

# Agency Response to the Office of the Inspector General's Semiannual Report to Congress

April 1, 2025 - September 30, 2025



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## Message from the Director

I appreciate the Office of the Inspector General's (OIG) independent oversight and its continued focus on protecting taxpayer dollars, safeguarding the integrity of Office of Personnel Management (OPM)-administered trust funds, and identifying practical opportunities to strengthen internal controls and improve program operations.

I also want to acknowledge OIG's efforts to modernize its oversight capabilities, including improvements to data warehousing and the responsible use of AI-enabled analytics. OPM shares the goal of using data-driven approaches to improve stewardship and service delivery.

OPM takes seriously the themes reflected throughout the report, particularly those related to (1) FEHBP/PSHBP financial stewardship and carrier oversight, (2) payment integrity requirements, (3) information security and governance, and (4) program integrity tools available to prevent and deter fraud, waste, and abuse. To that end:

- **FEHBP/PSHBP oversight and recoveries:** We appreciate the OIG's work identifying significant questioned costs and recoveries associated with experience-rated plan audits, as well as the continued emphasis on timely return of funds, rebates, and credits to the trust fund. OPM will continue to press carriers and program partners to implement corrective actions promptly and to ensure recoveries are returned consistent with contract requirements.
- **PSHBP resources and centralized enrollment continuity:** OPM recognizes the importance of sustained staffing, technical support, and dependable funding for the Health Benefits Data Platform and the Centralized Enrollment Process (CEP). We will continue working to ensure continuity of operations for PSHBP and to support the long-term vision of modernizing enrollment processes in a way that reduces improper payments and strengthens accountability.
- **Information security and governance:** We take the concerns raised in the OIG's GWES flash report seriously. As noted, OPM made the decision to decommission GWES. We will continue strengthening governance, ensuring appropriate review and approval processes are followed, and reinforcing protocols for handling sensitive data, consistent with federal security and privacy requirements.
- **Payment Integrity Information Act compliance:** OPM is committed to meeting statutory payment integrity requirements and improving the quality and completeness of reporting. We will continue refining estimation, corrective action planning, and documentation practices—particularly for large, complex programs—and will engage constructively with the OIG on closing open items and demonstrating measurable improvement over time.
- **Program integrity authorities and legislative vulnerabilities:** I share your concern regarding statutory gaps that can weaken program integrity—particularly issues that limit enforcement tools available to protect FEHBP/PSHBP. OPM remains willing to work with the OIG and congressional stakeholders on targeted legislative solutions that strengthen oversight, reduce improper payments, and modernize program administration.

OPM's Office of Healthcare and Insurance continues to collect claims data to ensure we identify any significant savings for the American people.

More broadly, I want to reiterate that OPM views the OIG as an important partner in risk identification, fraud prevention, and strengthening controls—even as the OIG appropriately maintains its statutory independence. We will continue to engage regularly with your team, respond promptly to requests, and focus our corrective actions on concrete, measurable outcomes that protect beneficiaries and taxpayers.

Thank you again for your office's work. My team and I look forward to continued collaboration in support of effective oversight, improved program integrity, and modernized operations across OPM.

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Office of Personnel Management (OPM) Agency Response to the Office of the  
Inspector General’s Semiannual Report to Congress

November 2025

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**Table of Contents**

Message from the Director ..... 1

Table 1: Actions Taken on Reports with Disallowed Costs for Insurance Programs<sup>1</sup> ..... 4

Table 2: Actions Taken on Audits with Recommendations for Better Use of Funds April 1 2025 to September 30, 2025 ..... 5

Table 3: Actions Taken on Reports without Monetary Findings April 1, 2025 to September 30, 2025..... 6

Table 4: Summary of Reports More than 12 Months Old Pending Final Action as of September 30, 2025 ..... 7

Table 1: Actions Taken on Reports with Disallowed Costs for Insurance Programs<sup>1</sup>  
April 1, 2025 to September 30, 2025

Subject	Number of Audit Reports	Disallowed Costs	Recoveries or Adjustments
Reports for which final action not taken by beginning of reporting period	14		
Reports on which management decisions made during the period	4	\$14,928,157	
Reports for which final action taken during period:	4		
1. Recoveries and Adjustments		\$14,927,429	
a. Collections and offsets		\$14,610,708	
b. Property			
c. Other (adjustments)		\$317,449	
2. Write-offs			
Reports pending final action at end of period	14		

<sup>1</sup> Recommendations are implemented and completed means that the necessary action to address the recommendation has been conducted and the recommendation is now closed.

