

## OIG Recovery Act Plan Overview

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| <b>OIG Name:</b>   | Department of Health and Human Services, Office of Inspector General   |
| <b>OIG Broad Recovery Act Goals:</b>                       | OIG will work with HHS management to assess internal controls and to ensure accountability for the proper expenditure and accurate tracking and reporting of Recovery Act funds. OIG conducts investigations, audits, and evaluations to detect and deter misconduct, to identify improper or wasteful spending, and to provide timely, useful, and reliable information and recommendations to help achieve the Department's program goals.   |
| <b>OIG Broad Training and Outreach Recovery Act Goals:</b> | OIG's goal for outreach is to provide the Congress and the American public with current and useful information on OIG's Recovery Act activities. Reports of OIG activities, including audits, evaluations, and reports of investigative accomplishments, will be posted at <a href="http://oig.hhs.gov/recovery">http://oig.hhs.gov/recovery</a> . OIG briefs Congressional committees as well as State Medicaid directors and State Auditors. Given the importance of HHS grant programs in the distribution of Recovery Act funding, OIG intends to expand its grant fraud training. |
| <b>OIG Recovery Act Risk Assessment Process:</b>           | Consistent with Enterprise Risk Management principles, OIG has reviewed the following in assessing risk for HHS Recovery Act programs: internal environment, objective setting, event identification, risk assessment, risk response, control activities, information and communication, and monitoring. As part of its audits of HHS programs, OIG reports to management on internal control deficiencies to provide information on risk.   |
| <b>OIG Staff Dedicated to Recovery Act Oversight:</b>      | In FY 2010, OIG expects to dedicate 55 - 60 FTE to Recovery Act oversight activities.  |
| <b>OIG Recovery Act Funds:</b>                             | OIG's Recovery Act basic funding is \$17,000,000. The Recovery Act provided an additional \$31,250,000 to OIG, available through FY 2011, for ensuring the proper expenditure of funds under Medicaid.   |
| <b>Expiration Date of OIG Recovery Act Funds:</b>          | OIG's Recovery Act funds expire in FY 2012.  |
| <b>OIG Recovery Act Funds Allocated to Contracts:</b>      | No   |
| <b>Purpose of Recovery Act Contracts:</b>                  | N/A  |
| <b>Types of Recovery Act Contracts Awarded to Date:</b>    | N/A  |
| <b>Link to OIG Recovery Act Work Plan:</b>                 | <a href="http://oig.hhs.gov/recovery/">http://oig.hhs.gov/recovery/</a>  |

## OIG FY 2010 Recovery Act Work Plan

| HHS Agency                               | Program Area                           | Recovery Act Funds Associated w/Program Area | Type of Review             | Entity Performing Review      | Project Title   | Background   | Objective   | Review Included on Prior Recovery Act Plan (Y/N) | Expected Quarter Work Begins | Expected Quarter(s) Reports Issued | Expected Number of Reports |
|--|--|--|----------------------------|-------------------------------|---|--|---|--|------------------------------|------------------------------------|----------------------------|
| Administration for Children and Families | ACF Grant System                       | \$12,291 million                             | other                      | Both OIG Staff and Contractor | Administration for Children and Families Grant System (OAS)         | The Grants Administration Tracking Evaluation System (GATES) is used by ACF grants officers and specialists to manage their grant programs and process grant applications from receipt through award. ACF received funding for grants supporting Head Start, Early Head Start, Temporary Assistance for Needy Families (TANF), child care and development, and community services. | To determine whether ACF's Grants Administration Tracking Evaluation System (GATES) has adequate IT security controls in place to ensure that the confidentiality, integrity, and availability of sensitive data in transit and at rest are maintained. We will also determine whether ACF's grant awards require increased IT security provisions to protect sensitive electronic health records (EHR) or personal information at the grantee level. | No   | Q1 FY 10                     | Q3 FY 10                           | 1                          |
| Administration for Children and Families | Child Care and Development Block Grant | \$ 2,000 million                             | administrative / financial | OIG Staff                     | Recipient Compliance with Recovery Act Reporting Requirements (OAS) | Section 1512 of the Recovery Act, implemented by OMB M-09-21, require quarterly reports from recipients receiving Recovery Act funds.  | To validate key data elements reported by grantees.   | No   | Q2 FY 10                     | Q4 FY 10                           | TBD                        |
| Administration for Children and Families | Child Care and Development Block Grant | \$ 2,000 million                             | administrative / financial | OIG Staff                     | Internal Controls Over Grant Award Process (OAS)                    | Internal controls are important to ensure that funds are used consistent with the Recovery Act.  | To determine whether the ACF Child Care Bureau's internal controls for awarding Recovery Act grants are effective and efficient.  | Yes  | Q3 FY 09                     | Q1 FY 10                           | 1                          |
| Administration for Children and Families | Community Services Block Grant         | \$1,000 million                              | administrative / financial | OIG Staff                     | Internal Controls Over Grant Monitoring Process (OAS)               | Internal controls are important to ensure that grants awards are made with appropriate and consistently applied criteria.  | To determine whether internal controls developed by state oversight agencies for monitoring community action agencies are effective and efficient.  | No   | Q2 FY 10                     | Q4 FY 10                           | 8                          |
| Administration for Children and Families | Community Services Block Grant         | \$1,000 million                              | administrative / financial | OIG Staff                     | Recipient Capability Audits (OAS)                                   | Recipient capability audits are important to ensure that new grantees have the necessary systems and controls to manage Federal funds and meet grant requirements.   | To determine whether community action agencies have the systems and controls necessary to manage Federal funds and meet grant requirements.   | No   | Q2 FY 10                     | Q3 FY 10                           | 16                         |
| Administration for Children and Families | Community Services Block Grant         | \$ 1,000 million                             | administrative / financial | OIG Staff                     | Recipient Compliance with Recovery Act Reporting Requirements (OAS) | Section 1512 of the Recovery Act, implemented by OMB M-09-21, require quarterly reports from recipients receiving Recovery Act funds.  | To validate key data elements reported by grantees.   | No   | Q2 FY 10                     | Q4 FY 10                           | TBD                        |
| Administration for Children and Families | Community Services Block Grant         | \$1,000 million                              | administrative / financial | OIG Staff                     | Internal Controls Over Grant Award Process (OAS)                    | Internal controls are important to ensure that funds are used consistent with the Recovery Act.  | To determine whether the ACF Office of Community Services' internal controls for awarding Recovery Act grants are effective and efficient.  | Yes  | Q3 FY 09                     | Q1 FY 10                           | 1                          |
| Administration for Children and Families | Community Services Block Grant         | \$1,000 million                              | administrative / financial | OIG Staff                     | Evaluation of Federal Criteria (OAS)                                | Weatherization criteria from the Department of Energy allow States not to fund high risk community action agencies. Community Services Block Grant criteria require a lengthy corrective action plan, resulting in states funding a community action agency under one program while not the other.   | To determine whether states are awarding Recovery Act funds to high risk community action agencies under the Community Services Block Grant program.  | No   | Q4 FY 09                     | Q1 FY 10                           | 1                          |
| Administration for Children and Families | Early Head Start                       | \$ 1,100 million                             | administrative / financial | OIG Staff                     | Recipient Compliance with Recovery Act Reporting Requirements (OAS) | Section 1512 of the Recovery Act, implemented by OMB M-09-21, require quarterly reports from recipients receiving Recovery Act funds.  | To validate key data elements reported by grantees.   | No   | Q2 FY 10                     | Q4 FY 10                           | TBD                        |

