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# **Work Plan Appendix A: Recovery Act Reviews**

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Note: selected acronyms and abbreviations of terms, titles, organizations, and laws used in the Work Plan are spelled out in Appendix B.

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# Recovery Act Reviews: Medicare and Medicaid

## Medicare Part A and Part B

The Office of Inspector General's (OIG) work in progress and new starts planned for fiscal year (FY) 2011 follow.

### Medicare Incentive Payments for Electronic Health Records

We will review Medicare incentive payments to eligible health care professionals and hospitals for adopting electronic health records (EHR) and the Centers for Medicare & Medicaid Services' (CMS) safeguards to prevent erroneous incentive payments. An EHR is an electronic record of health-related information for an individual that is generated by health care providers. It may include a patient's health history, along with other items. The American Recovery and Reinvestment Act of 2009 (Recovery Act), §§ 4101 and 4102, authorize Medicare incentive payments over a 5-year period to physicians and hospitals that demonstrate meaningful use of certified EHR technology. Incentive 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. According to Congressional Budget Office (CBO) estimates, CMS's net spending for incentives will total about \$20 billion. We will review Medicare incentive payment data from 2011 to identify payments to providers that should not have received incentive payments (e.g., those not meeting meaningful use criteria). We will also assess CMS's plans to oversee incentive payments for the duration of the program and actions taken to remedy erroneous incentive payments.

*(OEI; 00-00-00000; expected issue date: FY 2012; new start; Recovery Act)*

## Medicaid Hospitals

### Medicaid Disproportionate Share Hospital Payments

We will review disproportionate share hospital (DSH) payments to determine whether the expenditures claimed met Medicaid requirements. Section 5002 of the Recovery Act provides fiscal relief to States by increasing most States' FY 2009 and 2010 Medicaid DSH allotments by 2.5 percent. Such 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. For FY 2009, the estimated total Federal Medicaid DSH allotments available to States would increase by \$268 million to about \$11.33 billion.

*(OAS; W-00-11-31350; various reviews; expected issue date: FY 2011; new start, Recovery Act)*

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## **Medicaid Administration**

### **State Medicaid Agencies' Progress in Implementing Medicaid Recovery Act Incentives for Electronic Health Records**

We will review State Medicaid agencies' progress in implementing Medicaid incentive payments for EHRs. Sections 4101 and 4201 of the Recovery Act created incentives for eligible health care providers and hospitals to adopt certified EHR technology in the Medicare and Medicaid programs. According to CBO estimates, CMS's net spending for incentive payments will total about \$20 billion. We will determine the progress of State Medicaid agencies in getting CMS's approval to make incentive payments. We will also determine when State Medicaid agencies plan to make incentives available to health care providers and hospitals. *(OEI; 05-10-00080; expected issue date: FY 2011; work in progress; Recovery Act)*

### **Medicaid Incentive Payments for Electronic Health Records**

We will review Medicaid incentive payments to providers and hospitals for adopting EHRs and CMS's safeguards to prevent erroneous incentive payments. 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. Section 4201 also provides a 90-percent Federal match for State administrative expenses for the adoption of certified EHR technology by Medicaid providers. According to CBO estimates, Medicaid spending for incentives will total about \$12 billion between 2011 and 2019. We will determine whether incentive payments to Medicaid providers to purchase, implement, and operate EHR technology were claimed in accordance with Medicaid requirements. We will also assess CMS's actions to remedy erroneously made incentive payments and its plans for securing the payments for the duration of the incentive program, as well as review payments to States for administrative expenses. *(OAS; W-00-11-31351; various reviews; expected issue date: FY 2011; new start; Recovery Act)*

### **States' Use of Increased Recovery Act Funding**

We will review States' compliance with section 5001(f)(3) of the Recovery Act, which provides that a State is not eligible for an increased Federal medical assistance percentage (FMAP) if any amount attributable (directly or indirectly) to such an increase is deposited or credited into any State reserve or rainy-day fund. We will determine how selected States expended increased FMAP funding and whether they used the increased funding to supplement reserve or rainy-day funds. *(OAS; W-00-10-31358; W-00-11-31358; various reviews; expected issue date: FY 2011; work in progress, Recovery Act)*

### **Reconciliation of Expenditure Reports to Claim Data**

We will review and reconcile reported line items on the Medicaid quarterly expenditure report (Form CMS-64) in selected States to determine whether the amounts claimed are adequately supported. The amounts reported on Form CMS-64 and its attachments must be actual

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expenditures for which all supporting documentation, in readily reviewable form, has been compiled and is available immediately at the time a claim is filed. Our prior audit work revealed concerns about expenditures claimed on Form CMS-64.