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Table 2: Actions Taken on Audits with Recommendations for Better Use of Funds April 1, 2025 to September 30, 2025

Subject	Number of Audit Reports	Better Use of Funds
Reports for which final action not taken by beginning of reporting period	0	\$0
Reports on which management decisions made during period	0	\$0
Reports for which final action taken during period:	0	\$0
Recommendations completed <sup>2</sup>	0	\$0
Recommendations on which management concluded should not or could not be implemented or completed	0	\$0
Reports pending final action at end of period	0	\$0

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<sup>2</sup> Recommendations are implemented and completed means that the necessary action to address the recommendation has been conducted and the recommendation is now closed.

Table 3: Actions Taken on Reports without Monetary Findings April 1, 2025 to September 30, 2025

Subject	Number of Reports
Reports for which final action not taken by beginning of reporting period	65
Reports for which final action taken during period:	8
Health Insurance Carrier Audit Reports	4
Information Systems Audit Reports	3
Internal Audit Reports	
Special Review Reports	1
Reports without monetary findings issued by OIG during period	5
Reports without monetary findings pending final action at end of period	62

Table 4: Summary of Reports More than 12 Months Old Pending Final Action as of September 30, 2025

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4A-CF-00-08-025	The U.S. Office of Personnel Management's Fiscal Year 2008 Consolidated Financial Statements	11/14/2008			5 of 6 recommendations are closed. Corrective actions are in progress to address the remaining recommendation.
4A-CF- 00-09-037	The U.S. Office of Personnel Management's Fiscal Year 2009 Consolidated Financial Statements	11/13/2009			4 of 5 recommendations are closed. Corrective actions are in progress to address the remaining recommendation.
4A-CF-00-10-015	The U.S. Office of Personnel Management's Fiscal Year 2010 Consolidated Financial Statements	11/10/2010			5 of 7 recommendations are closed. Corrective actions are in progress to address the remaining recommendations.
4A-CF-00-11-050	The U.S. Office of Personnel Management's Fiscal Year 2011 Consolidated Financial Statements	11/14/2011			6 of 7 recommendations are closed. Corrective actions are in progress to address the remaining recommendation.
4A-CF-00-12-039	The U.S. Office of Personnel Management's Fiscal Year 2012 Consolidated Financial Statements	11/15/2012			2 of 3 recommendations are closed. Corrective actions are in progress to address the remaining recommendation.
4A-CF-00-13-034	The U.S. Office of Personnel Management's Fiscal Year 2013	12/13/2013			0 of 1 recommendation is closed. Corrective actions are in



Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
	Consolidated Financial Statements				<i>progress to address the recommendation.</i>
4A-CF-00-14-039	The U.S. Office of Personnel Management's Fiscal Year 2014 Consolidated Financial Statements	11/10/2014			<i>2 of 4 recommendations are closed. Corrective actions are in progress to address the remaining recommendations.</i>
4A-CF-00-15-027	The U.S. Office of Personnel Management's Fiscal Year 2015 Consolidated Financial Statements	11/13/2015			<i>3 of 5 recommendations are closed. Corrective actions are in progress to address the remaining recommendations.</i>
4A-CF-00-16-030	The U.S. Office of Personnel Management's Fiscal Year 2016 Consolidated Financial Statements	11/14/2016			<i>12 of 19 recommendations are closed. Corrective actions are in progress to address the remaining recommendations.</i>
4A-CF-00-17-028	The U.S. Office of Personnel Management's Fiscal Year 2017 Consolidated Financial Statements	11/13/2017			<i>9 of 18 recommendations are closed. Corrective actions are in progress to address the remaining recommendations.</i>
L-2018-1	Management Advisory Report- Review of the U.S. Office of Personnel Management's Non-Public Decision to Prospectively and Retroactively Re- Apportion	02/05/2018			<i>0 of 3 recommendations are closed.</i>

