




## UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Washington, DC 20415

The Director

November 15, 2024

Memorandum For: Krista A. Boyd  
Inspector General

From: Robert H. Shriver, III   
Acting Director

Subject: Agency Comments on the OIG Report – “The U.S. Office of Personnel Management’s Top Management Challenges for Fiscal Year 2025,” dated September 27, 2024

Thank you for your Fiscal Year (FY) 2025 report on the top management challenges facing OPM. I value our partnership and appreciate very much your perspective on OPM’s top challenges. I take these issues seriously, and, as shown below, I have prioritized several activities intended to address them.

I wanted to appreciate at the outset your decision to remove the retirement claims processing backlog from the list of top challenges. This acknowledgment is hard-won. It is a tribute to the extensive efforts the Retirement Services team has undertaken – and the substantial progress we have made -- to make sure that annuitants and their families get accurate annuity payments in a timely manner. Rest assured that our efforts will continue, and I am particularly committed to making the case for additional resources to support modernization of the retirement operation, which is the only way to make sure that every annuitant and family member receives the quality, timely customer service they deserve.

I also appreciate your acknowledgment that for the other top management challenges, “some ... are due to external factors including but not limited to shifting demographics, the aging federal population, and higher utilization of prescription drugs” and that “some of these challenges involve core functions of OPM that are affected by constantly changing ways of doing business or new ideas, while in other cases they are global challenges every agency must face.” Providing this context reveals an understanding of some of the external obstacles our team faces in resolving these challenges.

Given the scope and complexity of some of the challenges, it will require multi-year investments in information technology upgrades and modernization, ensuring key activities are resourced appropriately, while adjusting long-standing policies, procedures, and programs. I am committed to undertaking this work, and I, along

with OPM's leadership team, will continue to engage with you and the Office of the Inspector General (OIG) team as corrective actions are implemented to address the top management challenges.

### **Challenge 1: Financial Integrity of the OPM-Administered Trust Funds**

#### **Postal Service Health Benefits Program**

OPM is currently standing up the Postal Service Health Benefits program as required by the *Postal Service Reform Act of 2022*. Since enactment of the Act, OPM has been engaged in a cross-agency effort to ensure successful delivery of health benefits to Postal Service employees, annuitants, and their family members. To ensure it is operational by the 2025 benefit year, OPM is developing a new centralized enrollment and decision support tool, developing benefits and rates, and conducting the first Open Season for employees, annuitants, and their family members.

I agree with your assessment that implementing the PSHB program is a top management challenge, especially in light of the scope of the program, the short timeline to implement it, the lack of full funding, and the impact of the new program on Postal employees, annuitants, and their families. As the OIG notes, communication and customer service will be critical to ensure the Postal Service Health Benefits Program is launched successfully. As we have previously laid out in detail to you, OPM has a comprehensive plan for customer service so that we can support the needs of Postal employees, annuitants, and their families through this open season and beyond. We have been in close collaboration with the U.S. Postal Service and others, and we have worked jointly to provide robust outreach to Postal Service employees, annuitants, and their family members to ensure they understand the benefit and how to access the benefit.

Once successfully launched, we believe the PSHB program will serve as a model for reforms to the FEHB program to strengthen customer service and program integrity. We look forward to your continued partnership as we work to make the PSHB program a success.

#### **Federal Employee Health Benefits (FEHB) Program Prescription Drug Benefits and Costs.**

OPM has a long-term, multi-pronged strategy to mitigate and manage prescription drug costs while maintaining overall Program value and effectiveness. OPM continues to provide detailed guidance on pharmacy benefits in Carrier Letters (e.g., Carrier Letters [2022-03](#), [2023-02](#), [2023-04](#)). This includes formulary and benefit design strategies, drug coverage parameters, and medication management programs that Carriers must have in place.

In addition, Carrier Letter [2024-04](#) continues to encourage FEHB Carriers to provide benefits that maximize value to enrolled individuals under FEHB and Medicare by offering Employer Group Waiver Plans (EGWPs), including prescription drug plan (PDP) EGWPs, to their Medicare Part D-eligible FEHB Program members. Guidance focused on pharmacy benefits has been consolidated in a regularly updated Carrier Letter to make it easier for Carriers to locate pharmacy guidance and to improve compliance.

