

Summary of GAO Report on Duplication and Overlap within the Federal Budget
(Report released March 2011)

Duplicate Programs

Teacher Quality & Training Programs

GAO found 82 programs across 10 federal agencies with the mission of helping to improve teacher quality. Nine of the 82 programs support improvements in science, technology, engineering, and mathematics (STEM) fields. These programs are administered by: the Departments of Education, Defense, and Energy; the NASA; and NSF. According to the GAO study, officials in Education have pointed out that a mixture of programs can often target a variety of populations, innovations, etc. However, the current structure does not "...enable educators and policymakers to identify the most effective practices to replicate." And it is "more costly to administer many separately authorized federal programs because each program has its own policies, applications, award competitions, reporting requirements, and, in some cases, federal evaluations."

GAO Recommendations: *Eliminate barriers through legislation, i.e., reauthorization of the ESEA; eliminate programs that are too small to evaluate cost-effectively or combine programs serving similar groups into a larger program. (Report p.147)*

Economic Development Programs

GAO researched 80 economic development programs, which spanned across four federal agencies: Departments of Commerce, Agriculture, and Housing and Urban Development; and the Small Business Administration. Between these four agencies, 52 programs are administered for some form of "entrepreneurial effort." While many programs fund several activities, approximately 60 percent of the programs fund only one or two. Additionally, the four agencies researched have become more collaborative for certain related programming, but there is "...little evidence so far that they have taken steps to develop compatible policies or procedures with other federal agencies..." Much of the collaboration appears to be case-by-case.

GAO Recommendations: *Agencies should consider resource-sharing across programs that seek shared outcomes; collect data on programmatic outcomes so evaluations on individual effectiveness can take place; Congress and OMB may need to increase their oversight role to increase efficiency by these agencies. (Report p. 46)*

Modernization of Electronic Healthcare Records at DoD and VA

The Department of Defense (DoD) and Veterans Affairs (VA) manage two of the largest healthcare systems and while the two agencies have many of the same health care business needs, they have initiated separate modernizations of their electronic health records. As recent as spring of last year, 10 areas of common interest were identified between the two agencies. Additionally, over 97% of “functional requirements for an inpatient electronic health record system are common to both departments.” Yet both have begun separate efforts.

GAO Recommendations: *Revise the departments’ joint strategic plans to include electronic health record system modernization. Increased collaboration would likely result in higher quality health care, however, the financial benefit of reducing duplication is not yet determined. (Report p. 80)*

Savings

Research Tax Credit: Target and Make Cost Effective

The research credit’s design is most cost-effective when the base spending amount reflects the amount of spending that a taxpayer would have done anyway. As currently designed, the credit distributes incentives unevenly across taxpayers and can lead to an inefficient allocation of investment resources.

GAO Recommendations: *Eliminate the regular credit and add a minimum base amount, i.e., 50 percent of the taxpayer’s current spending, to compute an alternative credit. Eliminating a regular credit would improve targeting and reduce compliance costs. (Report p. 275)*

Medicare’s Claims Review Process

The Centers for Medicare & Medicaid Services (CMS) has many aspects to its inherent design that allow for it to be susceptible to improper payments. Additionally, the amount of program payments that are made with minimal review has made Medicare a target for fraud, waste, and abuse. (The agency pays 4.5 million claims each work day and their improper payment rate reaches the billions each year). Despite efforts by the agency to implement internal mechanisms to prevent improper payments and generally prevent waste, fraud, and abuse, CMS still faces many uphill challenges in designing tools that are effective.

GAO Recommendations: *Specific savings is unknown for any of the numerous recommendations and would depend on how effectively they are implemented; more targeted claims review; properly address weaknesses in review process. (Report p. 298)*

Medicare Payments

Medicare (administered by the Centers for Medicare & Medicaid Services (CMS)) expenditures are growing faster than the overall economy, and the primary drivers of increased Medicare spending are growth in the volume and intensity of services. GAO researched four areas and identified savings in: physician practices, imaging services, home oxygen, and physician payments. In home oxygen, for example, Medicare overpays. Additionally, Medicare pays for certain services twice, as it may not take into consideration common points of intersection.

GAO Recommendations: *Unlike the previously bulleted 'Claims Review Process' significant savings and streamlining has been identified. Monitor physician practices; better manage use of imaging services; restructure/reform payments for both home oxygen and physician services; Congress may increase their role. (Report p. 302)*