

HHS-OIG Fiscal Year 2026

# Justification of Estimates for Congress



Department of Health and Human Services  
Office of Inspector General



<https://oig.hhs.gov>



U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES  
**OFFICE OF INSPECTOR GENERAL**

## Message from the Acting Inspector General

I am pleased to present the Department of Health and Human Services (HHS), Office of Inspector General (OIG) fiscal year (FY) 2026 budget submission. OIG would use the requested funds to fulfill our statutory mission to fight fraud, waste, and abuse in HHS programs and to promote their economy, efficiency, and effectiveness.

OIG's estimated \$454.4 million FY 2026 Program Level is composed of \$367.4 million for oversight of Medicare and Medicaid and \$87 million for oversight of HHS's other programs, such as the activities of the National Institutes of Health, Centers for Disease Control and Prevention, and Food and Drug Administration.

With the requested funding, OIG will continue to stop sophisticated fraud schemes and hold wrongdoers accountable; uncover safety risks; and help provide assurances that enrollees in HHS programs get the services to which they are entitled without waste to taxpayer dollars. OIG uses specialized skills and expertise from across multiple disciplines, advanced analytics, artificial intelligence, state-of-the art techniques, and strategic partnerships to meet our mission to protect HHS programs. OIG's potential for positive impact on accountability, transparency, and public trust is capped only by our resource levels.

OIG delivers results for the American people. Our independent, objective oversight is firmly grounded in professional standards and consistently yields a strong return on taxpayers' investment. The return on the investment in our work is \$11 in expected recoveries and receivables to the Government for every \$1 invested in OIG. In FY 2024 alone, OIG's work resulted in more than \$7 billion in expected recoveries and receivables.

OIG appreciates the continued support of Congress and HHS for oversight that makes the Nation's health and human services programs more efficient and effective in enhancing the health and well-being of all Americans.

/s/


**Juliet T. Hodgkins**  
**Acting Inspector General**



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# Acronyms

BA	budget authority
CHIP	Children's Health Insurance Program
FTE	full-time equivalent
FY	fiscal year
GSA	General Services Administration
HCFA	Health Care Fraud and Abuse Control
HHS	Department of Health and Human Services
IT	information technology
MSI	Mission Support and Infrastructure
OAS	Office of Audit Services
OCIG	Office of Counsel to the Inspector General
OEI	Office of Evaluation and Inspections
OI	Office of Investigations
OIG	Office of Inspector General
OMP	Office of Management and Policy
PB	President's Budget
PHHS	Public Health and Human Services
PL	program level
ROI	return on investment

# AGENCY OVERVIEW

## Mission, Vision, and Values

The Department of Health and Human Services (HHS or the Department), Office of Inspector General (OIG) conducts independent oversight of HHS programs that provide health insurance, promote public health, respond to public health emergencies, protect the safety of food and medical products, and fund medical research, among other activities. OIG's statutory responsibilities are to detect and prevent fraud, waste, and abuse in, and promote economy, efficiency, and effectiveness of, HHS programs. OIG promotes quality, safety, and value in HHS programs and for all Americans. OIG's roadmap to accomplish this work is detailed in our [Strategic Plan 2025–2030](#).

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

**Vision:** OIG's vision is to drive positive change in HHS programs and in the lives of those served by these programs. We pursue this vision through independent oversight of HHS programs and operations. This oversight provides HHS and Congress with objective, reliable findings, and actionable recommendations to ensure fiscal accountability and program efficiencies and effectiveness. We audit the performance of providers, grantees, and contractors participating in HHS programs. We evaluate risks to HHS programs and the people they serve and recommend improvements. We investigate fraud and abuse in HHS programs and hold wrongdoers accountable for their actions. We also assess the Department's performance, administrative operations, and financial stewardship.

**Values:** OIG strives to be impactful, innovative, and people-focused. We apply these values to our work by using modern, cutting-edge tools, methods, and operations. We use a risk-based, data-driven approach to prioritize work and ensure that we maximize the impact of our resources. We provide the results of our work to the public to foster transparency and consumer awareness.

OIG's goals and objectives aim to drive positive change in the health and well-being of all Americans. Accompanying each goal in the table below are relevant objectives related to OIG's work.

## Goals and Objectives

FIGHT Fraud, Waste, and Abuse	PROMOTE Quality, Safety, and Value	ADVANCE Excellence and Innovation
<ul style="list-style-type: none"> <li>• Prevent, detect, and deter fraud, waste, and abuse.</li> <li>• Foster sound financial stewardship and reduction of improper payments.</li> <li>• Hold wrongdoers accountable and recover misspent public funds.</li> </ul>	<ul style="list-style-type: none"> <li>• Foster quality, safety and value of HHS-funded services.</li> <li>• Promote public health and safety.</li> <li>• Support high-performing health and human service programs.</li> </ul>	<ul style="list-style-type: none"> <li>• Maximize value by improving efficiency and effectiveness.</li> <li>• Promote security and effective use of data and technology.</li> <li>• Encourage implementation of OIG recommendations.</li> </ul>



# Organizational Components

OIG's multidisciplinary workforce is composed of investigators, auditors, evaluators, analysts, attorneys, program specialists, clinicians, digital and technology specialists, and other experts. This workforce integrates a range of professional skills, tools, and perspectives to tackle complex health and human services issues and sophisticated fraud schemes. For example, OIG pairs criminal investigators and digital analysts—armed with data and technology—to detect and investigate complex fraud cases more effectively. OIG uses audits and evaluations to strategically uncover misspent funds and to recommend actions to prevent fraud, waste, and abuse.

OIG maintains an office in Washington, DC, and a nationwide network of regional and field offices to have boots on the ground to more efficiently and effectively address fraud, waste, and abuse. More than 70 percent of our employees work outside the Washington metropolitan area.

OIG estimates that the FY 2026 budget request would support 1,479 FTEs.

## Office of Investigations

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OI actively collaborates with the Department of Justice (DOJ) and other Federal, State, Tribal, and local law enforcement authorities to conduct criminal, civil, and administrative investigations of fraud and misconduct related to HHS programs, operations, beneficiaries, and employees. Our special agents have full law enforcement authority and execute a broad range of actions, including the execution of search warrants and arrests. With investigators covering every State, the District of Columbia, and Puerto Rico and other territories, OI utilizes traditional as well as state-of-the-art investigative techniques and innovative data analysis to fulfill its mission to safeguard the integrity of the programs administered by HHS and protect the people they serve. OI's investigations lead to criminal convictions, False Claims Act resolutions, and administrative sanctions including, but not limited to, civil monetary penalties.

## Office of Audit Services

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OAS conducts independent audits of HHS programs and HHS grant recipients, contractors, and providers. These audits identify improper payments in HHS programs and help reduce waste, abuse, and mismanagement and promote economy and efficiency throughout HHS. OAS is responsible for executing oversight of non-Federal entities that have received HHS funds and expended Federal funds that met the dollar threshold required for single audits. OAS also oversees HHS's annual financial statement audits conducted under the Chief Financial Officers Act and HHS's annual Federal Information Security Modernization Act audits.