We issued our most recent Pharmacy Benefits Consolidated Carrier Letter in February 2024, Carrier Letter [2024-05](#). Accordingly, beginning January 1, 2025, each Carrier of a Postal Service Health Benefits (PSHB) plan must provide prescription drug benefits to Medicare Part D Eligible Postal Service annuitants and family members through a Prescription Drug Plan Employer Group Waiver Plans (PDP EGWP) under a contract between a PDP Sponsor and CMS as required by the Postal Service Reform Act of 2022 (PSRA). A PSHB Carrier may also submit a proposal to offer a Medicare Advantage Prescription Drug (MA-PD) EGWP in addition to the PDP EGWP to its eligible plan members.

The FEHB Program has flow-down Pharmacy Benefit Manager (PBM) transparency standards in its Carrier contracts that guide how drug discounts, rebates, administrative fees, or other financial terms with PBMs are negotiated by FEHB Carriers. In addition, OPM annually reviews and updates the PBM transparency standards in its Carrier contracts to reflect ongoing changes in the pharmacy benefit landscape. OPM frequently engages with renowned and independent subject matter experts on various topics related to pharmacy benefits.

Similar to the rest of the healthcare market, prescription drug costs continue to increase in the FEHB Program. The OIG indicates that from 2022 to 2023, prescription drug costs have increased by almost 18% for the FEHB Program's fee-for-service and experience-rated Carriers.<sup>1</sup> Recent increases in drug costs can be attributed to greater utilization and increases in costs of prescription drugs, especially specialty drugs and GLP-1 medications, consistent with market trends to which the FEHB Program and other large employers are impacted.

The Department of Health and Human Services' Office of the Assistant Secretary for Planning and Evaluation (ASPE) highlighted in a [2023 Report](#) that "...Over the period from January 2022 to January 2023, more than 4,200 drug products had price increases, of which 46 percent were larger than the inflation rate. The average drug price increase over the course of the period was 15.2 %, which translates to \$590 per drug

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<sup>1</sup> OPM is unable to validate the OIG's reported 18% increase as our annual aggregate cost and utilization pharmacy data collection for 2023 is still being finalized.

product.”<sup>2</sup> To provide some historical context, in previous reports published by ASPE, in January 2022, the average price increase per drug was nearly 10%, and in July 2022, it decreased to 7.8%.<sup>3</sup>

Currently, total FEHB Program prescription drug costs represent approximately 30% of total health care costs. While this value accurately captures the percentage of spend attributable to prescription drugs in the Program, it is important to emphasize that, unlike most other employer-sponsored coverage, FEHB covers annuitants younger than age 65 who have higher costs when compared to the active population as well as annuitants aged 65 and older who also have Medicare B and/or A coverage. For FEHB annuitants enrolled in Medicare, Medicare pays most of the medical costs for these members with FEHB being responsible for the drug costs and the remaining medical costs once Medicare has paid. This skews the percentage because someone with the same total healthcare costs would have very different percentages in FEHB depending on if they had Medicare coverage.

When considering the increase in prescription drug spending, it’s important to consider items such as the correlation between prescription drug spend/overall healthcare costs. Effective and safe drug therapy can reduce the need for expensive emergency room visits, surgeries, hospitalizations, and long-term care. For instance, without a proper drug treatment of hepatitis C, patients may suffer from cirrhosis and other long-term complications, resulting in higher healthcare costs.<sup>4</sup>

The OIG issued a Management Advisory Report (MAR) on the FEHB Program Prescription Drug Benefit Costs on February 27, 2020, in which it discussed concerns that OPM may not be obtaining the most cost-effective pharmacy benefit arrangements under the FEHB Program. OIG recommended OPM conduct an updated, comprehensive study to identify ways to lower prescription drug costs. As mentioned in the OIG 2025 Top Management Challenges Report, I prioritized funding this study, and OPM is working with a vendor, comprised of independent and expert consultants, to review and analyze pertinent market trends and devise recommendations for administering pharmacy benefits in the FEHB Program. As a result of the progress made on the study, OIG has agreed to resolve the recommendations in the MAR. Per the Office of Management and Budget (OMB) Circular A-50, an audit is resolved when the OIG and agency management agree on action to be taken on reported findings and recommendations. I look forward to conducting the study and sharing the results with

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<sup>2</sup> [hhs.gov/sites/default/files/fy-2025-budget-in-brief.pdf](https://www.hhs.gov/sites/default/files/fy-2025-budget-in-brief.pdf)

<sup>3</sup> [Price Increases for Prescription Drugs, 2016-2022 | ASPE \(hhs.gov\)](#)

<sup>4</sup> [To spend less on health care, invest more into medicines \(statnews.com\)](#), [Issues 2020: Drug Spending Is Reducing Health Care Costs | Manhattan Institute](#)

you so we can continue to work together to provide the best deal for federal families with prescription drug needs.