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
	Annuity Supplements				
4A-CF-00-18-012	The U.S. Office of Personnel Management's Fiscal Year 2017 Improper Payments Reporting	05/10/2018			<i>1 of 2 recommendations is closed.</i>
4A-CF-00-18-024	The U.S. Office of Personnel Management's Fiscal Year 2018 Consolidated Financial Statements	11/15/2018			<i>14 of 23 recommendations are closed. Corrective actions are in progress to address the remaining recommendations.</i>
4A-CI-00-18-037	The U.S. Office of Personnel Management's Compliance with the Federal Information Technology Acquisition Reform Act	04/25/2019			<i>4 of 5 recommendations are closed. Corrective actions are in progress to address the remaining recommendation.</i>
4A-CF-00-19-012	The U.S. Office of Personnel Management's Fiscal Year 2018 Improper Payments	06/03/2019			<i>3 of 4 recommendations are closed.</i>
4A-CI-00-19-008	Audit of OPM's Compliance with the Federal Information Technology Acquisition Reform Act – DCOI, GSS – FY 2019	10/23/2019			<i>20 of 23 recommendations are closed. OPM is re-evaluating technology options. OPM does not have a target date to complete the evaluation.</i>

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4A-CF-00-19-022	Office of Personnel Management's Fiscal Year 2019 Consolidated Financial Statements	11/18/2019			11 of 20 recommendations are closed. Corrective actions are in progress to address the remaining recommendations.
1H-01-00-18-039	Management Advisory Report related to Prescription Drug Costs in the Federal Employees Health Benefits Program	2/27/2020			1 of 2 recommendations are closed and one recommendations is resolved. Corrective actions to address the remaining recommendation are in progress.
4A-RS-00-18-035	U.S Office of Personnel Management's Federal Employees Health Benefits Program and Retirement Services Improper Payments Rate Methodologies	4/2/2020			5 of 12 recommendations are closed and three of the recommendations are resolved. Corrective actions to address the remaining recommendations are in progress.
4A-CF-00-20-014	U.S Office of Personnel Management's Fiscal Year 2019 Improper Payments Reporting	5/14/2020			2 of 3 recommendations are closed.
1H-07-00-19-017	CareFirst Blue Choice's Federal Employees Health Benefits Program Pharmacy Operations as Administered by	7/20/2020	\$0		5 of 8 recommendations are closed. Corrective actions to address the remaining recommendations are being considered.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
	CVS Caremark for Contract Years 2014 through 2017				
4A-HI-00-19-007	Audit of the Federal Employee Insurance Operations (FEIO) as Administered by OPM's Healthcare and Insurance Program Office	10/30/2020			<i>18 of 24 recommendations are closed and one of the open recommendations is resolved. Corrective actions to address the remaining recommendations are being considered.</i>
4A-RS-00-19-038	U.S Office of Personnel Management's Retirement Services' Disability Reconsideration Appeals Process	10/30/2020			<i>3 of 8 recommendations are closed and five of the open recommendations are resolved.</i>
4A-CF-00-20-024	U.S Office of Personnel Management's Fiscal Year 2020 Consolidated Financial Statements	11/13/2020			<i>12 of 21 recommendations are closed. Corrective actions to address the remaining recommendations are in progress.</i>
4A-HI-00-18-026	Management Advisory Report - FEHB Program Integrity Risks Due to Contractual	04/1/2021			<i>1 of 11 recommendations are closed. Corrective actions to address the remaining</i>