*(OAS; W-00-10-31359; W-00-11-31359; various reviews; expected issue date: FY 2011; work in progress, Recovery Act)*

### **Medicaid High-Risk Providers**

We will review claims from selected provider types that have a high risk of claiming improper Medicaid payments. We will analyze claims data to identify provider types and conduct focused reviews of individual providers. We will identify high-risk providers based on our past work in the Medicaid program and on error rates reported under CMS's Payment Error Rate Measurement (PERM) program.

*(OAS; W-00-10-31360; W-00-11-31360; various reviews; expected issue date: FY 2011; work in progress, Recovery Act)*

## **Medicare and Medicaid Information Systems and Data Security**

### **Health Information Technology System Enhancements**

We will review health information technology (health IT) enhancements to CMS systems to ensure that they include standards adopted by the Department of Health & Human Services (HHS) and that adequate information technology (IT) security controls are in place to protect sensitive EHR and personal information. 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 EHRs. Medicare incentive payments are being phased out over time and replaced with financial penalties for providers that are not using EHR. CMS systems require modification to manage the new requirements.

*(OAS; W-00-10-27109; various reviews; expected issue date: FY 2011; work in progress; Recovery Act)*

### **Contractor System Enhancements**

We will review health IT enhancements to IT systems used by Medicare and Part D contractors to ensure that adequate IT security controls are in place to protect sensitive EHR and personal information that is being added as a result of the Federal health IT initiatives. CMS contractor systems require modification to comply with the new requirements.

*(OAS; W-00-11-27109; various reviews; expected issue date: FY 2012; new start; Recovery Act)*

### **Breaches and Medical Identity Theft Involving Medicare Identification Numbers**

We will review CMS's policies and procedures on breaches and medical identity theft. Section 13400 of the Recovery Act defines a "breach" as an "unauthorized acquisition, access, use, or disclosure of protected health information which compromises the security or privacy of the protected health information." The Recovery Act requires covered entities, including health plans such as Medicare, to notify individuals whose unsecured protected health information

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has been or is reasonably believed to have been accessed, acquired, or disclosed as a result of a breach. Breaches of protected health information increase Medicare beneficiaries' and providers' vulnerability to medical identity theft. We will review CMS's breach policies, determine the number of known breaches and instances of medical identity theft involving beneficiary and provider Medicare identification numbers, and assess the actions that CMS has taken in response to them.

*(OEI; 02-10-00040; expected issue date: FY 2011; work in progress; Recovery Act)*

### **Medicare and Medicaid Health Information Data Privacy**

We will review Medicare and Medicaid program providers' implementation of the Privacy Rule standards of the Health Insurance Portability and Accountability Act of 1996 (HIPAA). The standards address use and disclosure of individuals' Protected Health Information (PHI) by covered entities, which include Medicare and Medicaid providers. The Health Information Technology for Economic and Clinical Health Act (HITECH), part of the Recovery Act, strengthened and expanded Privacy Rule protections. The Office for Civil Rights (OCR) is responsible for overseeing compliance with and enforcement of the Privacy Rule. Sections 13409 and 13410 of the Recovery Act established increased civil penalties for noncompliance, as well as new enforcement responsibilities for OCR. We will also review the adequacy of OCR's oversight of the HIPAA Privacy Rule.

*(OEI; 09-10-00510; expected issue date: FY 2012; work in progress; Recovery Act)*

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## **Recovery Act Reviews: Public Health Programs**

### **Centers for Disease Control and Prevention**

#### **Recipient Compliance With Cooperative Agreement Requirements**

We will review compliance with the Recovery Act and applicable Federal regulations by recipients of the Centers for Disease Control and Prevention's (CDC) cooperative agreements. The Recovery Act provides \$1 billion, primarily through cooperative agreements, for prevention and wellness strategies. The funds will be awarded and spent in a short period. As part of our oversight role in preventing fraud, waste, and abuse, we will determine whether CDC recipients spent funds in accordance with the terms and conditions in the Recovery Act and applicable Federal regulations.