## Office of Evaluation and Inspections

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OEI conducts national evaluations that provide HHS, Congress, and the public with objective, reliable data and rigorous analysis aimed at identifying and preventing fraud, waste, and abuse and promoting the economy, efficiency, and effectiveness of HHS programs. OEI evaluations include actionable recommendations for improving program operations, saving HHS funds, and protecting Americans from harm.

## Office of Counsel to the Inspector General

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OCIG provides general legal services to OIG, rendering advice and opinions for OIG's oversight of HHS programs and operations, and providing all legal support for OIG's internal operations. OCIG represents OIG in all civil and administrative fraud and abuse cases involving HHS programs, including the False

Claims Act, program exclusion, and civil monetary penalty cases. In connection with these cases, OCIG also negotiates and monitors corporate integrity agreements. OCIG renders advisory opinions, issues compliance program guidance, publishes fraud alerts, and provides informative resources to the health care industry concerning the anti-kickback statute and other OIG enforcement authorities.

## **Mission Support and Infrastructure**

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MSI is composed of the Immediate Office of the Inspector General and the Office of Management and Policy. It provides mission support that includes setting the vision and direction for OIG's priorities and strategic planning; ensuring effective management of budget, finance, human resources, and other operations; and serving as a liaison to HHS, Congress, and other stakeholders. MSI provides critical data analytics, data management, and information technology (IT) infrastructure, and leads OIG's artificial intelligence (AI) work. OIG's state-of-the-art data analytics function, with highly trained data analysts, scientists, and statisticians, works with investigators, auditors, attorneys, and evaluators to uncover anomalies and detect potential fraud, waste, and abuse affecting HHS programs and the people they serve.

# SECTION I: EXECUTIVE SUMMARY

## FY 2026 Budget Request Overview

The total estimated FY 2026 Program Level for OIG is \$454.4 million, a \$0.4 million decrease from the FY 2025 Enacted Level.

OIG's funding and oversight work is divided into two legally defined categories: Public Health and Human Services (PHHS) Oversight and Health Care Fraud and Abuse Control (HCFAC) Program Oversight.

## PHHS Oversight

Roughly one-fifth of OIG funding would support oversight of HHS's efforts to advance the health and well-being of all Americans through the broad portfolio of programs and services that are not part of Medicare and Medicaid, including the activities of the National Institutes of Health (NIH), Food and Drug Administration (FDA), and Centers for Disease Control and Prevention.

**BUDGET REQUEST: \$87.0 MILLION (-\$6.5 MILLION BELOW FY 2025 ENACTED LEVEL)**

The \$6.5 million decrease in resources represents 38 fewer FTEs performing PHHS work, including oversight of the activities of NIH and FDA.

## HCFAC Program Oversight (Medicare and Medicaid)

For FY 2026, 81 percent of OIG's funding would support oversight of Medicare and Medicaid programs, which include Medicare Parts A, B, and C, as well as the prescription drug benefit (Part D).

**BUDGET REQUEST: \$108.7 MILLION (SAME AS FY 2025 ENACTED LEVEL) IN ADDITION TO \$249.7 MILLION IN HCFAC MANDATORY FUNDING UNDER CURRENT LAW AND \$9 MILLION IN ESTIMATED HCFAC COLLECTIONS**

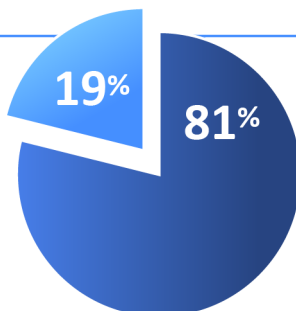
- \$249.7 million in HCFAC mandatory funds (\$6.1 million above FY 2025 Enacted Level),
- \$108.7 million in HCFAC discretionary funds (at FY 2025 Enacted Level), and
- \$9.0 million in estimated HCFAC collections (at FY 2025 Enacted Level).

The additional \$6.1 million in HCFAC Mandatory funding represents a timely investment in OIG's enforcement and oversight work to protect and strengthen the Medicare and Medicaid programs and the people they serve. Medicare and Medicaid oversight and enforcement are funded using HCFAC resources.

- \$6.1 million in additional resources to invest in inflationary increases within the HCFAC program.

### PHHS Oversight Includes

Public Health, Human Services,  
Science, and Regulatory Agencies  
Health Insurance Marketplaces



### HCFAC Oversight Includes

Medicare Parts A, B, C  
Prescription Drugs (Part D)  
Medicaid  
CHIP

## Overview of Performance

OIG consistently delivers a strong return on investment (ROI) through its oversight and enforcement. Using a 3-year rolling average methodology of expected recoveries and receivables, our ROI is \$11:1. These significant monetary returns are complemented by the substantial additional value of OIG's quality and safety work, which protects people from harm, including children served by HHS programs and Medicare and Medicaid enrollees. Further, OIG makes recommendations for program efficiencies to HHS that, if implemented, would generate substantial savings for HHS programs.

OIG targets its resources strategically at opportunities for greatest impact through, among other actions, enforcement that holds wrongdoers accountable; audits and evaluations that identify misspent funds and recommend solutions to vulnerabilities in HHS programs; legal work that protects patients from untrustworthy health care providers; and advanced data analytics that detect fraud so it can be stopped faster.

### OIG Priority Outcome Areas

OIG's three priority outcome areas are: Grants and Contracts, Managed Care, and Nursing Homes. The priority outcome areas were selected based on top management challenges facing HHS,<sup>1</sup> our risk analyses, and the opportunity for positive impact. OIG will continue to conduct a full range of oversight of HHS programs while advancing progress in the priority outcome areas. More information about OIG's priority outcome areas can be found in the Performance Section of this budget request.

### Recent Accomplishments

OIG's statistical accomplishments and ROI provide a snapshot of our impact in preventing, detecting, and combating fraud, waste, and abuse. For FY 2024, OIG identified \$7.13 billion in expected recoveries and receivables from our audit and investigative work. For investigative work, this includes \$6.3 billion in expected investigative recoveries and 1,548 criminal and civil actions. OIG excluded 3,234 untrustworthy individuals and entities from participating in Federal health care programs. Some were convicted of patient abuse, neglect, and fraud. In FY 2024, we issued 120 audits and 40 evaluation reports in which we identified risks, opportunities for improvement, and misspent funds. Through this work, we issued 434 new recommendations, and 270 recommendations were implemented, better protecting HHS programs and the people they serve from fraud, waste, and abuse. OIG's work consistently yields a positive ROI. Using a 3-year rolling average methodology of expected and actual recoveries of funds, OIG's ROI is \$11 for every \$1 spent. The reach, range, and impact of our work and accomplishments are bound only by our resources.

Grounded in professional standards, OIG's objective work helps ensure that people served by HHS programs receive safe, quality care, and that taxpayer funds are not wasted. Using advanced analytics, we conduct risk assessments to identify emerging fraud trends and other vulnerabilities. We provide meaningful oversight in key areas that lead to program improvements.

For a detailed discussion of OIG's recent accomplishments, please see OIG's [Fall 2024 Semiannual Report to Congress](#) on our website.

<sup>1</sup> For more information on top management challenges facing HHS, see OIG's report [2024 Top Management and Performance Challenges Facing HHS](#).