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| Administration for Children and Families | Early Head Start   | \$ 1,100 million                             | administrative / financial | OIG Staff                | Recipient Capability Audits (OAS)   | Recipient capability audits are important to determine whether applicants have systems and controls necessary to manage Federal funds and meet grant requirements.   | To determine whether applicants have the systems and controls necessary to manage Federal funds and meet grant requirements.  | Yes  | Q4 FY 09                     | Q1 FY 10                           | 77                         |
| Administration for Children and Families | Early Head Start   | \$ 1,100 million                             | administrative / financial | OIG Staff                | Internal Controls Over Grant Award Process (OAS)  | Internal controls are important to ensure that funds are used consistent with the Recovery Act.  | To determine whether ACF's internal controls for awarding Recovery Act grants are effective and efficient.  | Yes  | Q3 FY 09                     | Q1 FY 10                           | 1                          |
| Administration for Children and Families | Head Start   | \$ 1,000 million                             | administrative / financial | OIG Staff                | Recipient Compliance with Recovery Act Reporting Requirements (OAS)                         | Section 1512 of the Recovery Act, implemented by OMB M-09-21, require quarterly reports from recipients receiving Recovery Act funds.  | To validate key data elements reported by grantees.   | No   | Q2 FY 10                     | Q4 FY 10                           | TBD                        |
| Administration for Children and Families | Head Start   | \$ 1,000 million                             | administrative / financial | OIG Staff                | Recipient Capability Audits (OAS)   | Recipient capability audits are important to determine whether high risk grantees should receive additional Recovery Act funds.  | To determine whether high risk grantees have the systems and controls necessary to manage Federal funds and meet grant requirements.  | Yes  | Q3 FY 09                     | Q1 FY 10                           | 25                         |
| Administration for Children and Families | Head Start   | \$ 1,000 million                             | administrative / financial | OIG Staff                | Internal Controls Over Grant Award Process (OAS)  | Internal controls are important to ensure that funds are used consistent with the Recovery Act.  | To determine whether ACF's internal controls for awarding Recovery Act grants are effective and efficient.  | Yes  | Q3 FY 09                     | Q1 FY 10                           | 1                          |
| Administration for Children and Families | Head Start, Early Head Start, Temporary Assistance for Needy Families, CCDBG, and CSBG | \$12,291 million                             | other                      | OIG Staff                | IT Security Controls at ACF Grantees (OAS)  | ACF will award grants to state agencies, local governments, nonprofit organizations, and school systems administering Head Start, Early Head Start, Temporary Assistance for Needy Families (TANF), Child Care and Development Block Grant (CCDBG) and Community Service Block Grant (CSBG) programs. Information exchanged between ACF and its grantees will include sensitive and proprietary information. | To determine whether ACF grantees have adequate security controls in place to protect sensitive and proprietary information. We will also assess whether ACF grantees have sufficient processes in place to ensure that the confidentiality, integrity, and availability of sensitive data in transit and at rest are maintained. | No   | Q2 FY 10                     | Q1 FY 11                           | TBD                        |
| Administration for Children and Families | Head Start/Early Head Start  | \$ 2,100 million                             | administrative / financial | OIG Staff                | Licensing, Health, and Safety Standards at Head Start and Early Head Start Facilities (OAS) | The Recovery Act expanded both programs. Prior work identified unsafe conditions and staff with inappropriate backgrounds.   | To determine whether Early Head Start and Head Start Grantees complied with applicable Federal, state, and local health and safety requirements for children in their care.   | Yes  | Q3 FY 09                     | Q2 FY 10                           | 48                         |
| Administration for Children and Families | Temporary Assistance for Needy Families  | \$ 5,319 million                             | administrative / financial | OIG Staff                | Internal Controls Over Monitoring Grants (OAS)  | Internal controls are important to ensure that funds are used consistent with the Recovery Act.  | To determine whether ACF's internal controls for monitoring Recovery Act grants are effective and efficient.  | No   | Q2 FY 10                     | Q3 FY 10                           | 1                          |
| Administration for Children and Families | Temporary Assistance for Needy Families  | \$ 5,319 million                             | administrative / financial | OIG Staff                | Recipient Compliance with Recovery Act Reporting Requirements (OAS)                         | Section 1512 of the Recovery Act, implemented by OMB M-09-21, require quarterly reports from recipients receiving Recovery Act funds.  | To validate key data elements reported by grantees.   | No   | Q2 FY 10                     | Q4 FY 10                           | TBD                        |

