (Public Law 95-452, as amended), is "(1) to conduct and supervise audits and investigations relating to the programs and operations of [the Department of Health and Human Services (HHS)]; (2) to provide leadership and coordination and recommend policies for activities designed (A) to promote economy, efficiency, and effectiveness in the administration of, and (B) to prevent and detect fraud and abuse in, such programs and operations; and (3) to provide a means for keeping [the Secretary] and the Congress fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action."[7]

OIG's current Strategic Plan, which is referenced throughout this budget submission, contains three strategic goals. They are:

- Strategic Goal 1: Make a positive impact on HHS programs
- Strategic Goal 2: Operate efficiently
- Strategic Goal 3: Maintain a highly skilled and committed staff

The first OIG strategic goal, to make a positive impact on HHS programs, reflects the purpose and mission of OIG. The second and third strategic goals are internal management goals that focus on improving OIG's ability to achieve its mission.

OIG's mission is carried out by conducting audits, evaluations, inspections, investigations, enforcement actions, and beneficiary and industry outreach. OIG undertakes these activities with the purposes of (1) improving the efficiency and effectiveness of HHS programs; (2)

6 OIG is currently developing a revised Strategic Plan and associated performance reporting framework. The revised Strategic Plan will include validated mission, vision, and strategic objective statements in addition to outcome oriented performance measures that link OIG oversight and program integrity activities to the OIG's operational mission statement.

7 Inspector General Act of 1978 (Public Law 95-452, as amended)

detecting and combating fraud, waste, and abuse; and, (3) addressing issues of concern to the Secretary, the President, and Congress.

Links to HHS Strategic Plan

OIG's contributions in support of the HHS Strategic Plan for Fiscal Years 2007-2012 are as follows:

		OIG Strategic Goal: Make a Positive Impact on HHS Programs
HHS Strategic Goals		
1:	***Health Care*** Improve the safety, quality, affordability and accessibility of health care, including behavioral health care and long-term care.	
1.1	Broaden health insurance and long-term care coverage.	
1.2	Increase health care service availability and accessibility.	X
1.3	Improve health care quality, safety, cost and value.	X
1.4	Recruit, develop and retain a competent health care workforce.	
2:	***Public Health Promotion and Protection, Disease Prevention, and Emergency Preparedness*** Prevent and control disease, injury, illness and disability across the lifespan, and protect the public from infectious, occupational, environmental and terrorist threats.	
2.1	Prevent the spread of infectious diseases.	X
2.2	Protect the public against injuries and environmental threats.	X
2.3	Promote and encourage preventive health care, including mental health, lifelong healthy behaviors and recovery.	
2.4	Prepare for and respond to natural and man-made disasters.	X
3:	***Human Services*** Promote the economic and social well-being of individuals, families and communities.	
3.1	Promote the economic independence and social well-being of individuals and families across the lifespan.	X
3.2	Protect the safety and foster the well-being of children and youth.	X
3.3	Encourage the development of strong, healthy and supportive communities.	
3.4	Address the needs, strengths and abilities of vulnerable populations.	X
4:	***Scientific Research and Development*** Advance scientific and biomedical research and development related to health and human services.	
4.1	Strengthen the pool of qualified health and behavioral science researchers.	
4.2	Increase basic scientific knowledge to improve human health and development.	X
4.3	Conduct and oversee applied research to improve health and well-being.	X
4.4	Communicate and transfer research results into clinical, public health and human service practice.	X

Narrative of OIG Contribution to the HHS Strategic Plan, Fiscal Years 2007-2012

OIG contributes to the accomplishment of multiple HHS Strategic Goals. The following section demonstrates the relationship between OIG work and HHS' Strategic Goals.

- ***HHS Strategic Goal 1: Health Care***

  OIG work related to the formulation, implementation, administration, and oversight of the Medicare, Medicaid, and the State Children's Health Insurance Program (SCHIP) programs helps ensure the integrity of the most sizeable HHS health care expenditures. In doing so, OIG work focuses on the availability, adequacy, quality, and efficiency of health care provided by organizations that receive HHS funds. Specifically, OIG's oversight and enforcement work contributes to the accomplishment of HHS Strategic Objectives 1.2 and 1.3.

  The HHS Agencies that have responsibility for "Health Care" functions on behalf of HHS that OIG oversees include the Centers for Medicare and Medicaid Services (CMS), Centers for Diseases Control and Prevention (CDC), Health Resources and Services Administration (HRSA), Indian Health Service (IHS), National Institutes of Health (NIH), and Substance Abuse and Mental Health Services Administration (SAMHSA).

  The OIG "Expected Recoveries" and "Return on Investment" performance measures as described in the section entitled "Overview of Performance" provide evidence of the OIG contribution to the accomplishment of HHS Strategic Goal 1.2 and 1.3 inasmuch as ensuring the solvency of the health care funding sources contributes to "increasing" and "improving" health care cost, availability, and accessibility.