*(OAS; W-11-09-27102; expected issue date: FY 2011; new start, Recovery Act)*

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## Health Resources and Services Administration

### HRSA Health Information Technology Grants

We will review health center controlled networks' (HCCN) progress in implementing EHR and other health IT initiatives funded through Health Resources and Services Administration (HRSA) grants. During 2007 and 2008, HRSA awarded 74 grants totaling \$50 million to HCCNs and large multisite health centers to implement EHRs and other health IT innovations to improve the safety and quality of health care delivery and eliminate waste and duplication of care. The Recovery Act provided HRSA another \$120 million for HCCNs to support EHR and health IT implementation and EHR quality improvement. HRSA's Bureau of Primary Health Care (BPHC) is charged with promoting the adoption and effective use of health IT through grants and technical assistance. We will examine BPHC's efforts to promote and oversee grantees' implementation of EHRs and other health IT innovations.

*(OEI; 00-00-00000; expected issue date: FY 2011; new start; Recovery Act)*

### Limited-Scope Audits of Grantees' Capacities

We will determine whether potentially high-risk recipients of Recovery Act funds for new access points are capable of managing Federal awards. Under the New Access Points program, 50 of the 126 grantees receiving \$156 million in Recovery Act funds for new service delivery sites are new grantees. In light of the Office of Inspector General's (OIG) oversight role in preventing fraud, waste, and abuse and given the increased number of grants and the expanded revenue base of grantees, we will also conduct limited-scope audits of grants for Increased Demand for Services (\$342 million), the Capital Improvement Program (\$853 million), and the Facility Investment Program (\$520 million). The objective of the audits will be to assess grantees' capacities to manage and account for Federal funds and to operate community health service delivery sites in accordance with Federal regulations.

*(OAS; W-00-10-27105; W-00-11-27105; various reviews; expected issue date: FY 2011; work in progress and new start, Recovery Act)*

### Recovery Act Funding for Community Health Centers Infrastructure Development

We will review community health centers and other facilities in two States to determine whether Recovery Act funds were spent in accordance with Federal regulations. The Recovery Act provided \$2 billion to be invested in community health centers. Of that amount, \$1.5 billion funds infrastructure development for community health centers, which includes acquisition of equipment, construction, and renovation. Another \$500 million has been provided to fund operations of health centers. Community health centers are locally directed and operated providers of preventive and primary care. Ten community health centers in Florida were awarded about \$30 million in Recovery Act funding. In Alabama, one community health center received about \$15 million, half of the entire State's allotment. Based on the results, audits may be performed in other States.

*(OAS; W-00-11-27105; expected issue date: FY 2011; new start; Recovery Act)*



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## **Grant Award System for Health Information Technology Funds**

We will review general and application IT security controls for HRSA's grant system to ensure that adequate IT security controls are 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. HRSA has \$120 million in Recovery Act funding available for health IT systems and network grants to support EHR for health centers. The review will focus on the controls in place to safeguard health IT grant information pertaining to HRSA's distribution of the grant funds. 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.

*(OAS; W-00-11-27109; various reviews; expected issue date: FY 2011; new start; Recovery Act)*

## **Community Health Centers Receiving Health Information Technology Funding**

We will review general IT security controls in place for community health center systems funded by HRSA health IT grants to ensure that adequate health IT security controls are in place to protect sensitive EHR and personal information. HRSA will expend \$120 million of \$1.5 billion in Recovery Act funding for health IT systems and network grants to support EHR for community health centers. Almost 300 community health centers are expected to benefit from the funding.

*(OAS; W-00-11-27109; various reviews; expected issue date: FY 2011; new start; Recovery Act)*

## **Indian Health Service**

### **Facilities Construction Bid Proposal Audits**

We will review the top bidders for Indian Health Service (IHS) construction contracts to determine whether the proposed costs were supported by current, complete, and accurate cost or pricing data and determine the reasonableness and allowability of proposed costs and will review bid estimation procedures. The Recovery Act provides \$415 million for construction of IHS health care facilities. As part of our oversight role in preventing fraud, waste, and abuse, we will assess the bid proposals to address the risk of unreasonable or unallowable costs or inaccurately priced contracts.

