HHS.gov

Strategic Goal 5: Promote Effective and Efficient Management and Stewardship

Strategic Objective 5.1: **Ensure responsible financial management**

Strategic Objective 5.2: **Manage human capital to achieve the HHS mission**

Strategic Objective 5.3: **Optimize information technology investments to improve process efficiency and enable innovation to advance program mission goals**

Strategic Objective 5.4: **Protect the safety and integrity of our human, physical, and digital assets**

This Strategic Goal describes efforts to act as responsible stewards of the financial resources the American taxpayers and Congress entrust to the Department, to support and cultivate top talent, to develop robust and responsive information management systems, and to create a safe and secure environment for human, digital, and physical assets.

HHS is responsible for almost a quarter of Federal outlays and administers more grant dollars than all other Federal agencies combined. Ensuring the integrity of direct payments, grants, contracts, and other financial transactions requires strong business processes, effective risk management, and a financial management workforce with the expertise to comply with legislative mandates, including the Federal Managers' Financial Integrity Act of 1982 (Pub. L. 97–255), the Federal Funding Accountability and Transparency Act of 2006 - PDF (Pub. L. 109–282), and the Improper Payments Elimination and Recovery Improvement Act of 2012 (Pub. L. 112–248).

More than 91,000 permanent and temporary employees serve the public through the Department, providing direct clinical care, serving as emergency responders, researching cures, working with grantees to improve outcomes, and performing other critical functions. Half of the Department's employees work in Washington, DC, with others serving in States and territories, on Tribal lands, and around the globe. Through a new Federal Human Capital Framework, the Federal Workforce Priorities Report, and annual Human Capital Review sessions with the Office of Personnel Management, required by 5 CFR Part 250, Subpart B, *Strategic Human Capital Management,* HHS will work to identify and implement strategies to strengthen its workforce.

The information technology landscape has changed significantly in this century. How we collect and consume information, how we purchase resources, and even how we interact with each other has been revolutionized by technology—and will continue to evolve and change. The Department's information technology investments focus on accessible, user-friendly design and promote business efficiencies, and also must comply with Office of Management and Budget (OMB) guidance and legislative mandates, such as the Federal Information Security Modernization Act (Pub. L. 113–283).

Finally, to accomplish the HHS mission, its staff, data, and infrastructure must be safe and secure. The Department is working to safeguard assets against threats and hazards, whether internal or external, unintentional or malicious, natural or manmade. Securing staff, software, and systems is guided by specific supports, such as Homeland Security Presidential Directive 12, and standards, measurements, and testing promoted by the National Institute of Standards and Technology.

All operating divisions and staff divisions within HHS are committed to achieving this goal, with the Office of the Assistant Secretary for Financial Resources (ASFR), the Office of the Assistant Secretary for Administration (ASA), the Office of the Chief Technology Officer (CTO), the Office of the General Counsel (OGC), and the Office of Security and Strategic Information (ONS) playing key roles.

Back to top

Strategic Objective 5.1: Ensure responsible financial management

Responsible financial management is the Department's foundation for meeting its commitment to making sure taxpayer dollars are spent wisely. Strong, modern financial systems and practices and targeted investments improve accountability, reporting, and decision making, which can lead to cost savings and efficiencies that improve how the Department manages its public funds. Program integrity is a priority.

In 2016, the Department awarded $1.0 trillion in grants, contracts, loans, and other financial assistance, including Medicare and Medicaid. State, Tribal, local, and territorial governments, and educational, cultural, faith-based, and community organizations, received $481.9 billion in HHS-funded grants. Large and small vendors were awarded $24.7 billion in contracts. Effectively managing these funds presents a range of challenges in preventing fraud and abuse, preventing misuse of funds by grantees, streamlining acquisition planning and procurement, and dealing with the root causes of improper payments. While not all improper payments are the result of intentional activity to defraud the government, any improper payment reduces public confidence in the Department's ability to manage its programs.