## All-Purpose Table

OIG (dollars in millions)	FY 2024		FY 2025		FY 2026		FY 2026 +/- FY 2025	
	Final	FTE	Enacted	FTE	President's Budget	FTE	Amount	FTE
<b>PHHS Oversight</b>								
Discretionary Budget Authority (BA)	\$87.000		\$87.000		\$87.000		\$0.000	
FDA Transfer	1.500		1.500				(1.500)	
NIH Transfer	5.000		5.000				(5.000)	
Subtotal, PHHS BA	93.500	327	93.500	310	87.000	272	(6.500)	(38)
<b>HCFAC Oversight</b>								
HCFAC Mandatory BA	236.276		243.601		249.691		6.090	
HCFAC Discretionary BA	107.735		108.735		108.735		0.000	
Subtotal, HCFAC BA	344.011		352.336		358.426		6.090	
HCFAC Collections	9.311		9.000		9.000		0.000	
Subtotal, HCFAC PL	353.322	1,225	361.336	1,196	367.426	1,197	6.090	1
<b>TOTAL BA</b>	437.511		445.836		445.426		(0.410)	
<b>TOTAL PL</b>	\$446.822	1,552	\$454.836	1,506	\$454.426	1,469	(\$0.410)	(37)

# SECTION II: BUDGET EXHIBITS

## Summary of Changes

OIG <sup>2</sup> (dollars in thousands)		
FY 2025 Enacted	Dollars	FTE
PHHS Discretionary Budget Authority	\$93,500	310
FY 2026 President's Budget		
PHHS Discretionary Budget Authority	\$87,000	272
<b>Net Change</b>	<b>(\$6,500)</b>	<b>(38)</b>

OIG (dollars in thousands)	FY 2025 Enacted		FY 2026 President's Budget		FY 2026 +/- FY 2025	
Built-in Changes	FTE	BA	FTE	BA	FTE	BA
A. Built-in: Increases						
1. Training, Travel, Materials		\$9,576		\$9,941		\$365
<b>Subtotal, Built-in Increases</b>		<b>\$9,576</b>		<b>\$9,941</b>		<b>\$365</b>
A. Built-in: Decreases						
1. Salaries	310	\$46,074	272	\$42,342	(38)	(\$3,732)
2. Benefits		19,532		17,865		(1,667)
3. Contracts		18,318		16,852		(1,467)
<b>Subtotal, Built-in Decreases</b>		<b>\$83,924</b>		<b>\$77,059</b>		<b>(\$6,865)</b>
<b>Subtotal, Built-in Changes</b>		<b>\$93,500</b>		<b>\$87,000</b>		<b>(\$6,500)</b>

<sup>2</sup> Table displays OIG's Direct Discretionary funding only. OIG's HCAFC Discretionary BA is appropriated to the CMS HCFA account.

## Appropriations History

Fiscal Year	Details	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
2016 <sup>3</sup>	Direct Discretionary	\$83,000,000	\$75,000,000	\$72,500,000	\$76,500,000
	HCFAC Discretionary Allocation Adjustment	118,631,000	67,200,000	77,275,000	67,200,000
	HCFAC Mandatory	203,262,000			201,305,000
	Sequestration				(13,688,377)
	<i>Subtotal</i>	<i>\$404,893,000</i>	<i>\$142,200,000</i>	<i>\$149,775,000</i>	<i>\$331,316,623</i>
2017	Direct Discretionary	85,000,000	86,500,000	76,500,000	76,500,000
	Rescission				(145,427)
	HCFAC Discretionary Allocation Adjustment	121,824,000	67,200,000	79,355,000	67,200,000
	HCFAC Mandatory	200,273,000			199,684,560
	Sequestration				(13,778,235)
	<i>Subtotal</i>	<i>\$407,097,000</i>	<i>\$153,700,000</i>	<i>\$155,855,000</i>	<i>\$329,460,898</i>
2018 <sup>45</sup>	Direct Discretionary	68,085,000	81,500,000	81,500,000	81,500,000
	HCFAC Discretionary Allocation Adjustment	\$74,246,000	\$82,132,000	\$84,398,000	\$84,398,000
	HCFAC Mandatory	203,842,374			203,842,374
	Sequestration				(13,453,597)
	<i>Subtotal</i>	<i>\$346,173,374</i>	<i>\$163,632,000</i>	<i>\$165,898,000</i>	<i>\$356,286,777</i>
2019	Direct Discretionary	80,000,000	81,500,000	86,500,000	86,500,000
	HCFAC Discretionary Allocation Adjustment	87,230,000	87,230,000	86,664,000	87,230,000
	HCFAC Mandatory	208,289,651	-	-	195,755,000
	Sequestration				(12,939,024)
	<i>Subtotal</i>	<i>\$375,519,651</i>	<i>\$168,730,000</i>	<i>\$173,164,000</i>	<i>\$356,545,976</i>
2020	Direct Discretionary	80,000,000	85,000,000	86,500,000	86,500,000
	HCFAC Discretionary Allocation Adjustment	98,000,000	93,000,000	89,625,000	93,000,000
	HCFAC Mandatory (including suspension)	213,248,000			212,626,959
	Sequestration (including suspension)				(7,300,773)
	<i>Subtotal</i>	<i>\$391,248,000</i>	<i>\$178,000,000</i>	<i>\$176,125,000</i>	<i>\$384,826,186</i>
2021	Direct Discretionary	90,000,000	86,500,000	86,500,000	86,500,000
	HCFAC Discretionary Allocation Adjustment	101,644,000	98,000,000	100,000,000	99,000,000
	HCFAC Mandatory	215,574,000			213,886,600
	Sequestration (including suspension)				-
	<i>Subtotal</i>	<i>\$407,218,000</i>	<i>\$184,500,000</i>	<i>\$186,500,000</i>	<i>\$399,386,600</i>
2022	Direct Discretionary	106,500,000	106,500,000	96,500,000	88,900,000

<sup>3</sup> The Direct Discretionary amount for FYs 2016–2025 includes \$1.5 million transferred from FDA, consistent with the annual appropriations acts.

<sup>4</sup> Reflects FY 2018 required and permissive transfers. Funding level does not include supplemental hurricane appropriations of \$2 million.

<sup>5</sup> The Direct Discretionary amount for FYs 2019–2025 includes \$5 million transferred from NIH, consistent with the annual appropriations act.