*(OAS; W-00-11-27103; expected issue date: FY 2012; new start, Recovery Act)*

### **Facilities Construction Contingency Fund Management Audits**

We will review IHS's management of construction contingency funds and determine whether they were spent on eligible project costs. The Recovery Act provides \$415 million for construction of IHS health care facilities. Our preliminary analysis indicates that 10 to 15 percent of construction funding is usually set aside as a contingency fund for major construction projects. The Recovery Act specifies that funds must be obligated by the end of FY 2010. As part of our oversight role in preventing fraud, waste, and abuse, we will assess IHS's management of contingency funds to determine whether the usage was proper

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considering the accelerated timeframe to obligate the funds, which will then be used for construction projects lasting for years afterward.

*(OAS; W-00-11-27103; expected issue date: FY 2012; new start, Recovery Act)*

### **Internal Controls Over Equipment**

We will review IHS's internal controls for property management and equipment monitoring. The Recovery Act provides \$20 million for IHS to purchase medical equipment, computed tomography scanners, and ambulances. A recent Government Accountability Office (GAO) audit found that millions of dollars worth of IHS property was lost or stolen over the past several years. The audit also found evidence of wasteful spending. As part of OIG's oversight role in preventing fraud, waste, and abuse, we will assess internal controls and monitoring of IHS property.

*(OAS; W-00-11-27103; expected issue date: FY 2012; new start, Recovery Act)*

### **Indian Health Service System Improvements**

We will review improvements by IHS to its applications and network infrastructure to ensure that IT security controls are in place. The Recovery Act provided \$85 million to IHS to make improvements to its health IT environment and to improve service to its constituents. Activities to be funded with the investment include (1) application development and enhancements for the Resource and Patient Management System, which contains patient medical data, history, and payment data, and (2) health IT infrastructure security improvements to ensure safety of health data, as well as network upgrades to provide enhanced health services to IHS constituents.

*(OAS; W-00-11-27109; various reviews; expected issue date: FY 2011; new start; Recovery Act)*

## **National Institutes of Health**

### **Implementation of Internal Controls for Grantee Reporting**

We will review the National Institutes of Health's (NIH) internal controls for ensuring that grantee reporting processes comply with the Recovery Act requirements. The Recovery Act provides \$10.4 billion in new funding to NIH. As part of OIG's oversight role in preventing fraud, waste, and abuse, we will determine whether NIH has a system in place to ensure that grantees capture and report necessary financial, economic, and grant/contract data in accordance with the terms and conditions of the Recovery Act.

*(OAS; W-00-11-27101; expected issue date: FY 2011; new start, Recovery Act)*

### **Internal Controls for Extramural Construction and Shared Instrumentation**

We will review NIH's internal controls for awarding extramural construction and shared instrumentation grants. NIH's extramural construction spending plan proposes \$1 billion in Recovery Act funds for renovations, repairs, and improvements, or construction of core research facilities. The shared instrumentation spending plan proposes \$300 million in

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Recovery Act funds to purchase major items of biomedical research equipment. As part of OIG's oversight role in preventing fraud, waste, and abuse, we will determine whether NIH's internal controls for the systems used to process and monitor Recovery Act grants are effective and efficient.

*(OAS; W-00-09-27101; W-00-11-27101 expected issue date: FY 2011; work in progress and new start, Recovery Act)*

### **Intramural Construction Bid Proposal Audits**

We will review the top bidders for construction contracts to determine whether proposed costs were supported by current, complete, and accurate cost or pricing data, and we will determine the reasonableness and allowability of proposed costs; we will also evaluate bid estimation procedures. The Recovery Act provides \$500 million for NIH's Intramural Buildings and Facilities program. As part of our oversight role in preventing fraud, waste, and abuse, we will assess the bid proposals to determine the risk of unreasonable or unallowable costs or inaccurately priced contracts.