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
	Vulnerabilities in Washington, D.C.				<i>recommendations are being considered.</i>
4A-CF-00-21-008	The U.S. Office of Personnel Management's Fiscal Year 2020 Improper Payments Reporting in Washington, D.C.	05/17/2021			<i>3 of 4 recommendations are closed.</i>
1H-99-00-20-016	Reasonableness of Selected FEHBP Carriers' Pharmacy Benefit Contracts in Washington, D.C.	07/29/2021			<i>1 of 3 recommendations are closed. Corrective actions to address the remaining recommendations are being considered.</i>
4A-CF-00-21-027	The U.S. Office of Personnel Management's Fiscal Year 2021 Consolidated Financial Statements in Washington, D.C.	11/12/2021			<i>11 of 20 recommendations are closed. Corrective actions are in progress to address the remaining recommendations.</i>
1A-10-17-21-018	Health Care Service Corporation for Contract Years 2018 through 2020 in Chicago, Illinois	02/23/2022 Reissued 03/16/2022	\$927,149		<i>14 of 18 recommendations are closed. Four recommendations are resolved. Corrective actions to address the remaining recommendations are in progress.</i>
2022-IAG-002	The U.S. Office of Personnel Management's Compliance with the Payment Integrity	06/23/2022			<i>5 of 6 recommendations are closed. Corrective actions to address the remaining</i>

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
	Information Act of 2019				<i>recommendation are in progress.</i>
1C-59-00-20-043	Kaiser Foundation Health Plan, Inc	08/16/2022			<i>15 of 16 recommendations are closed and one recommendation is resolved. Corrective actions to address the remaining recommendation are being considered.</i>
1A-10-15-21-023	BlueCross BlueShield of Tennessee in Chattanooga, Tennessee	08/23/2022	\$309,703		<i>10 of 11 recommendations are closed. One recommendation is pending a closure review.</i>
2022-IAG-003	The U.S. Office of Personnel Management's Fiscal Year 2022 Consolidated Financial Statements in Washington, D.C.	11/14/2022			<i>6 of 15 recommendations are closed. Corrective actions are in progress to address the remaining recommendations.</i>
2022-CRAG-0010	The Federal Employees Health Benefits Program Termination Process at Health Plan of Nevada, Inc. in Las Vegas, Nevada	2/15/2023			<i>16 of 20 recommendations are closed and one of the recommendations is resolved. Corrective actions are in progress to address the remaining recommendations.</i>

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
1H-08-00-21-015	Group Health Incorporated's Federal Employees Health Benefits Program Pharmacy Operations as Administered by Express Scripts, Inc. for Contract Years 2015 through 2019 in St. Louis, Missouri	2/16/2023			<i>2 of 12 recommendations are closed. Corrective actions are in progress to address the remaining recommendations.</i>
2022-CAAG-0023	Claims Processing and Payment Operations at Blue Cross and Blue Shield of North Carolina for Contract Years 2018 through 2020 in North Carolina	3/3/2023	\$291,265		<i>4 of 5 recommendations are closed. One recommendation is pending closure review.</i>
2022-CAAG-0014	Evaluation of COVID-19's Impact on FEHBP Telehealth Services and Utilization in Washington, D.C.	3/6/2023	\$71,236		<i>0 of 5 recommendations are closed. Two recommendations are resolved. Corrective actions are in progress to address the remaining recommendations.</i>
2023-IAG-002	The U.S. Office of Personnel Management's Compliance with the Payment Integrity Information Act	5/22/2023			<i>1 of 2 recommendations is closed. Corrective actions are in progress to address the remaining recommendation.</i>

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
	of 2019 in Washington, D.C				
2022-IAAG-0019	The U.S. Office of Personnel Management's Retirement Services' Settlement Process in Washington, D.C.	6/15/2023			<i>2 of 5 recommendations are closed and three of the recommendations are resolved.</i>
2022-CAAG-035	Claims Processed in Accordance with the Omnibus Budget Reconciliation Acts of 1990 and 1993 at All Blue Cross and Blue Shield Plans for Contract Years 2019 through 2021 in Washington, D.C.	6/27/2023	\$66,963,808		<i>3 of 11 recommendations are closed. One recommendation closed during this reporting period. Two recommendations are pending closure review. Corrective actions are in progress to address the remaining recommendations.</i>
2023-CAAG-001	Claims Processing and Payment Operations at Select Anthem Blue Cross and Blue Shield Plan Sites for Contract Years 2019 through 2021 in Washington, D.C.	11/7/2023	\$1,204,756		<i>5 of 7 recommendations are closed and two of the recommendations are resolved. Actions to address the remaining recommendations are in progress.</i>
2023-IAAG-017	The U.S. Office of Personnel Management's Fiscal Year 2023 Consolidated Financial	11/13/2023			<i>7 of 15 recommendations are closed. Corrective actions are in progress to address</i>



Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
	Statements in Washington, D.C.				<i>the remaining recommendations.</i>
2023-OEI-001	Evaluation of the U.S. Office of Personnel Management's Processing of Initial Retirement Claim Applications in Washington, D.C.	11/15/2023			<i>2 of 5 recommendations are closed.</i>
2022-CAAG-001	The Office of Personnel Management's Disputed Claims Process for years 2018 through 2020 in Washington, D.C.	12/20/2023			<i>0 of 15 recommendations are closed. Corrective actions to address the remaining recommendations are being considered.</i>
2023-CAAG-009	Claims Processing and Payment Operations at all Blue Cross and Blue Shield Plans as Related to Provider Network Status for Contract Years 2019 through 2021 in Washington, D.C.	2/15/2024	\$771,845		<i>2 of 3 recommendations are closed. One recommendation was closed during this reporting period. Corrective actions to address the remaining recommendation are in progress.</i>
2022-SAG-029	American Postal Workers Union Health Plan's Pharmacy Operations as Administered by Express Scripts, Inc. for Contract Years 2016 through 2021 in	3/29/2024	\$17,741,672		<i>10 of 17 recommendations are closed. Corrective actions to address the remaining recommendations are being considered.</i>

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
	Glenn Burnie, Maryland				
2024-IAG-010	The U.S. Office of Personnel Management's Compliance with the Payment Integrity Information Act of 2019 in Washington, D.C.	5/29/2024			<i>4 of 5 recommendations are closed and one recommendation is resolved. Corrective actions are in progress to address the remaining recommendation.</i>
2024-CRAG-006	Final Audit Research Results: OPM's Subscription Income Process in Washington, D.C.	6/17/2024			<i>0 of 3 recommendations are closed. Corrective actions are in progress to address the remaining recommendations.</i>
2023-ISAG-024	Information Systems General and Application Controls at Group Health Cooperative of South Central Wisconsin in Madison, Wisconsin	7/15/2024			<i>15 of 16 recommendations are closed and one recommendation is resolved. Corrective actions to address the remaining recommendation is in progress.</i>
2024-ISAG-009	Information Technology Security Controls of the U.S. Office of Personnel Management's White House Fellows System in Washington, D.C.	8/8/2024			<i>0 of 1 recommendation are closed. Corrective actions are in progress to address the remaining recommendation.</i>
2023-OEI-002	Evaluation of the U.S. Office of Personnel	8/28/2024			<i>0 of 3 recommendations are closed and three</i>

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
	Management's Property Management Process in Washington, D.C.				<i>recommendations have been resolved. Corrective actions are in progress to address the remaining recommendations.</i>
2024-PSHB-088	The U.S. Office of Personnel Management's Implementation of the Postal Service Health Benefits Program: Collection of Members' Eligibility Documentation in Washington, D.C.	9/13/2024			<i>0 of 3 recommendations are closed.</i>
2023-IAG-021	OPM's Audit Resolution Process	11/26/2024			<i>6 of 12 recommendations are closed. Corrective actions to address the remaining recommendations are being considered.</i>
2023-SAG-019	Compass Rose Health Plan Pharmacy Operations as Administered by Express Scripts	11/14/2024	\$10,452,125		<i>2 of 11 recommendations are closed. Corrective actions to address the remaining recommendations are in progress.</i>
2024-ERAG-002	Florida Blue	01/08/2025	\$1,858,472		<i>19 of 22 recommendations are closed. Corrective actions to address the remaining recommendations are in progress.</i>

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
2024-ERAG-004	HMO Missouri, Inc.	03/25/2025	\$267,840		<i>7 of 8 recommendations are closed. Corrective actions to address the remaining recommendation are in progress.</i>



## **U.S. Office of Personnel Management**

Merit System Accountability & Compliance (MSAC)  
1900 E Street NW, Washington DC 20415

[OPM.gov](https://www.opm.gov)