### **FEHB Program Enrollment and Eligibility.**

Strengthening the integrity of the FEHB program is one of my top priorities as OPM Acting Director. I continue to believe that the most effective strategy is to secure funding from Congress to deploy a central enrollment program for the FEHB program, as we have done for the PSHB program. Without a central enrollment platform, OPM is limited in the steps it can take to improve program integrity as, among other things, it lacks the data necessary to conduct eligibility reviews.

Nonetheless, as the OIG acknowledges in its 2025 Top Management Challenges Report, OPM has taken multiple actions in the past year to strengthen controls preventing the coverage of ineligible family members. This includes issuing guidance to agencies requiring the review of eligibility documentation for 10% of Open Season enrollments of Self Plus One and Self and Family enrollment types (Benefits Administration Letter ([BAL 24-201](#))) and requiring the annual distribution of eligibility information to be reviewed by all enrollees ([BAL 23-203](#)). OPM has also continued to take steps to monitor, employing agency and Carrier actions.

OPM has provided significant support and training to Federal agencies and Carriers to ensure consistent and comprehensive implementation of guidance on preventing ineligible individuals from being added to the FEHB Program as family members through a requirement to review eligibility documentation in Carrier Letter [2021-06](#) and BAL [21-202](#), as well as guidance on identifying and removing ineligibles currently on the rolls as family members in Carrier Letter [2020-16](#) and BAL [20-203](#). OPM will also monitor the implementation of [BAL 24-201](#) by providing training, guidance and requiring reporting of agency findings on verified Open Season transactions. OPM will continue to work with agencies and Carriers to improve and increase verification processes during Open Season.

The report acknowledges that as the enrollment process is currently structured, each agency is responsible for ensuring eligibility requirements are met, which makes the number of potentially ineligible family members in the FEHB Program difficult for OPM to estimate. OPM continues to work to leverage all data currently available to OPM (for example, through the Master Enrollment Index (MEI)) to better understand the scope of ineligible covered family members specific to the FEHB Program.

As the OIG also notes, OPM has long recognized that the health benefits eligibility and enrollment processes lend themselves to automation and centralization. As mentioned above, through the PSHB program's central enrollment platform, OPM has an opportunity to centralize enrollment processes for the Postal employee and retiree

populations. OPM will be collecting family member eligibility documentation for enrollees who add family members during the 2024 Open Season. For the inaugural Open Season, the PSHB system will prompt the enrollee for the verification documentation, which the system has been configured to receive. Additionally, effective January 1, 2025, every new Postal employee and every Postal enrollee with a qualifying life event is required to submit family member eligibility documentation for verification. Combined, these efforts will put the United States Postal Service (USPS) ahead of governmentwide policy on family member eligibility documentation collection for *new* enrollments.

However, collecting eligibility documentation on all family members that will be automatically enrolled in the PSHBP (more than 710,000 family members) will require resources that are not currently available for this program. OPM would need additional funding to undertake this work. To that end, OPM has proposed legislation that would enable OPM access to a capped amount of mandatory funding annually from the Employees Health Benefits Fund to develop and maintain eligibility and enrollment systems for the FEHBP, including the PSHBP. This proposal will provide OPM with resources to:

- Improve the accuracy of enrollment information by instituting consistent, automated data collection processes while reducing paper processing;
- Enhance the efficiency and effectiveness of FEHBP enrollment processing by enabling system-wide updates to occur centrally rather than agency by agency; and,
- Enable easier verification of family member enrollments by implementing a single, automated process for uploading eligibility documentation.

These changes are critical for continuing to improve FEHB program integrity. This legislation would also include resourcing for the OPM Office of the Inspector General (OIG) to support oversight of the FEHBP, including the PSHBP, and the implementation and functions of enrollment and eligibility related operations. We have appreciated your partnership in advocating for adoption of this legislative proposal.