*(OAS; W-00-11-27101; expected issue date: FY 2011; new start, Recovery Act)*

### **Intramural Construction Contingency Fund Management**

We will review NIH's management of construction contingency funds to ensure that they are spent on eligible project costs. The Recovery Act provides \$500 million for NIH's Intramural Buildings and Facilities program. Our preliminary analysis indicates that 10 to 15 percent of construction funding is usually set aside as a contingency fund for major construction projects. The Recovery Act specifies that funds must be obligated by the end of FY 2010. As part of OIG's oversight role in preventing fraud, waste, and abuse, we will assess NIH's management of the contingency funds to determine whether the usage was proper considering the accelerated timeline to obligate the funds, which will then be used for future construction projects.

*(OAS; W-00-11-27101; expected issue date: FY 2012; new start, Recovery Act)*

### **College and University Indirect Costs Claimed as Direct Costs**

We will determine whether colleges and universities have appropriately charged administrative and clerical salaries to federally sponsored grants. Prior audit work found problems in this area. A large amount of Recovery Act funds will be used for grants to colleges and universities. We will review administrative and clerical expenses claimed for reimbursement as direct charges to Federal grants and contracts when those costs should have been treated as indirect costs and recovered through negotiated facility and administrative rates. The Office of Management and Budget (OMB) Circular A-21, *Cost Principles for Educational Institutions*, provides that such costs usually be treated as indirect costs. However, direct charging of the costs may be appropriate when the nature of the work performed under a specific project requires extensive administrative or clerical support.

*(OAS; W-00-09-27101; expected issue date: FY 2012; new start, Recovery Act)*

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## **National Institutes of Health Grant System**

We will review general and application IT security controls for NIH's Information for Management, Planning, Analysis, and Coordination (IMPAC) system to ensure that adequate controls are in place. We will assess whether NIH has processes in place or in development that are sufficient to ensure that the confidentiality, integrity, and availability of sensitive data in transit and at rest are maintained. The IMPAC system manages grants at NIH, and its importance has increased since NIH received \$7.4 billion in Recovery Act funding for grants to and cooperative agreements with research entities, including nonprofit and for-profit organizations, universities, hospitals, research foundations, government agencies, and individuals. We will also determine whether NIH's grant awards require appropriate IT security provisions to protect sensitive EHR or personal information at the grantee level. *(OAS; W-00-11-27109; various reviews; expected issue date: FY 2011; new start; Recovery Act)*

## **Cross-Cutting Public Health Activities**

### **Recipient Compliance With Reporting Requirements**

We will review monitoring by HRSA, NIH, and IHS of award recipients' compliance with the reporting requirements specified in the Recovery Act and in OMB guidance. The recipients and uses of Recovery Act funds must be transparent to the public, and the public benefits of the funds must be reported clearly, accurately, and in a timely manner. We will review recipients' reports for compliance with the reporting requirements, including accuracy and completeness. *(OAS; W-00-11-27101; W-00-11-27103; W-00-11-27105; various reviews; expected issue date: FY 2011; new start, Recovery Act)*

### **State Compliance With Grant Requirements**

We will review security controls implemented by States to safeguard electronic health information exchanges. Under the Public Health Service Act of 1944 (PHS Act), § 3013, as added by section 13301 of the Recovery Act, the Office of the 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 pursuant to nationally recognized standards and implementation specifications. 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 security controls.

*(OAS; W-00-11-27109; various reviews; expected issue date: FY 2011; new start; Recovery Act)*

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# Recovery Act Reviews: Human Services Programs

## Administration for Children and Families

### Community Service Block Grants

We will review Administration for Children & Families' (ACF) controls over the grant award and oversight process for Community Services Block Grant (CSBG) funds. The Recovery Act provides \$1 billion in additional funds for States to alleviate the causes and conditions of poverty in communities. A recent GAO review found many internal control weaknesses in ACF's oversight of the States' use of CSBG funds. As part of our oversight role under the Recovery Act, we will conduct a followup review of the grant award and oversight process to determine whether ACF has taken effective corrective actions and to assess other oversight controls.