Fiscal Year	Details	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
	HCFAC Discretionary Allocation Adjustment	102,145,000	109,145,000	102,145,000	102,145,000
	HCFAC Mandatory	208,863,000			220,944,858
	Sequestration				(6,314,180)
	<i>Subtotal</i>	<i>\$417,508,000</i>	<i>\$215,645,000</i>	<i>\$198,645,000</i>	<i>\$405,675,678</i>
2023	Direct Discretionary	112,829,000	100,900,000	93,900,000	93,500,000
	HCFAC Discretionary Allocation Adjustment	109,612,000	109,612,000	112,145,000	105,145,000
	HCFAC Mandatory	224,811,000			238,399,502
	Sequestration				(13,588,772)
	<i>Subtotal</i>	<i>\$447,252,000</i>	<i>\$210,512,000</i>	<i>\$206,045,000</i>	<i>\$423,455,730</i>
2024	Direct Discretionary	123,301,000	81,500,000	93,500,000	93,500,000
	HCFAC Discretionary Allocation Adjustment	112,434,000	100,145,000	107,735,000	107,735,000
	HCFAC Mandatory	267,704,000			250,557,877
	Sequestration				(14,281,799)
	<i>Subtotal</i>	<i>\$503,439,000</i>	<i>\$181,645,000</i>	<i>\$201,235,000</i>	<i>\$437,511,078</i>
2025	Direct Discretionary	103,884,000	88,500,000	93,500,000	93,500,000
	HCFAC Discretionary Allocation Adjustment	111,509,000	111,508,000	108,735,000	108,735,000
	HCFAC Mandatory	275,289,000			258,325,171
	Sequestration				(14,724,535)
	<i>Subtotal</i>	<i>\$490,682,000</i>	<i>\$200,008,000</i>	<i>\$202,235,000</i>	<i>\$445,835,636</i>
2026	Direct Discretionary	87,000,000			
	HCFAC Discretionary Allocation Adjustment	108,735,000			
	HCFAC Mandatory	249,691,000			
	Sequestration				
	<i>Subtotal</i>	<i>\$454,426,000</i>	-	-	-



# SECTION III: BUDGET NARRATIVES

## PHHS Oversight and Enforcement

### Budget Summary

OIG <i>(dollars in thousands)</i>	FY 2024 Final	FY 2025 Enacted	FY 2026 President's Budget	FY 2026 +/- FY 2025
Budget Authority	\$87,000	\$87,000	\$87,000	\$0
FDA Transfer	1,500	1,500	0	(1,500)
NIH Transfer	5,000	5,000	0	(5,000)
<b>Total, PHHS BA</b>	<b>\$93,500</b>	<b>\$93,500</b>	<b>\$87,000</b>	<b>(\$6,500)</b>
<b>FTE</b>	<b>327</b>	<b>310</b>	<b>272</b>	<b>(38)</b>

### Five-Year Funding Table

PHHS	
Fiscal Year	Amount
FY 2022	\$88,900,000
FY 2023	\$93,500,000
FY 2024 Final	\$93,500,000
FY 2025 Enacted	\$93,500,000
FY 2026 President's Budget	\$87,000,000

### Program Description

OIG uses funding from its annual discretionary appropriation to effectively oversee the wide-ranging PHHS programs and funding recipients, including grantees and contractors. OIG's PHHS oversight includes the activities of HHS public health, science, regulatory, and human service agencies. We use advanced data analytics, AI, state-of-the-art investigative techniques, specialized expertise from across OIG disciplines, and strategic partnerships to protect PHHS programs and services from fraud, waste, and abuse. The strength of our tools and our broad oversight across HHS programs allows OIG to detect and prevent fraud and other threats that touch multiple programs.

### Budget Request

OIG's FY 2026 request for PHHS oversight is \$87.0 million, which is \$6.5 million below the FY 2025 Enacted Level.

## HCFAC Oversight and Enforcement

### Budget Summary

OIG (dollars in thousands)	FY 2024 Final	FY 2025 Enacted	FY 2026 President's Budget	FY 2026 +/- FY 2025
HCFAC Mandatory	\$236,276	\$243,601	\$249,691	\$6,090
HCFAC Discretionary	\$107,735	\$108,735	\$108,735	0
<b>BA Total</b>	<b>\$344,011</b>	<b>\$352,336</b>	<b>\$358,426</b>	<b>\$6,090</b>
HCFAC Collections	\$9,311	\$9,000	\$9,000	0
<b>PL Total</b>	<b>\$353,322</b>	<b>\$361,336</b>	<b>\$367,426</b>	<b>\$6,090</b>
<b>FTE</b>	<b>1,225</b>	<b>1,196</b>	<b>1,197</b>	<b>1</b>

### Five-Year Funding Table

HCFAC	
Fiscal Year	Amount
<b>FY 2022</b>	\$327,292,000
<b>FY 2023</b>	\$338,956,000
<b>FY 2024 Final</b>	\$353,322,000
<b>FY 2025 Enacted</b>	\$361,336,000
<b>FY 2026 President's Budget</b>	\$367,426,000

### Program Description

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

By statute, OIG can only use the HCFAC funding it receives for oversight of Medicare and Medicaid. These programs are the two largest, most complex health care programs at HHS. They offer benefits in multiple formats; cover a broad array of health conditions, providers, services, and settings; and operate pursuant to intricate statutory directives and regulations. More than 40 percent of Americans rely on these programs for health insurance, including adults aged 65 years and older, people with disabilities, individuals and families with low incomes, and patients with end-stage renal disease.

As the Government's leading expert in detecting and combating Medicare and Medicaid fraud—and with a specific statutory mission to prevent and detect fraud, waste, and abuse in HHS programs—OIG is uniquely positioned to provide independent, objective oversight that strengthens Medicare and Medicaid, promotes access to high-quality and affordable health care, and builds public trust, accountability, and transparency. OIG has the authorities, multidisciplinary expertise, agility, and experience to hold accountable wrongdoers engaged in increasingly sophisticated health care fraud schemes and to stay abreast of evolving trends signaling fraud, waste, or abuse.

OIG uses sophisticated data analytics and state-of-the-art investigative, auditing, and evaluative techniques to prevent and detect fraud, waste, and abuse, and to take enforcement actions where needed to protect the programs and people. Moreover, OIG gets positive results by effectively leveraging important partnerships with the Centers for Medicare & Medicaid Services (CMS), DOJ, Medicaid Fraud Control Units (MFCUs), and others. OIG routinely achieves exceptional Medicare and Medicaid investigative results in close coordination with law enforcement partners, delivering a positive return on investment every year.<sup>6</sup> In FY 2024, the HCFAC monetary results for each nonsupervisory OIG law enforcement agent was more than \$40,000 per day, or \$14.8 million per year.

## Budget Request

OIG's FY 2026 request for Medicare and Medicaid oversight is \$108.7 million, in addition to the \$249.7 million HHS OIG expects to receive in mandatory funding for Medicare and Medicaid oversight, which is an increase of \$6.1 million above the FY 2025 Enacted Level and an estimated \$9 million in HCFAC collections.

OIG's HCFAC funds are provided through several sources, including HCFAC Mandatory, HCFAC Discretionary Allocation Adjustment, and HCFAC Collections.

OIG's FY 2026 estimated Program Level for HCFAC includes:

- \$249.7 million in HCFAC Mandatory funding, an increase of \$6.1 million above the FY 2025 Enacted Level;
- \$108.7 million in HCFAC discretionary funding, at the FY 2025 Enacted Level; and
- \$9.0 million in estimated HCFAC Collections. This estimate matches the FY 2025 Enacted Level. The estimated HCFAC Collections reimburse OIG for certain costs of conducting investigations, audits, and compliance monitoring. This amount is an estimate, and the amounts available will depend on the final amount collected.

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<sup>6</sup> For example, the ROI from the collective efforts of the HCFAC partnership in FY 2023 was about \$3 returned for every \$1 expended (3-year rolling average). See [Annual Report of the Departments of Health and Human Services and Justice: Health Care Fraud and Abuse Control Program FY 2023](#).