### **Health Benefits Carriers' Fraud and Abuse Programs.**

Per Section 1.9 in the FEHB standard contracts as well as in Carrier Letter [2017-13](#), which was developed in collaboration with OIG, OPM requires FEHB Carriers to have robust fraud, waste, and abuse (FWA) programs and to report potential FWA issues to OIG. Through the FEHB contracts, OPM requires Carriers to conduct comprehensive FWA programs, and OPM has oversight regarding this contract requirement. The OIG identifies that the costs associated with the FEHB Carriers' FWA programs are paid by

the FEHB Program and were more than \$23 million for 2023 on the largest five FEHB Carriers. However, those same Carriers reported actual savings resulting from their FWA programs in excess of \$47 million, and recoveries from their FWA operations of over \$12 million.

OPM remains committed to effective oversight and administration of the FEHB Program and strengthening controls surrounding Carriers' FWA programs; OPM noted that adherence to FWA responsibilities was one of four priorities for carriers in the 2024 Call [Letter](#) for the 2025 plan year. OPM is reviewing OIG's concerns in this management challenge report and in response to OPM audits that address FWA requirements. For instance, OPM implemented new contract language for 2021 to clarify that in cases of FWA, Carriers will coordinate with OIG as required by the contract and FWA guidance prior to attempting to recover erroneous payments. OPM will continue to evaluate ways to strengthen anti-fraud, anti-waste, and anti-abuse requirements for Carriers and oversight of Carriers' FWA programs.

### **Identifying and Reducing the Flow of Improper Payments**

As noted above, OPM remains committed to effective oversight and administration of its programs, including working to identify and reduce improper payments.

OPM and its Healthcare & Insurance (HI) function continually work to improve performance and identify means of improving the integrity of the FEHB Program. Improper payments most often result from improper enrollments, and the actions that we outlined above with respect to improper enrollments should drive down improper payments. In addition, we have a system of rigorous vetting of Carriers prior to their participation in the FEHB Program; annual review of the FEHB Standard Contract; Carrier Letters addressing issues ranging from improper enrollments to OPM's Letter of Credit System, and financial auditing and reporting requirements; all aimed at ensuring and strengthening the integrity of the FEHB Program.

OPM continues to track improper payments and report confirmed fraud using a methodology jointly developed by OIG, HI, and the Office of the Chief Financial Officer (OCFO). The methodology leverages OIG Carrier-specific audits of the FEHB Program and includes fraud investigative recoveries from OIG, FEHB Carriers, and the Department of Justice's (DOJ) efforts. OPM reports the amount from the fraud investigative recoveries to the OMB as confirmed fraud.

The Payment Integrity Information Act of 2019 (PIIA) governs improper payments with the purpose of identifying, reporting, and reducing improper payments in the government's programs and activities. In OPM's ongoing efforts to identify and reduce improper payments to increase payment integrity, OPM finalized and submitted a

statistically valid Sampling and Estimation Methodology Plan (S&EMP) for FEHB experience-rated Carriers to OMB in June 2024 that meets the requirements for OMB Circular A-123 Appendix C – Requirements for Payment Integrity Improvement. The FEHB improper payments estimate prepared using this new S&EMP will be reported in FY 2025, as implementation time is needed for Carriers and OPM. Implementing an S&EMP requires significant time and resources including hiring a contractor to develop a methodology, updating Carrier requirements, obtaining input from stakeholders testing the new methodology, and training Carriers. The Carriers need time to update their contracts for an Independent Public Accountant to perform sampling, testing, and reporting required by OPM's 2024 FEHB Financial Reporting and Audit Guide.

### **Retirement Services**

Retirement Services (RS) is committed to improving the customer experience of retired annuitants and their family members. Through OPM's Strategic Plan Objective 3.1, RS is improving its operations to serve the needs of its customers. Actions include virtual benefit training classes to help improve the knowledge of Benefit Specialist and Human Resources (HR) professionals related to CSRS and FERS retirements and providing requested ad hoc agency specific training to help with on the healthy submission of retirement packages. RS has also established recurring meetings with agencies in an effort to work collaboratively to improve the accuracy of the audit of retirement packages. To this end, OPM is proud to report the improvement in the accuracy rate of packages submitted by agencies to OPM has increased from 76.68% in FY 2023 to 83.94%, as of August 2024.

Another area which impacts the RS customer experience is the inventory level of retirement cases. While the inventory continues to be above 13,000, the annual average inventory levels at the end of August 2024 are 16% below inventory levels at the end of August 2023. This positive improvement demonstrates the dedication of RS to increasing our customer experience along with addressing the inventory challenges RS has had in the past.

