

Focusing the Inspection



Office of Inspector General
Office of Evaluation and Inspections

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Background

Program Inspections are one of the major tools that the Inspector General uses to create positive change within the U.S. Department of Health and Human Services (HHS). Whether initiated by the Inspector General—or at the request of the Secretary, Under Secretary, an Assistant Secretary, Agency Head, or Congress—a Program Inspection provides a national picture of the operations and impacts of selected HHS activities. In addition, almost all Inspections include specific recommendations for further strengthening the current situation.

Over the past 5 years, Inspections have become a fast way for HHS decision-makers to receive current, reliable data specifically targeted on issues important to high-level administrators. Within the Office of Inspector General (OIG), Program Inspections are conducted by the Office of Evaluation and Inspections (OEI).

The methods used to conduct Program Inspections have been drawn from several disciplines, including traditional program evaluation, policy analysis, fiscal auditing, program monitoring, compliance reviews, investigations, and management analysis. This series of OEI Technical Assistance Guides details the different Program Inspection methods in order to help orient and train new staff, refresh experienced staff, and share the details of the Inspections process with interested observers.

This particular guide—Focusing the Inspection—details how OEI Inspections staff target what they will and will not study during the Inspection. This guide first discusses several overall principles to keep in mind while focusing an Inspection. It then details the six major steps involved during the focusing process: (1) determine the audiences for the Inspection; (2) clarify the exact purpose of the Inspection; (3) understand the activities to be studied; (4) understand the context of the Inspection topic; (5) clarify the OIG context; and (6) establish the specific scope of the Inspection.

Introduction

Determining the appropriate focus—that is, targeting exactly what to study—is the very first step in any Program Inspection. Since it is never possible to look at all aspects of an issue, we must tailor each Inspection to fit the specific needs of the current situation.

Focusing begins immediately after we receive the assignment and before we even consider beginning the other steps. It is the first (but not the only) step we need to take before being able to design the Inspection.

In addition to being done early, this focusing also needs to be done well, since it determines the direction of the entire Inspection. While it is certainly possible to modify an Inspection after it has begun, this initial focusing has a profound influence on what the Inspection will produce.

One analogy is to imagine rolling a bowling ball down the alley. If we want our ball to hit the pins in the right place (the “pocket”), we need to aim it very carefully. If we miscalculate even slightly at the beginning of our throw, we lose all chance of a strike, and we may even roll a gutter ball.

An even better analogy is launching a rocket to the moon. In this analogy we can make mid-course corrections, just as we can with an Inspection (but not with a bowling ball). But these mid-course corrections can only modify the flight rather slightly, not put the rocket into a completely different orbit. Just as with an Inspection, once the rocket is launched in one direction, there are limits to how much the overall direction can be altered.

Both of these analogies show the critical importance of proper aim, a lesson equally true for bowling, for launching a rocket, and for focusing an Inspection. Later in this chapter, we will discuss six steps to focusing an Inspection, but first let us consider several guiding principles we should keep in mind throughout the process.

Guiding Principles for Focusing an Inspection

First, focusing is a *cooperative process involving a large number of people*, not a solitary activity one or two analysts do by themselves. For example, in addition to the Regional Office persons responsible for the Inspection, OEI Headquarters staff provide technical assistance in helping to focus the Inspection.

Many others could also be involved, including auditors and investigators from the OIG, program staff from relevant operating divisions (OPDIVs), experts from the numerous staff divisions (STAFFDIVs), providers, and knowledgeable persons from other Federal agencies, Congressional agencies, trade associations, and research organizations. The best Inspections involve many of these people early and often.

Second, partly because so many people are involved, *focusing is a continuing process* during which an Inspection gradually takes form, not a one-time activity of making all the final decisions. As each person contributes his or her own perspective and information, we are better able to conceptualize the Inspection and make preliminary decisions. We can then discuss these early decisions with other persons and refine our thinking even further.

This back-and-forth process of considering the focus, discussing with others, and then reconsidering the focus is key to focusing an Inspection. Research methodologists often employ this “iterative” approach to focusing a study.

Third, during this iterative process, it is important to *begin with and keep an open perspective* on all aspects of the Inspection. It is human nature for our first impressions to become lasting impressions, but we need to resist this tendency, especially in the early stages of an Inspection. Otherwise we won’t be able to learn as much as possible from our focusing efforts.

For example, Inspections staff designing the study of Smokeless Tobacco first believed that the topic was a somewhat parochial regional phenomenon with limited interest to a national audience. However, they quickly discovered that their first impressions were incorrect and that they were dealing with a serious national health problem of surprising proportions. Inspections staff broadened the design of the inspection, and their findings became a genuine priority for the Public Health Service (PHS).

This leads to the curious realization that, before we can narrow our perspective on a topic, we must first take deliberate steps to do just the opposite—that is, to broaden our perspective. Before we can decide which aspects of the topic should be studied, we must first identify all reasonable aspects which might be studied. Only then can we objectively choose which of this “universe” of aspects we should study during the Inspection.

Fourth, keeping an open perspective on all aspects of the topic allows us to *consider seriously all reasonable options* at each step. As we focus the Inspection, we face a multitude of decisions (e.g., What audience(s) should be addressed? How? What should we aim to accomplish with the Inspection? What should be our scope? Objectives? Issues? Types of information needed?). Rather than deciding these questions based on our habits (or what worked in our last Inspection, or what feels most comfortable), we need to decide them only after consciously considering all the reasonable options we have available.

We should carefully consider all reasonable possibilities, explicitly reject those which are inappropriate in the current situation, and then choose from the options which remain. Only by consciously considering every option can we resist the quite-normal tendency to fall into our own habits and disregard the needs unique to every Inspection.