# SECTION IV: SUPPORTING EXHIBITS

## Object Classification Tables<sup>7</sup>

Total Budget Authority | Direct (dollars in thousands)

Object Class Code	Description	FY 2024 Final	FY 2025 Enacted	FY 2026 President's Budget	FY 2026 +/- FY 2025
11.1	Full-time permanent	\$218,438	\$209,810	\$214,141	\$4,331
11.3	Other than full-time permanent	3,827	5,949	6,071	123
11.5	Other personnel compensation	7,017	8,011	9,390	1,379
11.7	Military personnel	171	176	181	5
11.8	Special personnel services payments	6	0	0	0
<b>Subtotal</b>	<b>Personnel Compensation</b>	<b>\$229,459</b>	<b>\$223,945</b>	<b>\$229,783</b>	<b>\$5,838</b>
12.1	Civilian personnel benefits	97,214	94,142	96,086	1,944
12.2	Military personnel benefits	19	20	20	0
13	Benefits for former personnel	357	789	298	(491)
<b>Total</b>	<b>Pay Costs</b>	<b>\$327,049</b>	<b>\$318,896</b>	<b>\$326,187</b>	<b>\$7,291</b>
21	Travel and transportation of persons	6,100	6,832	6,505	(327)
22	Transportation of things	3,502	3,955	3,743	(212)
23.1	Rental payments to GSA	21,933	25,022	27,820	2,799
23.2	Rental payments to others	75	81	79	(2)
23.3	Communications, utilities, and misc. charges	2,986	3,415	3,203	(212)
24	Printing and reproduction	18	24	20	(4)
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	30,712	34,860	29,075	(5,786)
25.3	Other goods and services from Federal sources	21,304	24,505	22,886	(1,619)
25.4	Operation and maintenance of facilities	1,556	1,918	1,705	(213)
25.5	Research and development contracts	0	0	0	0
25.6	Medical care	58	112	74	(38)
25.7	Operation and maintenance of equipment	25,871	28,659	27,038	(1,621)
25.8	Subsistence and support of persons	0	0	0	0
26	Supplies and materials	523	630	569	(61)
31	Equipment	4,327	4,922	4,634	(288)
32	Land and structures	705	881	776	(105)
41	Grants, subsidies, and contributions	53	68	59	(9)
42	Insurance claims and indemnities	0	0	0	0
44	Refunds	0	0	0	0
99.1	Expenditures	50	57	53	(3)
<b>Subtotal</b>	<b>Non-Pay Costs</b>	<b>\$119,773</b>	<b>\$135,997</b>	<b>\$128,258</b>	<b>(\$7,739)</b>
	<b>TOTAL</b>	<b>\$446,822</b>	<b>\$454,836</b>	<b>\$454,426</b>	<b>(\$410)</b>

<sup>7</sup> Numbers may not add due to rounding.



## PHHS Budget Authority | Direct (dollars in thousands)

Object Class Code	Description	FY 2024 Final	FY 2025 Enacted	FY 2026 President's Budget	FY 2026 +/- FY 2025
11.1	Full-time permanent	\$50,037	\$43,167	\$39,667	(\$3,500)
11.3	Other than full-time permanent	890	1,224	1,125	(99)
11.5	Other personnel compensation	1,117	1,648	1,515	(133)
11.7	Military personnel	34	35	36	1
11.8	Special personnel services payments	1	0	0	0
<b>Subtotal</b>	<b>Personnel Compensation</b>	<b>\$52,079</b>	<b>\$46,074</b>	<b>\$42,342</b>	<b>(\$3,732)</b>
12.1	Civilian personnel benefits	22,406	19,370	17,801	(1,569)
12.2	Military personnel benefits	3	3	3	0
13	Benefits for former personnel	0	160	62	(98)
<b>Total</b>	<b>Pay Costs</b>	<b>\$74,488</b>	<b>\$65,606</b>	<b>\$60,208</b>	<b>(\$5,398)</b>
21	Travel and transportation of persons	1,802	2,222	2,183	(38)
22	Transportation of things	924	1,183	1,155	(28)
23.1	Rental payments to GSA	1,562	3,259	3,790	531
23.2	Rental payments to others	15	18	18	0
23.3	Communications, utilities, and misc. charges	1,687	1,953	1,942	(11)
24	Printing and reproduction	4	8	7	(1)
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	3,900	6,043	5,628	(415)
25.3	Other goods and services from Federal sources	637	2,394	2,066	(328)
25.4	Operation and maintenance of facilities	30	239	198	(40)
25.5	Research and development contracts	0	0	0	0
25.6	Medical care	10	43	37	(6)
25.7	Operation and maintenance of equipment	8,011	9,599	8,922	(677)
25.8	Subsistence and support of persons	0	0	0	0
26	Supplies and materials	137	200	191	(9)
31	Equipment	241	565	508	(58)
32	Land and structures	20	122	103	(19)
42	Insurance claims and indemnities	17	26	25	(1)
44	Refunds	0	0	0	0
91	Confidential expenditures	15	19	18	(1)
<b>Subtotal</b>	<b>Nonpay Costs</b>	<b>\$19,012</b>	<b>\$27,894</b>	<b>\$26,792</b>	<b>(\$1,102)</b>
	<b>TOTAL</b>	<b>\$93,500</b>	<b>\$93,500</b>	<b>\$87,000</b>	<b>(\$6,500)</b>

## HCFAC Budget Authority | Direct (dollars in thousands)

Object Class Code	Description	FY 2024 Final	FY 2025 Enacted	FY 2026 President's Budget	FY 2026 +/- FY 2025
11.1	Full-time permanent	\$168,402	\$166,643	\$174,474	\$7,831
11.3	Other than full-time permanent	2,937	4,725	4,947	222
11.5	Other personnel compensation	5,900	6,363	7,875	1,513
11.7	Military personnel	136	140	144	4
11.8	Special personnel services payments	5	0	0	0
<b>Subtotal</b>	<b>Personnel Compensation</b>	<b>\$177,380</b>	<b>\$177,871</b>	<b>\$187,440</b>	<b>\$9,569</b>
12.1	Civilian personnel benefits	74,808	74,772	78,285	3,513
12.2	Military personnel benefits	16	17	17	0
13	Benefits for former personnel	357	630	237	(393)
<b>Total</b>	<b>Pay Costs</b>	<b>\$252,561</b>	<b>\$253,290</b>	<b>\$265,979</b>	<b>\$12,689</b>
21	Travel and transportation of persons	4,298	4,611	4,322	(289)
22	Transportation of things	2,578	2,772	2,588	(184)
23.1	Rental payments to GSA	20,371	21,762	24,030	2,267
23.2	Rental payments to others	60	63	62	(1)
23.3	Communications, utilities, and misc. charges	1,299	1,462	1,261	(201)
24	Printing and reproduction	14	16	13	(3)
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	26,812	28,817	23,446	(5,371)
25.3	Other goods and services from Federal sources	20,667	22,111	20,820	(1,290)
25.4	Operation and maintenance of facilities	1,526	1,679	1,506	(173)
25.5	Research and development contracts	0	0	0	0
25.6	Medical care	48	68	37	(31)
25.7	Operation and maintenance of equipment	17,860	19,060	18,116	(944)
25.8	Subsistence and support of persons	0	0	0	0
26	Supplies and materials	386	430	378	(52)
31	Equipment	4,086	4,356	4,126	(230)
32	Land and structures	685	759	673	(86)
42	Insurance claims and indemnities	36	42	34	(8)
44	Refunds	0	0	0	0
91	Confidential expenditures	35	38	35	(3)
<b>Subtotal</b>	<b>Nonpay Costs</b>	<b>\$100,761</b>	<b>\$108,046</b>	<b>\$101,447</b>	<b>(\$6,599)</b>
	<b>TOTAL</b>	<b>\$353,322</b>	<b>\$361,336</b>	<b>\$367,426</b>	<b>\$6,090</b>