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| Administration for Children and Families   | Temporary Assistance for Needy Families                                  | \$ 5,319 million                             | administrative / financial | OIG Staff                | Internal Controls Over Grant Award Process (OAS)   | Internal controls are important to ensure that funds are used consistent with the Recovery Act.   | To determine whether ACP's internal controls for awarding Recovery Act grants are effective and efficient.  | Yes  | Q3 FY 09                     | Q1 FY 10                           | 1                          |
| Administration for Children and Families   | Temporary Assistance for Needy Families - State Caseloads & expenditures | \$ 5,319 million                             | administrative / financial | OIG Staff                | Validate Factors that Trigger Additional Temporary Assistance for Needy Families Funding (OAS) | Emergency Temporary Assistance for Needy Families funding is provided when grantees have an increase in caseload and expenditures, an increase in expenditures related to short-term benefits, or an increase in expenditures related to subsidized employment.   | To validate factors used by states to demonstrate the need for emergency Temporary Assistance for Needy Families funding.   | No   | Q4 FY 09                     | Q4 FY 10                           | 8                          |
| Centers for Disease Control and Prevention | Chronic Disease Prevention   | \$ 650 million                               | administrative / financial | OIG Staff                | Internal Controls Over Grant Award Process (OAS)   | Internal controls are important to ensure that funds are used consistent with the Recovery Act.   | To determine whether CDC's internal controls for awarding Recovery Act grants are effective and efficient.  | No   | Q1 FY 10                     | Q2 FY 10                           | 1                          |
| Centers for Disease Control and Prevention | Chronic Disease Prevention   | \$650 million                                | administrative / financial | OIG Staff                | Recipient Capability Audits (OAS)  | Recipient Capability Audits are important to ensure that applicants have the systems and controls necessary to manage Federal funds and meet grant requirements.  | To determine whether applicants have the systems and controls necessary to manage Federal funds and meet grant requirements.  | No   | Q2 FY 10                     | Q3 FY 10                           | 20-30                      |
| Centers for Disease Control and Prevention | Chronic Disease Prevention   | \$ 650 million                               | administrative / financial | OIG Staff                | Implementation of Internal Controls Over Grant Awards (OAS)                                    | Implementation of internal controls are important to ensure that funds are used consistent with the Recovery Act.   | To assess CDC's implementation of its internal controls over grant awards and administration processes to determine whether controls are effective and efficient.   | No   | Q4 FY10                      | Q1 FY 11                           | 1                          |
| Centers for Disease Control and Prevention | Hospital Acquired Infections Program                                     | \$ 40 million                                | administrative / financial | OIG Staff                | Internal Controls Over Grant Award Process (OAS)   | Internal controls are important to ensure that funds are used consistent with the Recovery Act.   | To determine whether CDC's internal controls for awarding Recovery Act grants are effective and efficient.  | Yes  | Q3 FY 09                     | Q1 FY 10                           | 1                          |
| Centers for Disease Control and Prevention | Prevention and Wellness  | \$1,000 million                              | administrative / financial | OIG Staff                | Recipient Compliance with Recovery Act Reporting Requirements (OAS)                            | Section 1512 of the Recovery Act, implemented by OMB M-09-21, require quarterly reports from recipients receiving Recovery Act funds.   | To validate key data elements reported by grantees.   | No   | Q2 FY 10                     | Q4 FY 10                           | TBD                        |
| Centers for Disease Control and Prevention | Section 317 Immunization Program   | \$ 300 million                               | administrative / financial | OIG Staff                | Internal Controls Over Grant Award Process (OAS)   | Internal controls are important to ensure that funds are used consistent with the Recovery Act.   | To determine whether CDC's internal controls for awarding Recovery Act grants are effective and efficient.  | Yes  | Q3 FY 09                     | Q1 FY 10                           | 1                          |
| Centers for Medicare and Medicaid Services | Health Information Technology  | \$ 44,700 million                            | other                      | OIG Staff                | HIT System Enhancements at CMS (OAS)   | The Recovery Act provides financial incentives through the Medicare and Medicaid programs to encourage doctors, hospitals, health clinics, and other entities to adopt and use certified electronic health records (EHRs). Medicare incentive payments are being phased out over time and replaced with financial penalties for providers that are not using EHRs. CMS systems require modification to manage these new requirements. | To determine whether health information technology (HIT) enhancements to CMS systems include standards adopted by HHS and that IT security controls are in place to protect sensitive EHR and personal information. | No   | Q1 FY 10                     | Q3 FY 10                           | 1                          |