- ***HHS Strategic Goal 2: Public Health Promotion and Protection, Disease Prevention, and Emergency Preparedness***

  The individual audits, investigations, evaluations, and inspections that OIG conducts in the areas of public health and emergency preparedness help ensure the adequacy of Federal, State, and local preparedness and response plans. Moreover, OIG work related to FDA and the security of the food supply, and CDC and associated research institutions regarding the security of select agents also contribute to the accomplishment of HHS Strategic Objectives 2.1, 2.2, and 2.4.

  The HHS Agencies that OIG oversees with responsibility for "Public Health Promotion and Protection, Disease Prevention, and Emergency Preparedness" include the Administration on Aging (AoA), Assistant Secretary for Preparedness and Response (ASPR), Agency for Toxic Substances and Disease Registry (ATSDR), CDC, CMS, FDA, and SAMHSA.

- ***HHS Strategic Goal 3: Human Services***

  OIG contributes to the accomplishment of this goal through oversight work of the ACF in the areas of Temporary Assistance for Needy Children (TANF), child support enforcement, head start, and foster care. Moreover, OIG oversight of the AoA in areas such as Senior Medicare Patrol Projects, and IHS in the area of safeguards over controlled substances and audits of accounts receivable at IHS billing offices also contribute to this Strategic Goal.

  The HHS Agencies that OIG oversees that have primary responsibility for "Human Services" functions include ACF, AoA, and IHS.

  OIG's role in oversight of "Human Services" programs contributes to the accomplishment of HHS Strategic Objectives 3.1, 3.2, and 3.4.

- ***HHS Strategic Goal 4: Scientific Research and Development***

  OIG's oversight of administrative operations and research conducted through the NIH and FDA, among other HHS Operating Divisions, helps foster a Federally funded research and development environment that ensures research integrity and instills public trust in HHS.

  The HHS Agencies that OIG oversees that have responsibly for "Scientific Research and Development" include the Agency for Healthcare Research and Quality (AHRQ), FDA and NIH.

  OIG's role in investigating allegations of conflict of interests, research grant and clinical trials administration, and post-marketing contribute to the accomplishment of HHS Strategic Objectives 4.2, 4.3, and 4.4.

OIG's Underlying Contribution to the HHS Strategic Plan, Fiscal Years 2007-2012

OIG's diverse array of mission activities supports the Department's commitment to responsible stewardship of taxpayer money, which includes the combat of fraud, waste, and abuse in all programs. In particular, OIG is integral to the HHS commitment to "conduct independent and objective audits, evaluations, analysis and investigations to asses the effectiveness and efficiency of policy and program implementation."[8] Although this commitment is not an explicit Strategic Goal as in past HHS Strategic Plans[9], integrity and efficiency of HHS programs and activities underlies the programmatic efforts of each HHS Operating and Staff Division and the expectations of the Secretary and the Administration. Therefore, although OIG's targeted oversight work may not specifically address each and every HHS Strategic Goal and Objective, the work conducted by OIG contributes to the accomplishment of all HHS Strategic Goals and Objectives consistent with deeply rooted values held government-wide.

[8] HHS Strategic Plan, Fiscal Years 2007-2012

[9] HHS Strategic Plan, Fiscal Years 2004-2009

All three OIG performance measures, “expected recoveries,” “return on investment”, and “number of accepted quality and management improvement recommendations” provide evidence of OIG’s contribution towards the accomplishment of this important foundational value of the HHS Strategic Plan.

Summary of Full Cost (Dollars in Millions)			
	Office of Inspector General		
HHS Strategic Goals and Objectives	FY 2007 Actual	FY 2008 Enacted	FY 2009 Estimate
1: ***Health Care*** Improve the safety, quality, affordability and accessibility of health care, including behavioral health care and long-term care.			
1.1 Broaden health insurance and long-term care coverage.			
1.2 Increase health care service availability and accessibility.			
1.3 Improve health care quality, safety, cost and value.	$219	$221	$246
1.4 Recruit, develop and retain a competent health care workforce.			
2: ***Public Health Promotion and Protection, Disease Prevention, and Emergency Preparedness*** Prevent and control disease, injury, illness and disability across the lifespan, and protect the public from infectious, occupational, environmental and terrorist threats.			
2.1 Prevent the spread of infectious diseases.			
2.2 Protect the public against injuries and environmental threats.			
2.3 Promote and encourage preventive health care, including mental health, lifelong healthy behaviors and recovery.	$4	$5	$5
2.4 Prepare for and respond to natural and man-made disasters.			
3: ***Human Services*** Promote the economic and social well-being of individuals, families and communities.			
3.1 Promote the economic independence and social well-being of individuals and families across the lifespan.	$20	$22	$24
3.2 Protect the safety and foster the well-being of children and youth.			
3.3 Encourage the development of strong, healthy and supportive communities.			
3.4 Address the needs, strengths and abilities of vulnerable populations.			
4: ***Scientific Research and Development*** Advance scientific and biomedical research and development related to health and human services.			
4.1 Strengthen the pool of qualified health and behavioral science researchers.			
4.2 Increase basic scientific knowledge to improve human health and development.			
4.3 Conduct and oversee applied research to improve health and well-being.			
4.4 Communicate and transfer research results into clinical, public health and human service practice.			
Total OIG Budget Authority	**$243**	**$248**	**$275**