HHS is addressing these and other challenges that come from managing the diverse portfolio of financial agreements, systems, and reporting requirements across its 11 agencies and other offices. The Department is a member of the Healthcare Fraud Prevention Partnership, a voluntary public-private partnership between the Federal Government, State agencies, law enforcement, private health insurance plans, and healthcare anti-fraud associations, to prevent and detect healthcare fraud. HHS works with other Federal agencies to promote and implement practices, including shared services, to simplify the acquisition process and to improve performance and increase savings. As a member of the Chief Financial Officers Council, the Department engages with other Federal departments and agencies to share best practices in consolidating and modernizing financial systems, improving the quality of financial information, and complying with legislation affecting financial operations and organizations. The Department met new governmentwide standards to exchange and report financial information and share its spending data with the public.

Leading and implementing these efforts are staff working in the Department's financial management, acquisition, and grants workforce who need to keep up with changing demands. Auditing and acquisitions are mission-critical occupations, and grants management is a mission-critical competency. The Department will expand its training and development efforts to close the skill and knowledge gaps in these positions and strengthen the competencies of all HHS staff with responsibilities that impact the Department's fiscal stewardship.

Contributing Operating Divisions and Staff Divisions

All operating divisions and staff divisions

Strategies

Each year, the Department publishes its Agency Financial Report, which shares its progress in modernizing financial systems to strengthen system security, reliability, and availability. Among the Department's efforts to streamline business processes are the following strategies:

- Use quality improvement principles to review key business processes, and identify opportunities to reduce risk and improve outcomes in areas such as financial management, grant management, and acquisitions

- Reduce inconsistent recording and incomplete financial data and, thus, reduce efforts required to perform data cleanup and data transformation

- Preserve public trust and stewardship of taxpayer funding by ensuring effective internal controls and efficient operating policies and procedures are in place that can result in an unqualified audit opinion with no material weaknesses

OMB Circular A-11 and OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control,* charge Federal agencies with implementing an enterprise risk management approach to address significant risks, improve mission delivery, and prioritize corrective actions. The Department promotes effective and efficient risk management across HHS and its programs through the following strategies:

- Conduct and use risk assessments within an enterprise risk management framework to improve information sharing and leadership decision making, resulting in risk-informed strategy execution and program implementation

- Use public-private partnerships to prevent and detect fraud and other inappropriate payments across the healthcare industry by sharing fraud-related information and data, promoting best practices, and educating partners

- Protect Medicare and Medicaid through prevention and detection of fraud, waste, abuse, and improper payments

- Manage the costs associated with governmental imposition of private expenditures through implementation of Executive Order 13771 of January 30, 2017, Reducing Regulation and Controlling Regulatory Costs, by ensuring that, consistent with the Administrative Procedure Act and as informed

by the terms of the Executive Order and associated guidance, as appropriate, for every one new regulation issued, at least two prior regulations are identified for elimination, and the cost of planned regulations are managed through a budgeting process

In a Federal department responsible for the administration of more than a trillion taxpayer dollars, the financial management workforce needs to have the skills and competencies to maximize and leverage the Department's financial resources. The Department is strengthening the financial management, acquisition, and grants workforce through the following strategies:

- Reduce knowledge gaps within the financial management, acquisition, and grants workforce by supporting hiring, training, and development programs to strengthen competencies

- Support knowledge transfer programs and training strategies so that the financial management, acquisition, and grants workforce can respond to challenges and changing demands across the enterprise

- Develop a financial management, acquisition, and grants workforce that uses cross-functional and knowledge transfer training programs to respond to challenges and changing demands across the HHS enterprise

   Note: Additional strategies on strengthening the workforce are in Strategic Objective 5.2.