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| Centers for Medicare and Medicaid Services | Health Information Technology | \$1,045 million                              | other          | OIG Staff                | Breach Notification and Medical Identity Theft in Medicare (OEI) | Section 13402 of the Recovery Act requires entities covered by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) to notify individuals of breaches of their PII. Such PII includes health information maintained by Medicare providers and contractors. Breaches of PII can facilitate the theft of health-related PII (medical identity theft). We will examine CMS's internal procedures and processes related to the Recovery Act's breach notification requirements.  | To assess CMS's compliance with new breach notification requirements for personally identifiable information (PII) in the American Recovery and Reinvestment Act of 2009 (Recovery Act) and the Centers for Medicare & Medicaid Services (CMS) oversight measures in cases of medical identity theft within Medicare. | Yes  | Q2 FY 10                     | Q3FY11                             | 1                          |
| Centers for Medicare and Medicaid Services | Health Information Technology | \$23,100 million                             | other          | OIG Staff                | Medicare Incentive Payments for Electronic Health Records (OEI)  | Sections 4101 and 4102 of the Recovery Act authorize incentive payments over a 5-year period to physicians and hospitals that demonstrate meaningful use of certified EHR technology. Bonus payments are scheduled to begin in 2011 and continue through 2016, with payment reductions to health care professionals who fail to become meaningful users of EHRs (section 4101(b)) beginning in 2015. Bonus payments for hospitals are scheduled to begin in 2011 (section 4102). According to Congressional Budget Office (CBO) estimates, Medicare spending for incentives and payment reductions will total approximately \$18 billion between 2011 and 2019. We will review Medicare incentive payments made to eligible health care professionals and hospitals for adopting electronic health records (EHR) and CMS's safeguards against incentive payments made in error. We will review Medicare incentive payment data from calendar year 2011. | To identify incentive payments made in error. If errors are identified, we will also assess CMS's actions to remedy incentive payments made in error and its plans for securing these payments for the duration of the incentive program.   | Yes  | Q2 FY 11                     | Q3FY12                             | TBA                        |
| Centers for Medicare and Medicaid Services | Health Information Technology | \$21,640 million                             | other          | OIG Staff                | Medicaid Incentive Payments for Electronic Health Records (OEI)  | Section 4201 of the Recovery Act establishes 100 percent Federal Financial Participation (FFP) for allowable expenses for eligible Medicaid providers to purchase, implement, and operate certified EHR technology. In addition, section 4201 of the Recovery Act provides a 90-percent Federal match for State administrative expenses related to the adoption of certified EHR technology by Medicaid providers. According to CBO estimates, Medicaid spending for incentives will total approximately \$12 billion between 2011 and 2019. We will review Medicaid incentive payments made to providers and hospitals for adopting EHRs and CMS safeguards against incentive payments made in error. We will review Medicaid incentive payment data from 2011 for a selection of States.  | To identify incentive payments made in error. We will also assess CMS actions to remedy incentive payments made in error and its plans for securing these payments for the duration of the incentive program.   | Yes  | Q2 FY 11                     | Q3FY12                             | TBA                        |

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| Centers for Medicare and Medicaid Services | Health Information Technology | \$44,740 million                             | other                      | OIG Staff                | Early Assessment of CMS Oversight of Recovery Act Incentives for Electronic Health Records (OEI) | The Recovery Act creates incentives for eligible health care professionals to adopt certified EHR technology in both the Medicare and Medicaid programs (sections 4101 and 4201, respectively). Although incentives are available under Medicare and Medicaid, eligible health care professionals are not allowed to receive incentive payments from both Medicare and Medicaid (section 4201(a)). According to CBO estimates, net Medicare and Medicaid spending for incentives between 2011 and 2019 will total approximately \$30 billion. We will review CMS's oversight of the implementation and program management of Medicare and Medicaid incentive payments for EHRs and describe the procedures in place. | To prevent and detect duplicate incentive payments. We will assess CMS's plan for oversight and implementation of Medicare and Medicaid incentives and determine the extent to which CMS can prevent and detect duplicate incentive payments. We will also assess whether fiscal oversight and reporting mechanisms are established for CMS to determine "meaningful use" of certified EHR technology. | Yes  | Q4 FY 10                     | Q4FY11                             | 1                          |
| Centers for Medicare and Medicaid Services | Medicaid                      | \$ 87,450 million                            | administrative / financial | OIG Staff                | State Controls Over Increased Federal Medical Assistance Percentages (OAS)                       | Prior Medicaid work disclosed instances in which states improperly identified state and Federal share of expenditures.   | To determine whether states have properly accounted for the state and Federal share of expenditures.   | No   | Q1 FY 10                     | Q1 FY 11                           | 1                          |
| Centers for Medicare and Medicaid Services | Medicaid                      | \$ 87,450 million                            | administrative / financial | OIG Staff                | Medicaid High-Risk Providers (OAS)   | Past OIG work in the Medicaid program, combined with relatively high Medicaid payment error rates being reported under CMS's Payment Error Rate Measurement (PERM), raise concerns that high-risk areas need increased audit scrutiny because of the additional funding being provided under the Recovery Act.   | To determine the accuracy of claims from selected provider types that have a high risk of claiming improper Medicaid payments.   | No   | Q1 FY 10                     | Q1 FY 11                           | 18                         |
| Centers for Medicare and Medicaid Services | Medicaid                      | \$ 915 million                               | administrative / financial | OIG Staff                | Transitional Medical Assistance Programs (OAS)   | Section 5004 of the Recovery Act extends Transitional Medical Assistance Program from June 30, 2009, through December 31, 2010 and provides the states options. The Recovery Act also directs each state to collect and submit required information to the Secretary of HHS, and the Secretary to report annually to Congress.   | To determine if states' claimed expenditures under the extension of transitional medical assistance met Medicaid requirements.   | No   | Q2 FY 10                     | Q2 FY 11                           | 2                          |
| Centers for Medicare and Medicaid Services | Medicaid                      | \$ 563 million                               | administrative / financial | OIG Staff                | Medicaid Qualified Individual Programs (OAS)   | The Medicaid Qualifying Individual (QI) program pays the Medicare Part B premiums of Medicare beneficiaries with incomes between 120 and 135 percent of the Federal poverty level. States receive 100-percent Federal funding for the QI program. Section 5005 of the Recovery Act extends the provision for 100-percent Federal funding for 12 months from December 2009 to December 2010.  | To determine if states' claimed expenditures under the QI program met Medicaid requirements.   | No   | Q2 FY 10                     | Q2 FY 11                           | 1                          |