For the IT modernization effort, RS requested funding in the FY 2025 Congressional Budget Justification of \$6.5 million for improving the online retirement application and digital file system. OPM has submitted a second funding request for the Technology Modernization Fund which is currently under consideration. In addition, RS continued to track the voice of the customer through our quarterly annuitant survey. During FY 2024, RS' satisfaction score increased from 3.73 (first quarter) to 3.98 (third quarter).



## **Challenge 2: Information Technology**

Modernizing OPM's legacy information technology (IT) applications, technology, and cybersecurity continues to be a strong focus for the agency. Over the past year, the Office of the Chief Information Officer (OCIO) has made significant progress towards improving and modernizing OPM's technology environment, though inadequate and inconsistent funding remain challenges.

From an IT Modernization perspective, the OCIO is in the second year of a two-year priority initiative refer to as the "Sprint to the Cloud." This initiative has successfully migrated over 22 applications to the cloud, including major governmentwide applications like USAJOBS. Instead of a "lift and shift" migration, whenever possible, OCIO is moving to cloud-native services that allow continual, real-time maintenance and patching, greatly enhancing cybersecurity protections. These migrations put OPM on a path to close its remaining data centers within the next two fiscal years.

The legacy OPM mainframe will be the last on-premises component of OPM's data centers. In FY 2023, OCIO analyzed the effort and cost to transition the applications on the mainframe to current and modern programming languages. The study identified two alternatives to replace the physical mainframe including an "emulator" to continue running the legacy code in the cloud or physically rewrite the code. After conducting additional market research, the OCIO team determined that utilizing a smaller developer-based team and leveraging AI to translate the legacy code to a modern programming language would be the most effective and lowest cost solution to transform 40+ year old systems and applications. Unable to fund such a large project from annual appropriations, at the end of FY 2024, the CIO requested funds from the Technology Modernization Board to pursue the AI approach and is awaiting the final decision.

The OCIO has also continued implementing its zero-trust cybersecurity program and has adopted cloud-based cybersecurity tools that use machine learning and AI to improve the agency's overall cybersecurity posture and protections. To further improve security, the OCIO has continued its "Get Current, Stay Current" initiative to reduce instances where applications, databases, and operating systems are running on unsupported versions. OPM recently published a revised Cybersecurity and Privacy Policy, implemented phishing-resistant multifactor authentication, encryption at rest and in transit, and significantly improved its Federal Information Security Modernization Act 2014 maturity score from FY 2023.

OPM has made tremendous progress in modernizing and improving the IT customer and user experience in the agency. OCIO is promoting enterprise solutions to improve the customer and digital experience. OCIO is also working closely with the Program

Offices to define and deploy systems and applications that streamline and digitize business processes.

From a resourcing perspective, OCIO's leadership team continues to be stable with only one change in the past 2 years. The stable leadership put OCIO in a position to better address the agency's IT challenges. In FY 2024, OCIO continued the focus on filling deputy and supervisor positions below the Associate CIO (ACIO) level. OCIO also targeted obtaining critical skillsets related to cybersecurity, cloud technology and services, and AI capabilities.

OPM also increased compliance and transparency by remediating 416 IT audit findings and recommendations, with 226 of those items being formally closed over the past year. Remediating open audit findings continues to be a priority of the OCIO leadership.

### **Challenge 3: Governmentwide Challenges**

#### **Strategic Human Capital Management**

OPM continues to work with agencies on addressing skills gaps in mission critical occupations (MCO) and to fully implement GAO's and NAPA's recommendations related to this high-risk area.

OPM is making strides to modernize the Federal hiring process and remove barriers to expedient and effective hiring in measurable ways for applicants, hiring managers and human resources practitioners. One of the key efforts to achieve that goal is utilizing more pooled hiring, where multiple agencies with the same need can take advantage of one hiring action rather than each agency running its own. By leveraging the size and scope of the Federal Government and using subject matter experts from across agencies ensures, OPM is identifying and assessing common job requirements that will meet the needs of multiple agencies and maximize the number of hires made from a single job announcement.

OPM is committed to providing a clearer Federal service on-ramp for highly qualified early career talent. OPM has had several successes with aiding agencies with effective recruitment strategies, including sponsoring a Federal Internship social media blitz where agencies posted their internship opportunities at a coordinated time and social media was used to spread the word about Federal jobs. OPM also launched an [early career page](#) and [career explorer tool](#) on USAJOBS, and provided a forum for educating agencies --and enabling agency best practices sharing-- on effective recruitment practices through the Recruitment and Outreach Community of Practice. OPM also held several "Level Up to Public Service" events in partnership with federal agencies

that seek to raise awareness about careers in public service and demystify the federal application process through resume reviews, mock interviews, and an introduction to USAJOBS. These events have been held at three different Minority Serving Institutions (Hampton University, Delaware State University, and Kean University). Separate events were also held for individuals with disabilities, and for federal interns.