Performance Goals

- Meet the following goals related to improper payments:

    - Reduce the percentage of improper payments made under the Medicare Fee-for-Service Program

    - Reduce the improper payment rate in the Medicaid Program

    - Reduce the improper payment rate in the Children's Health Insurance Program

    - Reduce the percentage of improper payments made under Medicare Part C, the Medicare Advantage Program

    - Reduce the percentage of improper payments made under the Part D Prescription Drug Program

Back to top

Strategic Objective 5.2: Manage human capital to achieve the HHS mission

As the Department looks to FY 2022 and beyond, it imagines all the achievements that can be reached when workforce performance is heightened, efficiencies achieved, and accountability strengthened. The Department must continue to create a flexible and agile workforce that responds and adapts to change: change in technology, change in society, change in expectations, and change in scientific findings. HHS

needs the leaders of tomorrow today. To this end, the Department will build a world-class Federal management team and a workforce ready to collaborate with colleagues within the Department, among other Federal departments, and outside the Federal Government, to seek change that improves and enhances the health and well-being of Americans.

The HHS workforce comprises more than 91,000 permanent and temporary employees, serving in every region of the United States, including Tribal communities and the U.S. territories, and 66 countries around the world. To achieve its mission, HHS will need to recruit, hire, and retain a qualified, talented, diverse, and inclusive workforce. As the majority of HHS staff nears retirement eligibility, human resources offices throughout the Department help HHS components to hire the best talent from all segments of society and strengthen succession planning, to ensure the Department can continue to support mission-critical functions.

Management will need to help build and maintain the workforce in a way that retains current knowledge, anticipates advances in medicine and technology, and prepares internal staff for future leadership positions. To fulfill the Department's mission, there is a need to recruit, hire, and retain talent with STEM (science, technology, engineering, and math) skills. Targeted recruitment efforts will become more important as mission-critical positions are vacated. Competition from private industry for new employees will continue to be a challenge in recruitment efforts.

An improved and engaged workforce is enhanced by a world-class management team. HHS will strengthen its management team by providing the tools, training, skill development, and empowerment needed to encourage its workforce to work to its highest potential, accountable for its efficiency and effectiveness toward meeting the HHS mission. To keep abreast of advances and lead change in these fields, HHS will continue to bring together the best expertise and talent—to serve the American people the best way possible.

Contributing Operating Divisions and Staff Divisions

All operating divisions and staff divisions

Strategies

Among large agencies, HHS was ranked the second "Best Place to Work ☐" in 2017. The Department is working to build a high-quality workforce to respond to current and emerging demands through the following strategies:

- Deploy creative and strategic recruitment strategies to target talent to fill mission-critical occupations

- Recruit and retain the most qualified candidates to best meet the needs of the populations served by the Department

- Increase the efficiency and effectiveness of recruitment efforts by partnering with hiring managers and leveraging data to make informed decisions regarding recruitment and retention strategies

- Use existing flexibilities and pursue new retention incentives to ensure HHS retains the highest caliber workforce

- Improve workforce planning efforts by integrating succession management activities into efforts to retain employees and manage knowledge transfer within governmentwide and agency-specific mission-critical occupations and other shortfall areas

- Advance employee development by increasing opportunities for cross-training activities, developmental and rotational assignments, mentoring and coaching, and other cross-functional activities

- Create and implement development opportunities to provide staff with the leadership, technical, and behavioral skills to succeed in their current and future positions in Federal service

In 2017, the Department ranked second among large agencies in employee engagement, according to the Federal Employee Viewpoint Survey ⏎. The Department is maximizing opportunities for employees to contribute to mission success through the following strategies:

- Deploy diversity and inclusion activities to create an environment where people feel valued and can effectively contribute their talents to the mission

- Deploy legally permissible strategies to achieve workforce composition goals, including efforts to increase the Veteran workforce and to increase the number of employees with targeted disabilities

- Use employee feedback and best practices from across the Federal Government to identify and develop strategies to act on employee input and increase employee engagement, such as brown-bag lunches, midcycle surveys, improved analytics, and action guides

- Increase employee engagement, participation in the Federal Employee Viewpoint Survey, and belief that results will be used to improve the organization, by helping managers devise strategies to increase employee engagement and scores around belief in action