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| Centers for Medicare and Medicaid Services | Medicaid     | \$ 770 million                               | administrative / financial | OIG Staff                | Medicaid Disproportionate Share Hospital Payments (OAS)  | Section 5002 of the Recovery Act provides fiscal relief to states by increasing most states' FY 2009 and 2010 Medicaid disproportionate share hospital (DSH) allotments by 2.5 percent. These payments are in addition to the regular payments that DSH hospitals receive for providing care to Medicaid beneficiaries. The Medicaid DSH allotment calculation is based on a statutory formula in the Social Security Act, § 1923. States receive an annual allotment to make payments to DSH hospitals to account for higher costs associated with treating uninsured and low-income patients. | To determine whether DSH expenditures were claimed in accordance with Medicaid requirements.  | No   | Q2 FY 10                     | Q2 FY 11                           | 2                          |
| Centers for Medicare and Medicaid Services | Medicaid     | \$ 87,450 million                            | other                      | OIG Staff                | States' Compliance with Eligibility Requirements for Claiming Increased Federal Medical Assistance Percentages (OAS)           | Pursuant to Section 5001(f) of the Recovery Act, a state cannot receive increased Federal Medical Assistance Percentages (FMAP) if its eligibility standards are more restrictive than those in place on July 1, 2008.  | To determine whether states with eligibility standards stricter than those in place on July 1, 2008 have inappropriately drawn down increased FMAP funds  | Yes  | Q3 FY 09                     | Q3 FY 10                           | 7                          |
| Centers for Medicare and Medicaid Services | Medicaid     | \$ 87,450 million                            | other                      | OIG Staff                | States' Compliance with Political Subdivision requirements for claiming increased Federal Medical Assistance Percentages (OAS) | Pursuant to Section 5001(g)(2) of the Recovery Act, a state is not eligible for increased Federal Medical Assistance Percentages (FMAP) if it requires political subdivisions to pay a greater percentage of the non-Federal share than the percentage that would have been required by the state on September 30, 2008.  | To determine whether states have inappropriately drawn down increased FMAP funds by requiring political subdivisions to pay a greater percentage of the non-Federal share of Medicaid payments. | Yes  | Q3 FY 09                     | Q3 FY 10                           | 2                          |
| Centers for Medicare and Medicaid Services | Medicaid     | \$ 87,450 million                            | other                      | OIG Staff                | States' Compliance with Eligible Expenditure Requirements for claiming increased Federal Medical Assistance Percentages (OAS)  | Pursuant to Sections 5001(e)(1) through (e)(4) of the Recovery Act, certain expenditures are not eligible for the increased Federal Medical Assistance Percentages (FMAP), and pursuant to section 5001(f)(5), Federal matching may never exceed 100 percent.   | To determine whether state controls allowed only eligible expenditures at the increased FMAP.   | Yes  | Q3 FY 09                     | Q3 FY 10                           | 7                          |
| Centers for Medicare and Medicaid Services | Medicaid     | \$ 87,450 million                            | other                      | OIG Staff                | States' Compliance with Prompt Payment Requirements for claiming increased Federal Medical Assistance Percentages (OAS)        | Pursuant to Section 5001(f)(2) of the Recovery Act, a state is not eligible for increased Federal Medical Assistance Percentages (FMAP) when it has failed to pay claims timely. States must ensure that 90 percent of claims are paid within 30 days of receipt and 99 percent are paid within 90 days of receipt  | To determine whether states were in compliance with the prompt pay requirements in order to draw down increased FMAP funds  | Yes  | Q3 FY 09                     | Q3 FY 10                           | 5                          |