The HHS Strategic Plan for FY 2007 to FY 2012 outlines the Department's plan for advancing the HHS mission of enhancing the health and well-being of Americans. The plan contains two sections that describe (1) the Strategic Goals and Objectives deemed essential for achieving the HHS mission, and (2) a set of value-based commitments intended to ensure that the Department responsibly pursues the accomplishment of its goals. The Strategic Goals and Objectives in the HHS Strategic Plan are programmatically focused and correspond to specific HHS operating divisions and the programs and initiatives operated therein. The value-based commitments, included in Chapter 6, outline the Department's commitment to "responsible stewardship and effective management" of HHS resources by committing to "effective resource management" and "effective planning, oversight, and strategic communications."

Distributing HHS' costs by Strategic Objective in the FY 2007 to FY 2012 Strategic Plan is an important way to convey HHS' commitment to its goals, however not all HHS costs directly support a specific Strategic Goal or Objective. Specifically, in OIG oversight and compliance work the results of discreet oversight activities transcend a single HHS Strategic Objective by addressing underlying threats to the financial integrity of programs and the well-being of program beneficiaries. In these instances, full cost estimates provided in this table are very rough approximations.

Where possible, OIG costs are segregated based on HHS Strategic Objective.[10] In the instances where it was not possible, costs are proportionately distributed across the HHS Strategic Objectives for which OIG was able to report a contribution. The following list contains examples of the functions that OIG performs that do not correspond directly to a HHS Strategic Goal or Objective:

- Conduct annual Chief Financial Statement Officer (CFO) Audits;
- Conduct Federal Information Security Management Act (FISMA) audits;
- Review of single audits conducted on behalf of HHS; and
- Provide the security detail for the Secretary's protection.

The FY 2008 and FY 2009 estimates provided in the Summary of Full Cost table are determined based on a combination of prior year FTE usage and OIG's planned discretionary work for FY 2008 as expressed in the FY 2008 Work Plan. Because OIG will not release the FY 2009 Work Plan until September 2008, estimates of the distribution of OIG's discretionary resources across HHS Strategic Goals for FY 2009 are approximate. Furthermore, these estimates are likely to change in response to specific requests for targeted program oversight made by the Administration or Congress, or as the result of focusing events that highlights the need to prioritize certain studies.

[10] Approximately 90 percent of OIG's FY 2007 costs tie back to HHS Strategic Objectives. The remaining 10 percent, or approximately 14 million dollars, of OIG's annual costs in FY 2007, and estimated costs for FY 2008 and FY 2009 have been proportionately distributed across Strategic Objectives 1.3, 2.3, and 3.1.

List of Program Evaluations

There were no program evaluations of the OIG during FY 2007. As such, OIG does not have any information to report in this section.

Discontinued Performance Measures Table

There were no discontinued OIG performance measures during FY 2007. As such, OIG does not have any information to report in this section.

Data Source and Validation

Measure Unique Identifier	Data Source	Data Validation
1.1: Expected Recoveries	OIG data systems track audit disallowances, judicial and administrative adjudications, and out of court settlements.	Estimates of expected recoveries are recorded in OIG data systems when (1) program managers formally agree to disallow and pursue recovery of questioned costs, (2) judicial and administrative adjudications are established, or (3) out of court settlements are agreed upon.*
1.2: Return on Investment	The numerator, expected recoveries, is tracked in OIG data systems described in 1.1 of this table. The denominator is the OIG budget.	N/A
1.3: Number of Accepted Quality and Management Improvement Recommendations	OIG data systems track reports and recommendations.	OIG follows an established process for identifying, documenting and validating organization-wide tracking and reporting of accepted recommendations.*

*note: OIG expected recoveries and return on investment performance measures have been audited by GAO in the past and remain available for future audits.

Target vs. Actual Performance

Performance Measures with Slight Differences

The performance target for the following measures was set at an approximate target level, and the deviation from that level is slight. There was no effect on overall program or activity performance.	
Program	**Measure Unique Identifier**
OIG	1.3: Number of Accepted Quality and Management Improvement Recommendations