OMB Memorandum M-17-22 - PDF, *Comprehensive Plan for Reforming the Federal Government and Reducing the Federal Civilian Workforce,* charged all Federal agencies with ensuring that supervisors and managers are held accountable for managing employee performance and conduct. The Department is strengthening performance and accountability through the following strategies:

- Conduct supervisory training sessions to ensure supervisors are aware of the tools available to engage employees, recognize performance, and strengthen accountability

- Enhance and promote reward and recognition tools available throughout HHS

- Strengthen the performance management process, including better ensuring critical elements are directly linked to the work being performed

The Department is working to build better, stronger, integrated systems that will save hundreds of hours of labor and bring human resources data, tools, and services into the 21st century. The Department works to leverage technology to support human capital management through the following strategies:

- Deploy new and enhanced information technology tools to strengthen the human capital management program at HHS, to reduce administrative burdens, strengthen the human capital program, and improve

reporting capabilities as well as promote uniformity and data transparency, appropriate controls, and enterprise-wide analysis to strengthen decision making

Performance Goals

- Increase HHS employee engagement through the Federal Employee Viewpoint Survey

- Decrease the cycle time to hire new employees

Back to top

Strategic Objective 5.3: Optimize information technology investments to improve process efficiency and enable innovation to advance program mission goals

New technology is changing how Americans, businesses, governments, and other organizations expect the Federal Government to manage and deliver services. These individuals and entities expect the same innovation, speed, and quality when they interact with HHS. The right technology investments can help reduce costs as the Department becomes more agile and responsive in an environment of rapid change.

HHS information technology investments help achieve the Department's mission by acquiring and managing the technology infrastructure and systems for its healthcare and human services programs and mission-support programs. From externally facing websites like HHS.gov to internal applications that manage programs and resources, HHS needs information technology solutions to be modernized, secure, and responsive to customer demands.

The HHS Information Technology Strategic Plan 2017–2020 - PDF and the HHS Implementation Plan for the Federal Information Technology Acquisition Reform Act (FITARA) - PDF guide information technology decision making across the Department. The Department's current modernization investments include cloud computing, data center consolidation and improvements, information technology portfolio reviews, shared services, and a digital strategy that makes it easier to access information using HHS websites and tools. HHS is working to increase partnerships with industry, academia, and other organizations to leverage their technology expertise as well.

Planning and managing information technology investments is a challenge. HHS will upgrade its legacy systems, increase interoperability to allow systems to exchange information and use the information to make better decisions, and improve the management of its information technology investments to ensure quality service delivery. For example, through the HHS Strategic Plan for Data Center Optimization - PDF, the Department is working to reduce costs on infrastructure, curtail excessive energy usage, leverage cloud-based technologies, and minimize or eliminate security risks.

Through its participation on the Chief Information Officers (CIO) Council, the Department engages with other Federal departments and agencies to implement information resource management objectives described in the E-Government Act of 2002 (Pub. L. 107–347), the Government Paperwork Elimination Act (Pub. L. 105–277), the Paperwork Reduction Act of 1980 (Pub. L. 96–511), and the Information

Technology Management Reform Act of 1996 (Pub. L. 104–106). The Department also has established clear lines of authority among the Office of the Chief Information Officer and CIOs in each of its operating divisions, to ensure shared and transparent responsibility for information technology investments, and more effective management of the information technology portfolio.

Contributing Operating Divisions and Staff Divisions

All operating divisions and staff divisions

Strategies

User-centered design in information technology involves understanding who will be using a resource, what they need, what they value, and their abilities and limitations. The Department's externally facing information technology solutions help States look for early warning data on infectious disease outbreaks, such as flu; share information about health insurance coverage options with older adults and the general population; and provide research data to universities and colleges with which the Department is collaborating to find the cures of the future. The Department is working to provide easily understandable, easily accessible information technology solutions, to improve the customer experience, through the following strategies:

- Promote adoption of user-centered design for information technology services targeted to the American public

- Build multiuse and interconnected systems that are intuitive, usable, and accessible

- Improve internal communications, including through unified communications technology, to integrate email, voice mail, and other systems, so that staff may access these work supports regardless of division or work location