In addition, OPM issued comprehensive changes to the Pathways Program in publishing a final rule in April 2024. Among other changes, the rule expands applicant eligibility for the Recent Graduates program to include individuals who may or may not have college degrees, raises the ceiling for what Recent Graduates can earn, and makes it easier for agencies to convert interns to full-time positions.

OPM is also working to implement a merit-based transformation of Federal hiring by driving widespread adoption of skills-based hiring, building upon the Federal employment objectives under [Executive Order \(EO\) 13932, Reforming and Modernizing the Assessment and Hiring of Federal Job Candidates](#). Skills-based hiring is an approach to recruitment and selection that prioritizes a candidate's specific skills and competencies over traditional qualifications such as formal degrees, job titles, and years of work experience. Hiring managers focus on skill sets; not on where and how they acquired them. All relevant skills are valued – whether they are learned in the classroom, on the job, or on one's own.

This offers a host of advantages to advance the Federal Government's efforts to compete with other sectors for top talent. For example, it expands the pool of potential applicants and removes barriers for underrepresented communities by making it easier for those who do not have a four-year degree to demonstrate that they have possess the needed skills. Additionally, it helps hiring managers accurately assess a candidate's true capabilities.

OPM is also driving initiatives to build key enablers focused on improving federal strategic human capital management, including building the data landscape and facilitating cross-agency sharing of best practices. For example, as part of OPM's work through the President's Management Agenda (PMA) to elevate MCO staffing gaps and hiring targets, a PMA Priority metric was established and [guidance](#) was issued to agencies to submit this data to OPM annually. Agencies are required to report to OPM annually on their target number of hires and target number of employees to have on-board at the end of each fiscal year for all of their agency specific and Governmentwide MCOs. OPM uses this data to determine how well agencies are doing in closing staffing gaps in their MCOs leading to skills gap closure.

In addition to raising skills gaps to a PMA level, OPM also included the importance of tracking this metric in the recently released [Improving the Federal Hiring Experience](#),

which is a joint memo from the OPM Acting Director and the OMB Director. OPM also used this data to work with the Office of the National Cyber Director (ONCD) to prepare two reports on the state of the cyber workforce and how agencies did on closing staffing gaps and meeting hiring targets for their cyber occupations. These reports were distributed to the ONCD workgroup on cyber and are aligned with the ONCD National Cyber Workforce and Education Strategy Implementation Plan to address cyber workforce challenges. OPM continues to work with agencies on their human capital operating plans (HCOP) to ensure that they are addressing agency-specific skills gaps. OPM discussed agency efforts to close skills gaps through the human capital reviews which were conducted with every CFO Act agency in FY 2024, and what efforts were being made to address the PMA metric of staffing gaps and hiring targets.

OPM has also been facilitating cross-agency sharing of best practices. For example, OPM's FY2023 [report](#) on its human capital reviews with CFO Act agencies details a number of successful or leading practices shared by agencies during these discussions. Released in February 2024, the [Workforce of the Future Playbook](#) also contains a collection of leading practices, which were shared with human resources practitioners, and Federal leaders and managers during the accompanying webinar series, which approximately 5,000 Federal employees attended, designed to provide employing agencies with the tools to plan for and execute a strategic human capital program. With efforts like these, as well as ongoing support to agencies across broad human capital management topics, OPM exceeded its goal to provide Federal agencies with 25 best practices by FY 2026 before the end of FY 2024.

The Top Management Challenges report discussed the GAO audit, dated February 2024, on *FEDERAL HIRING - USA Staffing System Supports Hiring Needs, but Actions Are Needed to Strengthen Training and Program Management*. The findings were specific to USA Staffing's management of the Interagency Agreement Process. In response, the USA Staffing Program has implemented the recommended actions around improving the management of its Interagency Agreement process and will work with GAO to close the recommendations.

OPM will continue to strengthen the USA Staffing program, as it handles the full range of Federal hiring flexibilities and requirements and supports the end-to-end hiring process for agencies across Government. OPM will continue to build and enhance the system in partnership with Federal agencies to support the millions of applicants and thousands of HR professionals and hiring managers across Government using USA Staffing every day.