

GAO Highlights

Highlights of [GAO-22-105301](#), a report to congressional addressees

Why GAO Did This Study

GAO issues annual reports on federal programs, agencies, offices, and initiatives—either within departments or government-wide—that have duplicative goals or activities. As part of this work, GAO also identifies additional opportunities for greater efficiency and effectiveness that result in cost savings or enhanced revenue collection.

This report discusses new opportunities for achieving billions of dollars in financial savings and improving the efficiency and effectiveness of a wide range of federal programs. It also evaluates progress in addressing actions identified in GAO's previous 11 annual reports.

In addition, the report provides examples of open actions where further steps by Congress and executive branch agencies could yield significant financial and non-financial benefits.

View [GAO-22-105301](#). For more information, contact Jessica Lucas-Judy at (202) 512-6806 or lucasjudyj@gao.gov or Michelle Sager at (202) 512-6806 or sagerm@gao.gov.

May 2022

2022 ANNUAL REPORT

Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Billions of Dollars in Financial Benefits

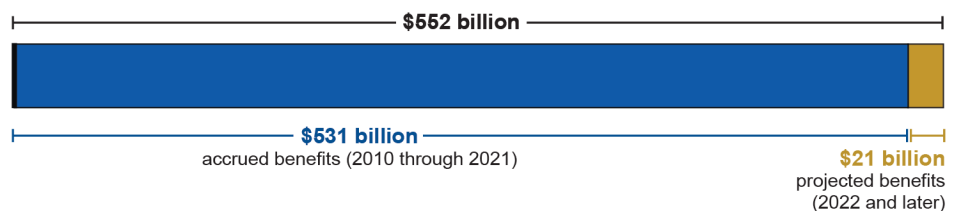
What GAO Found

GAO identified 94 new actions in 21 new and nine existing areas for Congress or executive branch agencies to improve the efficiency and effectiveness of government. For example:

- The Department of Energy could pursue less expensive disposal options of nuclear and hazardous waste, such as immobilizing waste in grout, which could help save **tens of billions of dollars**.
- Contracting leaders at federal agencies should use metrics measuring cost reduction or avoidance to improve the performance of their procurement organizations and potentially save **billions of dollars annually**.
- Congress should consider directing the Department of Health and Human Services to implement additional payment reductions for Skilled Nursing Facilities with high rates of potentially preventable hospital readmissions and emergency room visits, potentially saving **hundreds of millions of dollars** in Medicare costs.
- The Internal Revenue Service could improve taxpayer service and better manage refund interest payments, potentially saving **\$20 million or more annually**, by establishing a mechanism to identify, monitor, and mitigate issues contributing to refund interest payments.
- The Social Security Administration could potentially save **millions of dollars** by identifying and addressing the causes for overpayments to disability beneficiaries in its Ticket to Work program.
- The Department of Defense could improve various administrative services, such as by better managing fragmentation in its food program and strengthening ongoing initiatives to reduce improper defense travel payments, potentially saving **millions of dollars** in those programs.

Congress and executive branch agencies have made significant progress in addressing many of the 1,299 actions that GAO identified from 2011 to 2022 to reduce costs, increase revenues, and improve agencies' operating effectiveness, although work remains to fully address them. As shown in the figure below, these efforts have resulted in approximately \$552 billion in financial benefits, an increase of \$35 billion from GAO's last duplication report. These are rough estimates based on a variety of sources that considered different time periods and used different data sources, assumptions, and methodologies.

Total Reported Financial Benefits of \$552 Billion, as of March 2022



Source: GAO. | [GAO-22-105301](#)

To achieve these benefits, as of March 2022, Congress and executive branch agencies have fully addressed 724 (about 56 percent) of the 1,299 actions GAO identified from 2011 to 2022 and partially addressed 240 (about 18 percent). Examples of actions taken that led to significant financial benefits include:

- The Department of Health and Human Services changed processes to curtail some problematic methods of determining budget neutrality and restricted the amount of unspent funds states can accrue and carry forward to expand Medicaid demonstrations, which resulted in more than **\$140 billion** in federal savings.
- In support of the Office of Management and Budget’s Data Center Optimization Initiative, 22 federal agencies have been consolidating their data centers to improve government efficiency with related cost savings of approximately **\$5.7 billion**.

Further steps are needed to fully address the actions GAO identified from 2011 to 2022. While GAO is no longer tracking 106 actions due to changing circumstances, GAO estimates that fully addressing the remaining 469 open actions could result in savings of tens of billions of dollars and improved government services, among other benefits. For example:

Examples of Areas with Open Actions with Potential Financial and Non-Financial Benefits

| Area name and description (Year-number links to Action Tracker) | Mission | Potential benefits (Source when financial) |
|--|-----------------------------|--|
| Medicare Payments by Place of Service (2016-30): Congress should consider directing the Secretary of Health and Human Services to equalize payment rates between settings for evaluation and management office visits and other services that the Secretary deems appropriate and return the associated savings to the Medicare program. | Health | Billions of dollars annually (MedPAC and Bipartisan Policy Center) |
| Category Management (2021-06): The Office of Management and Budget (OMB) should further its Category Management initiative to improve how agencies buy common goods and services by taking such actions as addressing agencies’ data management challenges and establishing additional performance metrics to help the federal government achieve cost savings, as well as potentially eliminate duplicative contracts. | General Government | Billions of dollars over the next 5 years (OMB and GAO) |
| Disability and Unemployment Benefits (2014-08): Congress should consider passing legislation to require the Social Security Administration to offset Disability Insurance benefits for any Unemployment Insurance benefits received in the same period. | Income Security | \$2.2 billion over 10 years (OMB) |
| Navy Shipbuilding (2017-18): The U.S. Navy could achieve cost savings by improving its acquisition practices and ensuring that ships can be efficiently sustained. | Defense | Billions of dollars (GAO) |
| SBA’s Microloan Program (2020-03): The Small Business Administration’s Microloan Program should enhance its collaboration with other federal agencies that engage in microlending activities to better manage fragmentation. | Economic Development | Improved coordination and collaboration in microlending activities |
| Consumer Product Safety Oversight (2015-04): Congress should consider establishing a formal comprehensive oversight mechanism for consumer product safety agencies to address crosscutting issues as well as inefficiencies related to fragmentation and overlap such as communication and coordination challenges and jurisdictional questions between agencies. | General Government | Increased efficiency and effectiveness of consumer product oversight |
| Federal Research (2019-15): Federal agencies could improve their research efforts to maintain U.S. competitiveness in quantum computing and synthetic biology by implementing leading practices for collaboration to better manage fragmentation. | Science and the Environment | Maintain U.S. competitiveness in the global economy |

Source: GAO. | GAO-22-105301

Note: All estimates of potential financial benefits are dependent on various factors, such as whether action is taken and how it is taken. For estimates of potential financial benefits where outside estimates of potential financial benefits were not available, GAO developed the notional estimates, which are intended to provide a sense of the potential magnitude of benefits. Notional estimates have been developed using broad assumptions about potential financial benefits which are rooted in previously identified losses, the overall size of the program, previous experience with similar reforms, and similar rough indicators of potential financial benefits.