About 40 percent of the systems of record at HHS are "legacy" information technology, meaning they are no longer supported by their manufacturers. The Department is working to modernize information technology systems to reduce the risk associated with unsupported or end-of-life systems by identifying opportunities to modernize, decommission, or replace legacy systems, through the following strategies:

- Capitalize on and leverage best practices from divisions within HHS and the private sector to develop enterprise-wide information technology solutions, while minimizing custom application development, maximizing collaboration, and reducing cost

- Support the capability of high-performance computing services, such as sharing large data sets between research institutions, to deliver parallel processing for running advanced application programs efficiently, reliably, and quickly

Informed by FITARA and the Making Electronic Government Accountable By Yielding Tangible Efficiencies (MEGABYTE) Act of 2016 (Pub. L. 114–210), as well as by OMB M-16-12, Category Management Policy 16-1, *Improving the Acquisition and Management of Common Information Technology: Software Licensing - PDF*, the Department is working to improve acquisition of information technology assets and services through the following strategies:

- Implement cost-efficient and effective purchasing of software and services that serve as a bridge between operating systems, databases, and applications

- Align acquisition processes, including those required by the <u>Federal Acquisition Regulation</u> and internal policies, with information technology business models and practices, to remove barriers for purchasing responsive technology in a timely manner to meet ongoing and urgent business needs

Competing with the private sector is a perennial challenge to recruiting and retaining top talent in the government sphere. The Department is working to strengthen the information technology workforce through the following strategies:

- Support ongoing management and planning to optimize use of technology expertise and resources, properly align staffing and responsibilities, and maximize resources

- Implement skills-based workforce training for technology practitioners who design, manage, operate, and support information technology investments

Note: Additional strategies on strengthening the workforce are in Strategic Objective <u>5.2</u>.

Through the <u>HHS Data Council</u>, operating divisions and staff divisions from across the Department promote a coordinated strategy on data issues, by supporting strong data collection, analysis, and dissemination systems and by collaborating with other health and human services entities on common data interests. But data collected by the Department also include data related to business and operational functions. The Department is optimizing HHS capacity for data-driven decision making through the following strategies:

- Improve system interoperability to allow efficient data sharing; strengthen detection and surveillance of regulated products; reduce risks in manufacturing, production, and distribution of regulated products; and increase regulatory science capacity to effectively evaluate products

- Improve the capture, use, and management of operational and administrative data, including financial management and human capital management systems, by establishing formal processes, rules, and templates to control data sharing and protect sensitive information

Performance Goals

- Increase the percentage of systems with an <u>Authority to Operate</u> (ATO)

- Improve the score to an "A" in each of the FITARA-related Scorecard Metrics, per GAO and the House Oversight and Government Reform Committee

<u>Back to top</u>

Strategic Objective 5.4: Protect the safety and integrity of our human, physical, and digital assets

Through dedicated personnel, the vigilance of all of our employees, and physical and technological investments, the Department actively works to protect the safety and integrity of its personnel and the people served through HHS programs.

Threats to the people working in and served by the programs, facilities, and systems prevent the Department from focusing on its mission. Breaches of information technology systems can compromise electronic health records and privacy, and cause physical and financial harms to patients and financial harm to people and organizations that do business with HHS. In response to the increased threats to Federal information technology systems and cybersecurity attacks, Federal agencies are responsible for developing an information security program and managing cybersecurity risks for their networks and information technology infrastructure. HHS has implemented plans and processes to address different security incidents, from improper use to web attacks; continue operations during emergencies; and provide training to HHS staff and contractors.

Protecting the privacy of personally identifiable information—such as birthdates and Social Security numbers—and securing Federal information systems and critical infrastructure are challenges for Federal agencies. HHS is working to improve how it protects the security and privacy of electronic health information and to consistently address controls that prevent unauthorized use and unauthorized changes to information system resources, monitor building and access control systems, and ensure that all HHS staff and contractors are vetted properly and understand cybersecurity risks. Keeping personal information safe increases trust and confidence in HHS and its information and reporting systems.