*(OAS; W-00-11-27100; expected issue date: FY 2011; new start, Recovery Act)*

### Licensing, Health, and Safety Standards at Head Start Facilities

We will review licensing, health, and safety standards at selected facilities that received Head Start funding, including Recovery Act funds. The Recovery Act requires that \$1 billion in supplemental funds awarded to Head Start grantees be used in a manner consistent with the requirements of the Improving Head Start for School Readiness Act of 2007 (Head Start Act). Head Start performance standards in the Code of Federal Regulations (CFR) at 45 CFR §§ 1306.30(c) and 1306.35(d) require that Head Start facilities comply with State and local childcare licensing requirements. If States do not have licensing requirements or if State requirements are less stringent than Federal standards, the facilities must comply with the Head Start health and safety requirements in the regulation at 45 CFR § 1304.53(a). Our previous reviews of two Head Start grantees found several instances in which the facilities did not comply with applicable health and safety requirements. We will determine the extent to which Head Start grantees have demonstrated that facilities receiving Federal funding, including Recovery Act funds, complied with applicable requirements.

*(OAS; W-00-10-27100; W-00-11-27100; various reviews; expected issue date: FY 2011; work in progress and new start, Recovery Act)*

### Head Start Matching Costs

We will review Head Start matching claims to determine whether grantees that received Recovery Act funding met the 20-percent match of total costs required for Head Start funding. The Recovery Act requires that the \$1 billion in supplemental funds for Head Start grantees be used in a manner consistent with the requirements of the Head Start Act. Regional ACF officials have indicated that grantees might not be meeting the Head Start matching requirement. Federal regulations at 45 CFR §§ 74.23, 92.24, and 1301.20 establish which costs

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a grantee may consider to satisfy the required match. We will identify any challenges facing grantees in meeting the matching requirement.

*(OAS; W-00-11-27100; various reviews; expected issue date: FY 2012; new start, Recovery Act)*

### **Head Start Agencies' Use of Grant Funds**

We will review the use of funds, including Recovery Act funds, by Head Start agencies.

The Recovery Act requires that the \$1 billion in supplemental funds for Head Start grantees be used in a manner consistent with the requirements of the Head Start Act. Recipients of Head Start funds are required to ensure that the funds are used for authorized purposes as required by 45 CFR §§ 74.21(b)(3) and 92.20(b)(3). We will determine whether Head Start funds and Recovery Act funds were properly used for the purposes outlined in Federal award letters, approved Head Start agency grant applications, and program requirements.

*(OAS; W-00-11-27100; expected issue date: FY 2012; new start, Recovery Act)*

### **Head Start Recipient Capability Audits**

We will review Head Start applicants' capacity to manage and account for Federal funds, including Recovery Act funds, and to operate a Head Start program in accordance with Federal regulations. The Recovery Act requires that \$1 billion in supplemental funds awarded to Head Start grantees be used in a manner consistent with the requirements of the Head Start Act.

Pursuant to 45 CFR §§ 74.21(b)(3) and 92.20(b)(3), grantees receiving Head Start funds must ensure that the funds are used for authorized purposes. We will determine whether Head Start applicants are able to adequately manage and account for Federal funds, including Recovery Act funds, and fulfill Head Start program requirements.

*(OAS; W-00-10-27100; W-00-11-27100; expected issue date: FY 2011; work in progress and new start, Recovery Act)*

### **Early Head Start Agencies' Use of Grant Funds**

We will review the use of funds, including Recovery Act funds, by Early Head Start agencies.

The Recovery Act requires that the \$1.1 billion in program expansion funds for Early Head Start grantees be used in a manner consistent with the requirements of the Head Start Act.

Recipients of Early Head Start funds are required to ensure that the funds are used for authorized purposes as required by 45 CFR §§ 74.21(b)(3) and 92.20(b)(3). We will determine whether Early Head Start funds, including Recovery Act funds, were properly used for the purposes outlined in Federal award letters, approved Head Start agency grant applications, and program requirements.

*(OAS; W-00-11-27100; expected issue date: FY 2012; new start, Recovery Act)*

### **Administration for Children and Families Grant System**

We will review general and application IT security controls for ACF's Grants Administration Tracking Evaluation System (GATES) to determine whether adequate IT security controls are in place to ensure that the confidentiality, integrity, and availability of sensitive data in transit and at rest are maintained. GATES is used by ACF grants officers and specialists to manage grant

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programs and process grant applications from receipt through award. ACF received \$10 billion for grants supporting Head Start, Early Head Start, Temporary Assistance for Needy Families (TANF), childcare and development, and community services. We will also determine whether ACF's grant awards require increased IT security provisions to protect sensitive EHR or personal information at the grantee level.