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| Centers for Medicare and Medicaid Services   | Medicaid                 | \$ 87,450 million                            | other                      | OIG Staff                | State Medicaid Program Integrity Efforts (OAS)                               | Each state Medicaid agency is required to have a program integrity unit which audits and investigates providers suspected of overbilling or defrauding the state's Medicaid program, recovers overpayments, issues administrative sanctions, and refers cases of suspected fraud for criminal investigation. With the increased funding provided by the Recovery Act, state program integrity efforts become an even more important factor in the detection of improper payments.  | To determine the effectiveness of policies and procedures within states' program integrity units in managing overall program risks for improper payments.  | Yes  | Q3 FY 09                     | Q4 FY 10                           | 8                          |
| Centers for Medicare and Medicaid Services   | Medicaid                 | \$ 87,450 million                            | Other                      | OIG Staff                | States' Use of Increased Recovery Act Funding (OAS)                          | Pursuant to Section 5001(f)(3) of the Recovery Act, a state is not eligible for increased Federal Medical Assistance Percentages (FMAP) if any amounts attributable (directly or indirectly) to such increase is deposited into any reserve or rainy day fund.   | To determine how select states used their increased funding and whether states deposited increased FMAP funds (directly or indirectly) into any reserve or rainy day fund.   | Yes  | Q4 FY 09                     | Q1 FY 11                           | 4                          |
| Centers for Medicare and Medicaid Services   | Medicaid                 | \$ 87,450 million                            | administrative / financial | OIG Staff                | Reconciliation of Expenditure Reports to Claim Data (OAS)                    | The state Medicaid Manual requires that amounts reported on the Medicaid expenditure reports be actual expenditures.   | To determine whether the amounts reported on the Medicaid expenditure reports are supported by claim level data.   | Yes  | Q4 FY 09                     | Q1 FY 11                           | 4                          |
| Centers for Medicare and Medicaid Services   | Medicaid                 | \$ 44,740 million                            | other                      | OIG Staff                | Medicare and Medicaid Incentive Payments for Electronic Health Records (OAS) | Section 4201 of the Recovery Act establishes a program for payment to providers who adopt and become meaningful users of electronic health records (EHR). The Recovery Act establishes financial incentives for meaningful EHR users not to exceed 6 years. CMS is currently planning to pay incentives to eligible hospitals and critical access hospitals beginning in October 2010 and to eligible professionals in January 2011. In addition, states can begin to receive the 90 percent Federal financial participation (FFP) match for some initial planning activities related to the administration of the incentive payments. | To determine whether (1) initial planning activities related to the administration of the incentive payments and (2) provider incentive payments claimed by the states were in accordance with Medicare, Medicaid and Recovery Act requirements. | No   | Q4 FY 10                     | Q4 FY 11                           | TBD                        |
| Health Resources and Services Administration | Community Health Centers | \$ 500 million                               | administrative / financial | OIG Staff                | Internal Controls Over Grant Award Process (OAS)                             | Internal controls are important to ensure that funds are used consistent with the Recovery Act.  | To determine whether HRSA's internal controls for awarding Recovery Act grants are effective and efficient.  | Yes  | Q3 FY 09                     | Q2 FY 10                           | 1                          |
| Health Resources and Services Administration | Community Health Centers | \$ 500 million                               | administrative / financial | OIG Staff                | Recipient Capability Audits (OAS)  | Recipient Capability Audits are important for ensuring that high risk grantees have the necessary systems and controls to enable them to manage Federal funds and meet grant requirements.   | To determine whether high risk grantees have the systems and controls necessary to manage Federal funds and meet grant requirements.   | No   | Q4 FY 09                     | Q2 FY 10                           | 16-32                      |
| Health Resources and Services Administration | Community Health Centers | \$ 500 million                               | administrative / financial | OIG Staff                | Recipient Compliance with Recovery Act Reporting Requirements (OAS)          | Section 1512 of the Recovery Act, implemented by OMB M-09-21, require quarterly reports from recipients receiving Recovery Act funds.  | To validate key data elements reported by grantees.  | No   | Q2 FY 10                     | Q4 FY 10                           | TBD                        |

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|--|-------------------------------|--|----------------------------|--------------------------|---|--|--|--|------------------------------|------------------------------------|----------------------------|
| Health Resources and Services Administration | Construction                  | \$ 1,500 million                             | administrative / financial | OIG Staff                | Internal Controls Over Grant Monitoring Process (OAS)               | Internal controls are important to ensure that funds are used consistent with the Recovery Act.  | To determine whether HRSA's internal controls for monitoring Recovery Act grants are effective and efficient.  | No   | Q1 FY 10                     | Q3 FY 10                           | 1                          |
| Health Resources and Services Administration | Construction                  | \$1,500 million                              | administrative / financial | OIG Staff                | Recipient Compliance with Recovery Act Reporting Requirements (OAS) | Section 1512 of the Recovery Act, implemented by OMB M-09-21, require quarterly reports from recipients receiving Recovery Act funds.  | To validate key data elements reported by grantees.  | No   | Q2 FY 10                     | Q4 FY 10                           | TBD                        |
| Health Resources and Services Administration | Construction                  | \$1,500 million                              | administrative / financial | OIG Staff                | Internal Controls Over Grant Award Process (OAS)                    | Internal controls are important to ensure that funds are used consistent with the Recovery Act.  | To determine whether HRSA's internal controls for awarding Recovery Act grants are effective and efficient.  | Yes  | Q3 FY 09                     | Q2 FY 10                           | 1                          |
| Health Resources and Services Administration | Health Information Technology | \$1.50 Billion                               | other                      | OIG Staff                | Health Resources and Services Administration Health IT Grants (OEI) | During 2007 and 2008, HRSA awarded 74 grants totaling \$50 million to health center-controlled networks and large multisite health centers to implement EHRs and other HIT innovations to improve the safety and quality of health care delivery and cut waste and duplication of care. The Recovery Act provided the Health Resources and Services Administration (HRSA) with \$1.5 billion for modernization, renovation, and repair of health centers, which includes the acquisition of HIT systems. In accordance with 70 Fed. Reg. § 76463 (Dec. 27, 2005), HRSA's Office of Health Information Technology (OHIT) is charged with promoting the adoption and effective use of HIT through grants and technical assistance. To assist grantees, HRSA collaborated with the Agency for Healthcare Research and Quality (AHRQ) to establish a "Health Information Technology Community" Web site that enables HRSA to provide HIT technical assistance interactively. We will review HIT grant recipients' required reporting documents . | To assess grantee progress in implementing EHR and other HIT initiatives. We will examine HRSA's efforts to promote and oversee grantees' implementation of electronic health records. | Yes  | Q4 FY 11                     | Q4FY12                             | 1                          |
| Health Resources and Services Administration | Health Professionals          | \$300 million                                | administrative / financial | OIG Staff                | Recipient Compliance with Recovery Act Reporting Requirements (OAS) | Section 1512 of the Recovery Act, implemented by OMB M-09-21, require quarterly reports from recipients receiving Recovery Act funds.  | To validate key data elements reported by grantees.  | No   | Q2 FY 10                     | Q4 FY 10                           | TBD                        |
| Health Resources and Services Administration | Health Professionals          | \$300 million                                | administrative / financial | OIG Staff                | Internal Controls Over Grant Award Process (OAS)                    | Internal controls are important to ensure that funds are used consistent with the Recovery Act.  | To determine whether HRSA's internal controls for awarding Recovery Act grants are effective and efficient.  | Yes  | Q3 FY 09                     | Q2 FY 10                           | 1                          |