## Reimbursable Budget Authority (dollars in thousands)

Object Class Code	Description	FY 2024 Final	FY 2025 Enacted	FY 2026 President's Budget	FY 2026 +/- FY 2025
11.1	Full-time permanent	\$1,025	\$1,054	\$1,059	\$5
11.3	Other than full-time permanent	34	35	35	0
11.5	Other personnel compensation	24	25	25	0
11.8	Special personnel services payments	0	0	0	0
<b>Subtotal</b>	<b>Personnel Compensation</b>	<b>\$1,083</b>	<b>\$1,114</b>	<b>\$1,119</b>	<b>\$5</b>
12.1	Civilian personnel benefits	435	447	450	3
13	Benefits for former personnel	0	0	0	0
<b>Total</b>	<b>Pay Costs</b>	<b>\$1,518</b>	<b>\$1,561</b>	<b>\$1,568</b>	<b>\$8</b>
21	Travel and transportation of persons	24	34	34	0
22	Transportation of things	0	0	0	0
23.1	Rental payments to GSA	0	0	0	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and misc. charges	0	0	0	0
24	Printing and reproduction	0	0	0	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	12	17	17	0
25.3	Other goods and services from Federal sources	13,495	19,122	19,114	(8)
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	0	0
25.6	Medical care	0	0	0	0
25.7	Operation and maintenance of equipment	30	43	42	0
25.8	Subsistence and support of persons	0	0	0	0
26	Supplies and materials	0	0	0	0
31	Equipment	158	224	224	0
32	Land and structures	0	0	0	0
42	Insurance claims and indemnities	0	0	0	0
44	Refunds	0	0	0	0
91	Confidential expenditures	0	0	0	0
<b>Subtotal</b>	<b>Nonpay Costs</b>	<b>\$13,719</b>	<b>\$19,439</b>	<b>\$19,432</b>	<b>(\$8)</b>
	<b>TOTAL</b>	<b>\$15,237</b>	<b>\$21,000</b>	<b>\$21,000</b>	<b>\$0</b>

## Detail of FTE

OIG	FY 2024 Actual			FY 2025 Estimated			FY 2026 Estimated		
	CIV	CC	Total	CIV	CC	Total	CIV	CC	Total
PHHS	327		327	310		310	272		272
Reimbursable	8		8	10		10	10		10
<b>PHHS Subtotal FTE</b>	335		335	320		320	282		282
HCFAC Direct	1,224	1	1,225	1,195	1	1,196	1,196	1	1,197
<b>HCFAC Subtotal FTE</b>	1,224	1	1,225	1,195	1	1,196	1,196	1	1,197
<b>OIG Total FTE</b>	1,559	1	1,560	1,515 <sup>8</sup>	1	1,516	1,478	1	1,479
<b>Average GS Grade</b>			12.9			12.9			13.0

## Detail of Positions

Direct Civilian Positions	FY 2024 Final	FY 2025 Enacted <sup>9</sup>	FY 2026 President's Budget
<b>Executive Level (EX)</b>			
EX Level I	-	-	-
EX Level II	-	-	-
EX Level III	-	-	-
EX Level IV	-	-	-
EX Level V	1	1	1
<b>Subtotal, Executive Level Positions</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Total, Executive Level Salaries</b>	<b>\$197,300</b>	<b>\$197,300</b>	<b>\$197,300</b>
<b>Senior Executive Service (SES) and Senior Level (SL)</b>			
SES Positions	25	20	22
SL Positions	8	6	7
<b>Subtotal, SES &amp; SL Positions</b>	<b>33</b>	<b>26</b>	<b>29</b>
<b>Subtotal, SES &amp; SL Salaries</b>	<b>\$6,893,695</b>	<b>\$5,774,599</b>	<b>\$6,524,657</b>
<b>Summary of EX, SES, and SL</b>			
<b>Total, SES &amp; SL Positions</b>	<b>34</b>	<b>27</b>	<b>30</b>
<b>Total, SES &amp; SL Salaries</b>	<b>\$7,090,995</b>	<b>\$5,971,899</b>	<b>\$6,721,957</b>
<b>General Schedule (GS)</b>			
GS-15	160	142	152
GS-14	282	263	268
GS-13	722	687	685
GS-12	223	183	212
GS-11	59	67	56
GS-10	0	0	0
GS-9	56	30	53
GS-8	2	1	2
GS-7	13	15	12
GS-6	1	1	1
GS-5	4	4	4

<sup>8</sup> FY 2025 FTE amounts include Deferred Resignation Program (DRP) employees; these positions remain encumbered through Sept. 30, 2025.

<sup>9</sup> Position estimates are as of Sept. 30, 2025, and exclude DRP, Voluntary Early Retirement Authority (VERA), and Voluntary Separation Incentive Payment (VSIP) employees.

Direct Civilian Positions	FY 2024 Final	FY 2025 Enacted <sup>9</sup>	FY 2026 President's Budget
GS-4	6	6	6
Subtotal, GS Positions	1,528	1,396	1,449
Subtotal, GS Salaries	\$204,922,890	\$194,312,520	\$204,031,010
Total OIG Summary			
OIG Total Salaries	\$212,013,885	\$200,284,419	\$210,752,967
OIG Total Positions	1,562	1,423	1,479
Average Salary Information			
Average ES Level	II	II	II
Average ES & SL Salary	\$202,756	\$213,874	\$217,489
Average GS Grade	12.9	12.9	13
Average GS Salary	\$135,508	\$139,167	\$141,533
Average GL Salary	\$87,764	\$92,503	\$96,481

# Performance Overview

OIG consistently delivers impactful results by:

- Fighting fraud, waste, and abuse.
- Promoting economy, efficiency, and effectiveness, as well as quality and safety.
- Advancing excellence and innovation.

We established our performance measures to quantify our outputs and provide insight into how we achieve results that drive positive change. The following examples demonstrate the power of enforcement and oversight to protect HHS programs and the people they serve.

## Enforcement

OIG is the Nation's leading health care fraud investigative agency. In FY 2024, OIG investigative efforts resulted in more than \$6.5 billion in expected recoveries. OIG investigators participated alongside key law enforcement partners in significant actions, including the [2024 Nationwide Health Care Fraud Enforcement Action](#). As a result of this Enforcement Action, 193 defendants, including 76 doctors, nurse practitioners, and other licensed medical professionals, across 32 Federal districts were charged for their alleged participation in various health care fraud schemes resulting in \$2.75 billion in false billings to Federal programs. The Enforcement Action was closely coordinated among OIG, DOJ, Federal Bureau of Investigation, State Attorneys General, MFCUs, Drug Enforcement Administration, and others.