Yet providing security for HHS involves more than preventing breaches or cybersecurity attacks. The Department's operating divisions and staff divisions participate in efforts to preserve physical security; personnel security and suitability; security awareness; information security, including the safeguarding of sensitive and classified material; and security and threat assessments. In addition, the Department has established a network of scientific, public health, and security professionals internally, as well as points of contact in other agencies, in the intelligence community, and in the Information Sharing Environment Council. The Department has specialized staff to provide policy direction to facilitate the identification of potential vulnerabilities or threats to security, conduct analyses of potential or identified risks to security and safety, and work with agencies to develop methods to address them.

Contributing Operating Divisions and Staff Divisions

All operating divisions and staff divisions

Strategies

Strategic Goal 5: Promote Effective and Efficient Management and Stewardship has described our efforts to promote integrity in our financial management systems, strengthen our human capital, and optimize our information technology investments. Protecting these assets and mitigating threats to these systems require an enterprise-wide approach. The Department is working to identify, assess, remediate, and monitor risks to safety, security, and integrity through the following strategies:

- Advance an enterprise-wide risk management approach that continually provides situational awareness of HHS's risk posture by effectively identifying, assessing, remediating, and monitoring risks

- Establish enterprise-wide safety and security models that incorporate best practices from other Federal agencies

The Federal Information Security Modernization Act (Pub. L. 113–283) and the HHS Information Technology Strategic Plan guide the Department's efforts to protect data and electronic data systems from threats, including those from state actors, hackers, and internal threats. The Department protects information technology systems, data, and sensitive information, and prevents, detects, mitigates, and responds to cybersecurity events, through the following strategies:

- Maximize enterprise-level data access and security for stakeholders while ensuring data integrity and privacy in support of streamlined program flexibilities, accountability, and information exchange

- Ensure stronger authentication of privileged users to support application security

- Improve the sharing of intelligence with Federal and private-sector partners to improve situational awareness and reduce cyberthreats

- Maximize data access and usability to internal and external users while protecting data confidentiality, integrity, and availability, including beneficiary privacy

- Promote integration of electronic data systems to increase efficiency and minimize redundancy while maintaining appropriate standards for identity management and the protection of personally identifiable information (PII) and protected health information (PHI)

- Use a priority-based risk management approach that focuses on the protection of sensitive data, including PII and PHI data sets, High Value Assets - PDF, and mission-essential systems

Through Federal Continuity Directives 1 and 2, the Federal Emergency Management Agency mandates that the executive branch prepare a Continuity of Operations Plan to be implemented in the event of service disruptions affecting any facility. The Department will execute essential functions, even in the event of an emergency, while protecting the safety of the HHS workforce, by employing the following strategies:

- Promote and ensure the execution of essential Federal functions, while providing for the safety and well-being of employees during emergency situations, including continuity of operations and emergency evacuations, and ensure that all safety and emergency plans take into consideration the varying needs of the HHS workforce

- Review and update continuity plans and procedures to ensure the safety of our workforce while taking advantage of available technologies, increasing efficiency, and minimizing duplication of efforts

- Integrate information security with emergency preparedness efforts, to prepare for broad-scale cyberattacks or security breaches, and proactively engage with stakeholders on best practices in protecting the health of cyberspace

Homeland Security Presidential Directive (HSPD) 12 establishes a requirement for all Federal agencies to create and use a governmentwide secure and reliable form of identification for their Federal employees and contractors (a personal identity verification credential). The Department is working to protect HHS facilities, information, and infrastructure through implementation of HSPD 12, as well as the following strategies:

- Strengthen physical, organizational, and functional infrastructure to maximize HHS's ability to meet increased demands

Implement best practices in identity and access management to enforce appropriate levels of protection of HHS-owned physical and logical assets and to ensure only authorized users are given access to resources and information

Performance Goals

- Decrease the percentage of susceptibility among personnel to phishing

- Increase the number of days since last major incident of personally identifiable information breach

Back to top

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