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| Health Resources and Services Administration | Health Information Technology | \$ 125 million<br>TBD for ONC grants         | other                      | OIG Staff                | HRSA Grant Award System (OAS)                                       | HRSA will process \$125 million in Recovery Act funding available for health information technology (HIT) systems and network grants to support electronic health records (EHR) for health centers. It will also be disbursing large Recovery Act grant funding for the Office of the National Coordinator for Health Information Technology (ONC). Grant applications will include sensitive and proprietary information.   | To determine whether HRSA's grant system has adequate IT security controls in place. We will assess whether HRSA's grant award system has sufficient processes in place to ensure that the confidentiality, integrity, and availability of sensitive data in transit and at rest are maintained. We will also determine whether HRSA's grant awards require appropriate IT security provisions to protect sensitive EHR or personal information at the grantee level. | No   | Q1 FY 10                     | Q3 FY 10                           | 1                          |
| Health Resources and Services Administration | Health Information Technology | \$125 million                                | other                      | OIG Staff                | Community Health Centers IT Security Controls (OAS)                 | HRSA will expend \$125 million for health information technology (HIT) systems and network grants to support electronic health records (EHR) for community health centers. More than 1,000 community health centers are expected to benefit from this funding.   | To determine whether community health center systems funded by HRSA HIT grants have adequate HIT security controls in place to protect sensitive EHR and personal information.  | No   | Q2 FY 10                     | Q1 FY 11                           | 1                          |
| HHS Cross-Cutting                            | GRANTS.GOV                    | Approximately \$20,000 million for HHS       | other                      | OIG Staff                | Security Controls for Grants Web Site (OAS)                         | Grants.gov is the central grant identification and application portal for more than 1,000 Federal grant programs offered by 26 Federal agencies and organizations. On March 6, 2009, Grants.gov began posting information on specific grant opportunities provided in the Recovery Act. As a result, grant applications filed using Grants.gov have escalated to an unprecedented level, reaching almost 11,500 applications per week, which is about three times the weekly average number of submissions during FY 2008. | To determine whether the Grants.gov Web site has adequate IT security controls in place to protect information. Our assessment will focus on controls for ensuring confidentiality, integrity, and availability of data.  | No   | Q1 FY 10                     | Q3 FY 10                           | 1                          |
| HHS Cross-Cutting                            | Office of the Secretary       | \$ 50 million                                | other                      | OIG Staff                | Departmentwide Network Improvements (OAS)                           | HHS received \$50 million in Recovery Act funds to improve IT security department wide. Recent compromises of systems and data in HHS's Office of the Secretary, as well as at several HHS agencies, require concerted and coordinated action across HHS that is commensurate with the sustained level of sophisticated cyber attacks that have targeted HHS computer systems.   | To determine whether the acquisition of staff, hardware, and software made with Recovery Act funding has improved HHS's IT security.H2.   | No   | Q1 FY 10                     | Q3 FY 10                           | 1                          |
| HHS Cross-Cutting                            | Recipient Reporting           | \$1,660 million                              | administrative / financial | OIG Staff                | Recipient Compliance with Recovery Act Reporting Requirements (OAS) | Section 1512 of the Recovery Act, implemented by OMB M-09-21, require quarterly reports from recipients receiving Recovery Act funds.  | To determine whether HHS's process for limited data quality reviews identified and notified recipients of material omissions and/or significant reporting errors.   | No   | Q1 FY 10                     | Q1 FY 10                           | 1                          |