The criminal conduct charges included millions of dollars in false and fraudulent claims for medically unnecessary procedures performed on elderly and terminally ill patients; unlawful distribution of stimulants, which exacerbated stimulant shortages and endangered patients; telemedicine schemes; laboratory genetic testing schemes; wire fraud; and conspiracy to introduce adulterated and misbranded HIV drugs into the market, resulting in detrimental health consequences. Other charges included fraudulent bills to Medicaid for substance abuse treatment services that were either never provided or were provided at a level so substandard that they failed to serve any treatment purpose.

The 2024 Enforcement Action exemplifies the substantial benefit of OIG's deep expertise in health care fraud and the close coordination and information sharing that typify how OIG and its law enforcement partners approach fighting health care fraud and protecting patients.

## Grants and Contracts Oversight

OIG oversight is holding HHS agencies, funding recipients, and subrecipients accountable for ensuring that HHS grants and contracts are used in accordance with Federal requirements, funds are appropriately spent, and that HHS programs effectively and efficiently serve the people who depend on them.

OIG has identified grant and contract oversight as a top management challenge for HHS and worked to drive positive change. An OIG audit found NIH did not exercise rigorous oversight of potentially high-risk research funded through a grant to EcoHealth Alliance (EcoHealth). Compliance gaps resulted in missed opportunities by NIH and EcoHealth to mitigate inherent risks. Key outcomes from the audit included HHS's debarment of a foreign subrecipient for 10 years; NIH assessing its review of research involving potential pandemic pathogens; NIH's recovery of questioned costs; and changes to policies to improve oversight and monitoring. A separate OIG audit found that FDA did not always identify contracts eligible for closeout or follow requirements for closing contracts timely. Because contracts were not always closed timely, FDA may not have identified unused funds that could be deobligated and released to another appropriate need. Key outcomes from the audit included FDA's agreement to deobligate unused funds, close eligible contracts, add language to contract awards to require that contractors specify the final contract invoice, and seek a solution to automate closeout processes. In another report, OIG found that NIH did not always close



contracts in accordance with requirements for \$1.9 billion worth of contracts reviewed, putting funds at risk of fraud, waste, and abuse.

Strengthening the integrity of HHS's grants and contracts is an OIG priority. In FY 2025, OIG released a [strategic plan](#) for our Grants and Contracts oversight designed to: (1) strengthen compliance with requirements; (2) promote award practices that achieve intended program outcomes; and (3) enhance public trust in HHS awards by mitigating fraud, waste, abuse, and mismanagement.

## Managed Care

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Growth of managed care over the past several years has changed fundamental aspects of the Medicare and Medicaid programs. This significant shift has transformed how the Government pays for and covers health care for approximately 100 million enrollees.

OIG has a robust body of work and deep experience in managed care oversight, including expertise in Medicare Advantage payments. OIG has examined risks in payments made to Medicare Advantage organizations (MAOs), issuing more than 40 reports since 2019. For many of these reports, OIG audited specific diagnosis codes submitted by MAOs. OIG found that 75 percent were not supported by underlying medical records. In a series of reports on tools called health risk assessments (HRAs) and chart reviews, OIG initially raised concerns that MAOs could use these tools to generate \$9.2 billion in potential improper payments annually. OIG recently updated its work on HRAs and found that \$7.5 billion in payments were made for diagnoses from HRAs, furthering concerns that either the diagnoses were inaccurate and thus the payments improper, or that enrollees did not receive needed care.

OIG's work contributed to several recent Medicare Advantage fraud settlements, including a DOJ settlement with the Cigna Group resulting in a historic \$172 million recovery from Cigna and its subsidiaries and a settlement with Independent Health resulting in up to a \$98 million recovery. Both settlements were entered into to resolve allegations that the insurers submitted or caused the submission of invalid diagnosis codes to increase payments from Medicare. Experts at OIG, including investigators, auditors, evaluators, and data scientists, worked with Federal law enforcement partners, and determined that both Cigna and Independent Health utilized questionable methods to increase payments. In addition to the settlements, OIG negotiated comprehensive corporate integrity agreements with the two entities that encourage greater accountability and transparency, including through independent reviews of risk-adjustment data. OIG is monitoring Cigna's and Independent Health's adherence to the corporate integrity agreements. This effort will deter future fraud by other Medicare Advantage plan providers.

OIG's work has also identified improper payments made on behalf of Medicaid managed care enrollees. For example, a 2022 HHS-OIG audit examined Medicaid capitation payments for people concurrently enrolled in more than one State Medicaid program and found potential annualized savings to the Medicaid program of \$1 billion (Federal and State share). Concurrent enrollments can occur when a person moves from one State to another and enrolls in the new State's Medicaid program. Current systems do not identify enrollees who move from one State's program to another's in a timely manner. Our audit found that nearly all States made capitation payments for people who were enrolled in Medicaid in two States at the same time.

OIG's managed care work is guided by its [strategic plan](#) for oversight of Managed Care for Medicare and Medicaid. The goals of the plan are to: (1) promote access to care for people enrolled in managed care, (2) provide comprehensive financial oversight, and (3) promote data accuracy and encourage data-driven decisions.

## Nursing Homes

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OIG is committed to protecting nursing home residents and providing oversight of Medicare and Medicaid payments for their care. More than 15,000 nursing homes operate nationally, providing 1.2 million residents

with either long-term care or post-acute care focused on recovery and rehabilitation. Many homes provide excellent care, but an alarming number of residents are subject to poor quality care and unsafe conditions. Decades of OIG work on nursing homes has uncovered widespread challenges in providing safe, high-quality care.

One example has been sustained OIG attention to reducing the inappropriate use of antipsychotic drugs in nursing homes, and we have seen meaningful results, including reductions in use of antipsychotic drugs in nursing homes. However, OIG more recently uncovered evidence that some nursing homes may be exploiting loopholes in CMS's monitoring and reporting on their antipsychotic drug use. Further, OIG identified that despite a reduction in the use of antipsychotic drugs in nursing homes, the overall rate of psychotropic drug use has remained constant. OIG has new expected work in 2025 assessing nursing home citations for misuse of antipsychotic medication.

OIG made important recommendations to CMS to improve Care Compare, CMS's website that provides crucial information for consumers about nursing homes. In response to OIG's recommendations, CMS added data to the Care Compare website about nurse turnover rates and staffing levels on weekends, and began auditing the reliability of the non-nurse staffing data that it features in Care Compare.

In 2024, OIG published [Industry Segment-Specific Compliance Program Guidance \(ICPG\) for Skilled Nursing Facilities and Nursing Facilities](#). This voluntary resource for the nursing home industry consolidates decades of OIG's oversight and recommendations specifically for nursing facilities. The guidance underscores the critical importance of maintaining the highest standards of compliance, quality of care, and resident quality of life. The Nursing Facility ICPG is designed to help improve care for residents and ensure that taxpayers' investments in nursing home services are not misspent or wasted.

## Performance Goals and Outcomes

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Three outcome indicators of OIG's performance in fighting fraud, waste, and abuse and promoting economy, efficiency, and effectiveness in HHS programs and operations are:

- a 3-year rolling average of expected recoveries from OIG's HHS oversight activities that resulted in investigative recoveries and audit disallowances (post adjudication expected recoveries),
- a 3-year rolling average of the expected ROI from OIG's HHS oversight activities that resulted in investigative recoveries and audit disallowances, and
- number of accepted quality and management improvement recommendations.

