

# GAO Highlights

Highlights of [GAO-25-106885](#), a report to congressional requesters

## Why GAO Did This Study

FEHB is the largest employer-sponsored health insurance program in the country. It provides benefits to more than 8.2 million federal employees, family members, and other eligible individuals. FEHB's total cost to the government and enrollees was about \$70 billion in fiscal year 2024. OPM is responsible for administering the FEHB program and managing the risk of fraud.

GAO was asked to review OPM's fraud risk management efforts in the FEHB program. This report assesses the extent to which OPM has (1) designated an entity to lead fraud risk management activities, (2) assessed the full range of fraud risks in the FEHB program, and (3) involved key stakeholders in its fraud risk assessments.

GAO reviewed OPM documentation and policies, and interviewed OPM and OPM OIG officials regarding fraud risk management activities in the FEHB program. GAO compared this information with selected leading practices of GAO's Fraud Risk Framework, as well as federal standards for internal control.

## What GAO Recommends

GAO is making six recommendations, including that OPM clarify which entity will lead fraud risk management efforts, design and conduct a robust fraud risk assessment that will identify the inherent fraud risks facing the FEHB program, and involve relevant stakeholders in the fraud risk assessment process. OPM concurred with all six recommendations and indicated that it will take actions to implement them.

For more information, contact Seto J. Bagdoyan at [bagdoyans@gao.gov](mailto:bagdoyans@gao.gov).

July 2025

## FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM

### OPM Should Take Timely Action to Mitigate Persistent Fraud Risks










## What GAO Found

In response to [GAO's December 2022](#) report on the Federal Employees Health Benefits (FEHB) program, the Office of Personnel Management (OPM) has taken some steps to manage the program's fraud risks, such as completing fraud risk assessments. However, two recommendations, including that OPM identify and remove ineligible family members from FEHB, remain open. In this second review of the FEHB program, GAO found that OPM's ongoing efforts to manage fraud risks do not fully align with selected leading practices.

**OPM designated an entity to lead fraud risk management, but its future is uncertain.** OPM designated the Risk Management Council (RMC) to lead its fraud risk management efforts. However, in April 2025, OPM officials stated that the agency is in a transition period, and it is uncertain whether the RMC will continue to lead these efforts. With a pause in fraud risk management at the agency level, OPM has the opportunity to address persistent fraud risks and safeguard government investments in FEHB.

**OPM has not assessed the full range of fraud risks facing the FEHB program.** OPM's most recent fraud risk profile identifies two inherent fraud risks—an ineligible family member on an FEHB plan and an FEHB provider submitting false claims to an FEHB carrier—but does not reflect other fraud risks (see fig.). Officials could not explain or provide documentation as to why their fraud risk assessment and profile did not capture these inherent fraud risks.

#### Examples of Fraud Risks Not on the Office of Personnel Management's Fraud Risk Profile for the Federal Employees Health Benefits Program

 Benefit card sharing	 Data reporting	 Improper inducements
 Insufficient or fraudulent documentation	 Kickbacks	 Marketing fraud
 Personally identifiable information theft	 Provider ineligibility	 Self-referrals

Sources: GAO analysis of U.S. Department of Health and Human Services documents and GAO's Antifraud Resource; Icons-Studio/stock.adobe.com (icons). | GAO-25-106885

**OPM does not involve key stakeholders directly in its fraud risk assessment process.** According to OPM officials, the agency relies on OPM's Office of Inspector General (OIG) reports and carrier information on fraud, waste, and abuse to inform its fraud risk assessments. However, OPM does not engage directly with these stakeholders to identify FEHB fraud risks and obtain insights. Involving key stakeholders in its fraud risk assessments would help OPM leverage stakeholders' extensive knowledge to better identify the full range of fraud risks and determine how to address them.