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| HHS Cross-Cutting             | Recipient Reporting                                   | \$1,660 million                              | administrative / financial | OIG Staff                | Recipient Compliance with Recovery Act Reporting Requirements (OAS) | Section 1512 of the Recovery Act, implemented by OMB M-09-21, require quarterly reports from recipients receiving Recovery Act funds.   | To determine whether HHS, National Institutes of Health, Administration for Children and Families, and Health Resources and Services Administration have established a process to perform limited data quality reviews to identify material omissions and/or significant reporting errors. | No   | Q4 FY 09                     | Q1 FY 10                           | 1                          |
| Indian Health Service         | Health Information Technology                         | \$85 million                                 | other                      | OIG Staff                | Indian Health Service System Improvements (OAS)                     | The Recovery Act provided \$85 million to IHS to make improvements to its health information technology (HIT) environment and to improve service to its constituents. Activities to be funded with this investment include (1) application development and enhancements for the Resource and Patient Management System (RPMS) which contains patient medical data, history, and payment data and (2) HIT infrastructure security enhancements to ensure safety of health data and network upgrades to provide enhanced health services to IHS constituents. | To determine whether improvements made by IHS to its applications and network infrastructure ensure that IT security controls are in place.  | No   | Q1 FY 10                     | Q3 FY 10                           | 1                          |
| National Institutes of Health | College & University Costs                            | \$7.3 million                                | administrative / financial | OIG Staff                | Costs Claimed by Research University (OAS)                          | Grantee costs must be reasonable, allowable, and allocable in accordance with grant terms.  | To evaluate the reasonableness, allowability, and allocability of \$7.3 million in costs claimed by Duke University.   | No   | Q3 FY 10                     | Q4 FY 10                           | 1                          |
| National Institutes of Health | College & University Costs                            | \$10 million                                 | administrative / financial | OIG Staff                | Costs Claimed by Research University (OAS)                          | Grantee costs must be reasonable, allowable, and allocable in accordance with grant terms.  | To evaluate the reasonableness, allowability, and allocability of \$10 million in costs claimed by the University of Florida.  | No   | Q4 FY 09                     | Q2 FY 10                           | 1                          |
| National Institutes of Health | Extramural Construction                               | \$ 1,000 million                             | administrative / financial | OIG staff                | Recipient Compliance with Recovery Act Reporting Requirements (OAS) | Section 1512 of the Recovery Act, implemented by OMB M-09-21, require quarterly reports from recipients receiving Recovery Act funds.   | To validate key data elements reported by grantees.  | No   | Q2 FY 10                     | Q4 FY 10                           | TBD                        |
| National Institutes of Health | Extramural Construction                               | \$ 1,000 million                             | administrative / financial | OIG Staff                | Internal Controls Over Grant Award Process (OAS)                    | Internal controls are important to ensure that funds are used consistent with the Recovery Act.   | To determine whether NIH's internal controls for awarding Recovery Act grants are effective and efficient.   | Yes  | Q3 FY 09                     | Q1 FY 10                           | 1                          |
| National Institutes of Health | Extramural Construction                               | \$ 1,000 million                             | administrative / financial | OIG Staff                | Internal Controls Over Research Grant Monitoring Process (OAS)      | Internal controls are important to ensure that funds are used consistent with the Recovery Act.   | To determine whether NIH's internal controls for monitoring grants are effective and efficient.  | Yes  | Q3 FY 09                     | Q1 FY 10                           | 1                          |
| National Institutes of Health | National Institute of Environmental Health and Safety | \$168 million                                | administrative / financial | OIG staff                | Internal Controls Over Grant Award Process (OAS)                    | Internal controls are important to ensure that funds are used consistent with the Recovery Act.   | To determine whether National Institute of Environmental Health and Safety's internal controls for awarding Recovery Act grants are effective and efficient.   | No   | Q3 FY 09                     | Q1 FY 10                           | 1                          |

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| National Institutes of Health | NIH Grant System   | \$8,200 million                              | other                      | Both OIG Staff and Contractor | National Institutes of Health Grant System (OAS)                    | The Information for Management, Planning, Analysis, and Coordination (IMPAC) system manages the grants at NIH, and its importance has increased since NIH received \$7.4 billion in Recovery Act funding for grants and cooperative agreements to research entities, including nonprofit and for-profit organizations, universities, hospitals, research foundations, governments and their agencies, and individuals.  | To determine whether NIH's IMPAC system has adequate IT security controls in place. We will assess whether NIH has processes in place or under development that are sufficient to ensure that the confidentiality, integrity, and availability of sensitive data in transit and at rest are maintained. We will also determine whether NIH's grant awards require appropriate IT security provisions to protect sensitive electronic health records (EHR) or personal information at the grantee level. | No   | Q1 FY 10                     | Q3 FY 10                           | 1                          |
| National Institutes of Health | Research Grants  | \$10,400 million                             | administrative / financial | OIG Staff                     | Internal Controls Over Grant Award Process (OAS)                    | Internal controls are important to ensure that funds are used consistent with the Recovery Act.   | To determine whether NIH's internal controls for awarding Recovery Act grants are effective and efficient.  | Yes  | Q3 FY 09                     | Q1 FY 10                           | 1                          |
| National Institutes of Health | Scientific Research  | \$ 8,200 million                             | administrative / financial | OIG staff                     | Recipient Compliance with Recovery Act Reporting Requirements (OAS) | Section 1512 of the Recovery Act, implemented by OMB M-09-21, require quarterly reports from recipients receiving Recovery Act funds.   | To validate key data elements reported by grantees.   | No   | Q2 FY 10                     | Q4 FY 10                           | TBD                        |
| Office of the Secretary       | Office of the National Coordinator for Health Information Technology | \$2,000 million                              | other                      | OIG Staff                     | HIT Standards (OAS)   | Section 3003 of the Public Health Services Act (PHS Act), as added by section 13101 of the Recovery Act, establishes the Health Information Technology (HIT) Standards Committee to recommend to the ONC standards, implementation specifications, and certification criteria for the electronic exchange of health information. The Office of National Coordinator for Health Information Technology (ONC) is charged with reviewing and recommending to the Secretary whether to propose adoption of these measures through the rulemaking process. Section 3004(b) requires that the Secretary adopt an initial set of standards by December 31, 2009. | To determine whether the process used by the HHS ONC to develop and recommend HIT standards to the HHS Secretary ensures that IT security controls have been adequately developed and included in the standards recommended for adoption.   | No   | Q3 FY 09                     | Q1 FY 10                           | 1                          |

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| Office of the Secretary | Office of the National Coordinator for Health Information Technology | \$ 2,000 million                             | Other          | OIG Staff                | State Compliance With Grant Requirements (OAS) | Under section 3013 of the Public Health Service Act, as added by section 13301 of the Recovery Act, the Office of National Coordinator for Health Information Technology (ONC) is authorized to award planning and implementation grants to states to facilitate and expand electronic health information exchanges. To receive an implementation grant, a state must submit a plan describing the activities to be carried out to facilitate and expand electronic health information exchange according to nationally recognized standards and implementation specifications. | To determine whether security controls implemented by states to safeguard electronic health information exchanges are adequate. We will use our body of work in Medicaid reviews of 24 states to identify higher risk states, assess state plans, and determine the adequacy of their security controls. | No   | Q3 FY 10                     | Q2 FY 11                           | TBD                        |