These three outcome indicators reflect OIG's audits, evaluations, and investigative efforts as well as joint efforts with a network of program integrity partners. OIG audits and evaluations generate findings and recommendations intended to reduce costs, improve the efficiency and economy of programs, and/or increase protections for the health and well-being of people served by HHS programs. OIG informs Congress and HHS officials of its actionable, reliable recommendations to protect and strengthen programs. OIG engages proactively with HHS officials and other decisionmakers to promote prompt and effective implementation of recommendations. OIG remains at the forefront of the Nation's effort to fight fraud in HHS programs and hold wrongdoers accountable. Along with our partners, including DOJ, MFCUs, and various Federal, State, and local law enforcement agencies, OIG detects, investigates, and prosecutes fraud through a coordinated, data-driven approach.

## Key Outcomes and Outputs Tables

Key Outcomes	FY 2024 Target Actual	FY 2025 Estimate	FY 2026 Proposed Target	FY 2026 +/- FY 2025
Expected recoveries resulting from OIG involvement in all oversight activities, 3-year rolling average (dollars in millions)	\$3,452 (Target) \$4,542 (Actual) Target Exceeded	\$5,084	\$5,630	+\$546
ROI resulting from OIG involvement in all oversight activities, 3-year rolling average	\$10:\$1 (Target) \$11:\$1 (Actual) Target Exceeded	\$11:\$1	\$12.8:\$1	+\$1.8:\$1
Number of quality and management improvement recommendations accepted	110 (Target) 179 (Actual) Target Exceeded	102	92	- 10
<b>Key Outputs</b>				
<b>Audits:</b>				
Audit products started	113 (Target) 125 (Actual) Target Exceeded	101	89	-12
Audit products issued	112 (Target) 120 (Actual) Target Exceeded	100	88	-12
Audit products issued within 1 year of start (percentage)	19% (Target) 22% (Actual) Target Exceeded	17%	15%	-2%
<b>Evaluations:</b>				
Evaluation products started	40 (Target) 44 (Actual) Target Exceeded	39	36	-3
Evaluation products issued	40 (Target) 40 (Actual) Target Met	39	36	-3
Evaluation products issued within 1 year of start (percentage)	30% (Target) 25% (Actual) Target Not Met	29%	27%	-2%
<b>Investigations:</b>				
Complaints received for investigation <sup>10</sup>	2,988 (Target) 2,877 (Actual) Target Not Met but improved	2,682	2,331	-351
Investigative cases opened	1,764 (Target) 1,770 (Actual) Target Exceeded	1,650	1,434	-216
Investigative cases closed	1,879 (Target) 1,856 (Actual) Target Not Met	1,730	1,503	-227
<b>PL funding</b> (dollars in millions)	<b>446.8</b>	<b>454.8</b>	<b>454.4</b>	<b>-0.4</b>

<sup>10</sup> Complaints received reflects incoming complaints OIG has processed.

## Performance Information for PHHS Oversight

Key Outputs	FY 2024 Target Actual	FY 2025 Estimate	FY 2026 Proposed Target	FY 2026 +/- FY 2025
<b>Audits:</b>				
<b>Audit products started</b>	32 (Target) 32 (Actual) Target Met	19	17	-2
<b>Audit products issued</b>	31 (Target) 46 (Actual) Target Exceeded	19	17	-2
<b>Evaluations:</b>				
<b>Evaluation products started</b>	9 (Target) 7 (Actual) Target Not Met	7	7	0
<b>Evaluation products issued</b>	9 (Target) 9 (Actual) Target Met	7	7	0
<b>Investigations:</b>				
<b>Complaints received for investigation</b>	508 (Target) 503 (Actual) Target Not Met but improved	510	443	-67
<b>Investigative cases opened</b>	331 (Target) 379 (Actual) Target Exceeded	314	272	-42
<b>Investigative cases closed</b>	372 (Target) 406 (Actual) Target Exceeded	329	286	-43
<b>BA funding (dollars in millions)</b>	<b>93.5</b>	<b>93.5</b>	<b>87.0</b>	<b>- 6.5</b>

## Performance Information for Medicare and Medicaid Oversight

Key Outputs	FY 2024 Target Actual	FY 2025 Estimate	FY 2026 Proposed Target	FY 2026 +/- FY 2025
<b>Audits:</b>				
<b>Audit products started</b>	81 (Target) 93 (Actual) Target Exceeded	82	72	-10
<b>Audit products issued</b>	81 (Target) 74 (Actual) Target Not Met	81	71	-10
<b>Evaluations:</b>				
<b>Evaluation products started</b>	31 (Target) 36 (Actual) Target Exceeded	32	29	-3
<b>Evaluation products issued</b>	31 (Target) 31 (Actual) Target Met	31	29	-2
<b>Investigations:</b>				
<b>Complaints received for investigation</b>	2,482 (Target) 2,374 (Actual) Target Not Met but improved	2,172	1,888	-284
<b>Investigative cases opened</b>	1,433 (Target) 1,391 (Actual) Target Not Met	1,336	1,162	-174
<b>Investigative cases closed</b>	1,507 (Target) 1,450 (Actual) Target Not Met	1,401	1,217	-184
<b>BA funding</b> (dollars in millions)	<b>353.3</b>	<b>361.3</b>	<b>367.4</b>	<b>+6.09</b>

# SECTION V: OIG SPECIAL REQUIREMENTS

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

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

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

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

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

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

OIG meets the above requirement by providing the following information:

- OIG’s aggregate budget estimate and request to HHS at the beginning of the FY 2026 process was \$573.1 million.<sup>11</sup> In addition to supporting OIG’s current level of mission-critical law enforcement, auditing, and oversight work—including in critical areas such as Medicare Advantage, Medicaid, durable medical equipment fraud, and patient harm—this funding would

<sup>11</sup> This number includes proposed rebasing of the HCFAC Mandatory funding that is not included in the final FY 2026 President’s Budget and that would have enabled OIG to address a backlog of hundreds of viable, serious fraud allegations for which OIG does not have sufficient investigators.



have supported expanded or new OIG oversight and enforcement activities to stop fraud and recover misspent funds; an improved cyber posture, an investment in AI capability to proactively identify high-risk Medicare and Medicaid claims; and increased oversight of HHS grants and contracts to recover misspent funds and protect HHS funds from misuse. This funding also included transfers to fund OIG oversight of the activities of NIH and FDA, which OIG has received in prior years. Not receiving these transfers would directly reduce OIG's oversight of NIH and FDA and/or indirectly impair OIG's ability to provide oversight of other PHS programs.

- Historically, OIG has provided protective services for the Secretary pursuant to appropriations language indicating that OIG can use its PHS funding for costs necessary for such protective services.
- Funding requested for training is approximately \$4 million.
- Funding amounting to \$2.3 million will be necessary to support the Council of the Inspectors General on Integrity and Efficiency.

HHS-OIG Fiscal Year 2026

# Justification of Estimates for Congress



Department of Health and Human Services  
Office of Inspector General