*(OAS; W-00-11-27109; various reviews; expected issue date: FY 2011; new start; Recovery Act)*

### **Administration for Children & Families Health Information Technology Grants**

We will review general IT security controls for systems funded by ACF health IT grants to determine whether adequate security controls are in place to protect sensitive EHR and personal information. ACF will award health IT grants to State agencies, local governments, nonprofit organizations, and school systems administering Head Start, Early Head Start, TANF, Child Care and Community Development Block Grant (CCDBG) and CSBG programs. We will also assess whether ACF grantees receiving health IT funds have sufficient processes in place to ensure that the confidentiality, integrity, and availability of sensitive data in transit and at rest are maintained.

*(OAS; W-00-11-27109; various reviews; expected issue date: FY 2011; new start; Recovery Act)*

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## **Recovery Act Reviews: Departmentwide Issues**

### **Cross-Cutting Investigative Activities**

#### **Integrity of Recovery Act Expenditures**

We will review and evaluate credible allegations of improper expenditures of Recovery Act funds to identify cases in which criminal investigations will be opened and enforcement actions pursued. Recovery Act funding will result in a significant increase in the number of grants and contracts awarded by HHS. Accordingly, we expect an increase in the number of complaints and referrals of grant- and contract-related fraud allegations. The Recovery Act requires transparency and accountability in the awarding and spending of funds.

*(OI; various reviews; expected issue dates: FY 2009 through FY 2012; work in progress; Recovery Act)*

#### **Enforcement of Whistleblower Protections**

We will review and evaluate credible allegations of reprisals against whistleblowers by entities or individuals receiving Recovery Act funds to identify cases in which criminal investigations will be opened and antireprisal enforcement actions pursued. Section 1553 of the Recovery Act extends whistleblower protection to employees who reasonably believe they are being retaliated

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against for reporting misuse of Recovery Act funds received by their non-Federal employers. (OI; various reviews; expected issue dates: FY 2009 through FY 2012; work in progress; Recovery Act)

### **Pre-award Screening of Potential Grant Recipients**

We will develop a process by which HHS granting agencies will be able to quickly consult with OIG to determine whether there are any OIG or other criminal investigations in progress before making awards. This will reinforce HHS's efforts to ensure integrity in the awarding of Recovery Act funds.

(OI; expected implementation date: FY 2009; work in progress; Recovery Act)

## **Information Systems Reviews**

### **Health Information Technology Standards**

We will review the process used by ONC to develop and recommend health IT standards to the HHS Secretary. Section 3003 of the PHS Act, as added by section 13101 of the Recovery Act, established the health IT Standards Committee to recommend to the ONC standards, implementation specifications, and certification criteria for the electronic exchange of health information. ONC is charged with reviewing and recommending to the Secretary whether to propose adoption of the measures through the rulemaking process. Section 3004(b) requires that the Secretary adopt an initial set of standards by December 31, 2009. We will assess the standards-adoption process to determine whether IT security controls have been adequately developed and included in the standards recommended for adoption.

(OAS; W-00-11-27109; various reviews; expected issue date: FY 2011; work in progress; Recovery Act)

### **Departmentwide Network Improvements**

We will review the acquisition of staff, hardware, and software intended to improve IT security at HHS and, when applicable, test modifications to the HHS IT security environment. HHS has allocated \$50 million in Recovery Act funds to improve IT security departmentwide. 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.

(OAS; W-00-11-27109; various reviews; expected issue date: FY 2011; new start; Recovery Act)

### **Security Controls for Grants Web Site**

We will review general and application IT security controls for the [Grants.gov](http://Grants.gov) Web site to ensure that adequate controls are in place to protect information. Our assessment will focus on controls for ensuring confidentiality, integrity, and availability of data. 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



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applications filed using Grants.gov have risen to an unprecedented level, reaching almost 11,500 per week, about three times the weekly average number of submissions during FY 2008. (OAS; W-00-11-27109; various reviews; expected issue date: FY 2011; new start; Recovery Act)