Fifth, every Inspection must *maximize the chances of yielding useful recommendations*. This is one aspect of every Inspection for which we have no options. One obligation of the OIG is to improve the efficiency and effectiveness of the Department, and every Inspection is expected to help fulfill this obligation.

These recommendations do not spring automatically from an Inspection. Instead, we must keep in mind our need to develop useful recommendations when we choose issues, information sources, information gathering strategies, sampling and analysis plans, etc.

Sixth, it takes time to involve a sufficient number of persons, consider a sufficient number of options, and go through a sufficient number of iterations of considering and reconsidering the focus. We must *allow enough time to focus* an Inspection properly. With all the pressures to write the design document and begin gathering information, it is tempting to spend as little time as possible on focusing the Inspection.

This is a very risky move, and the penalties for a mistake are high. Just as in rolling our bowling ball or launching a rocket, we only get one opportunity to start in the right direction, even if we can make mid-course corrections. It is much better to take plenty of time to focus the Inspection properly. A little extra time at this stage is almost always well worth the investment.

Six Steps to Focusing an Inspection

With these guiding principles, let us now consider six steps which can help to focus the Inspection. Even though all six steps must be completed during the focusing process, any given Inspection might require more or less attention to any one step. This is a judgment call which needs to be made on a case-by-case basis.

It is important to keep in mind that these six steps are *not* entirely separate from each other and are generally *not* conducted in a lock-step order, with one beginning only after another ends. Instead, in keeping with the iterative nature of the focusing process, all these steps are interrelated, and it is generally necessary to work on several of them at the same time. Because we call these activities “steps” and list them one after another on the following pages should not suggest that they necessarily need to be conducted in this particular order.

Step #1: Determine the Audiences for the Inspection.

One feature which has made Program Inspections so effective within the Department is that they are explicitly targeted to a specific audience. Rather than conducting an Inspection and then hoping to interest some of the relevant HHS officials in the findings, we determine, in advance, who wants and needs the findings. We then consider this audience to be our client for the Inspection. When appropriate, we adjust our activities to fit the specific interests and needs of this audience, taking care that our independence and objectivity are not compromised.

Often this audience is one person, sometimes at the highest policy making levels of HHS, who has personally requested the Inspection. The Inspection on youth suicide, for example, was requested directly by the Secretary. In response to a growing national problem, HHS co-sponsored a conference and created a high-level task force on youth suicide. Even though the National Institute of Mental Health (NIMH), National Institute of Drug Abuse, National Institute of Alcohol Abuse and Alcoholism, Centers for Disease Control, and the Office of Human Development Services were involved, the Secretary asked the OIG to conduct the national study to supplement the work of this task force.

Among the many other examples:

- The Commissioner of the Social Security Administration (SSA) requested one Inspection on the level of access which claimants have to attorneys and another on administrative costs in the State Disability Determination Services programs;
- The Administrator of the Health Care Financing Administration (HCFA) requested an Inspection of which data about nursing homes are most useful to those making local-level placement decisions;
- The Surgeon General requested an Inspection on Baby Doe activities in order to prepare testimony for Congress' reauthorization hearings for the Child Abuse and Neglect Prevention and Treatment Act; and
- The Administrator of the Family Support Administration requested an Inspection on the State Implementation of the Immigration Reform and Control Act of 1986.

It is possible, though, to have a "primary audience" who does not explicitly request the Inspection. For example, the Inspector General may suspect a serious problem within certain PHS activities. The Inspector General may then initiate an Inspection of those activities, fully intending that the primary audience will be the Assistant Secretary, even though he or she may not even be aware (at first) that an Inspection has begun.

Whether the primary audience actually requests the Inspection or not, identifying the primary audience is an important part of focusing the Inspection. Since the reactions of this audience will largely determine what impacts our Inspection will have, we need to tailor the Inspection as much as possible to his or her needs. Inspections staff might:

- Talk with OEI headquarters staff about who is the primary audience and whether that person or office requested the Inspection. Ask what, if anything, the primary audience knows about the Inspection.

Often, though, other persons will also have an interest in the findings and recommendations, and we must not overlook the importance of these “secondary audiences.” Numerous others who make up this secondary audience include administrators of the OPDIVs involved, managers of the activities involved, STAFFDIV experts on the issues being studied, Congressional committees which authorize or oversee the HHS activities, professional associations representing provider groups, advocacy groups representing persons receiving services, etc.

These secondary audiences are usually harder to identify than the primary audience, but they are often just as important. If our findings are accepted by the primary audience, any actions he or she wishes to take will almost certainly require the cooperation of these secondary audiences. If they reject the Inspection findings, or even if they don’t understand the findings, taking the necessary actions will be that much harder.

In the Inspection of independent clinical laboratories, for example, the professional associations were an important secondary audience, since they could be valuable advocates for the eventual recommendations from the Inspection. The American Nursing Association, State Nursing Associations, and the American Hospital Association were important secondary audiences for the Inspection on Nursing Shortages, since these associations could help to increase nursing participation in hospital decision-making and to alleviate the national nursing shortage. For some of the same reasons, local urban Indian health centers were an important secondary audience for the Inspection on Urban Indian Health.

Another reason why secondary audiences are important has to do with the difference between short-term impact and long-term impact. Most Inspections are quite visible, with an immediate short-term impact which creates momentum and often leads to positive changes. But, Inspection reports and their findings also linger, sometimes long after the short-term impact and the primary audience have gone. In these instances, it is not unusual for secondary audiences to use the Inspection findings to effect positive long-term changes on their own.

In practice, primary audiences tend to be specific individuals, often high-level policy makers who may be political appointees. Secondary audiences, on the other hand, tend to be program offices or organizations which will continue after the primary audience is gone. In the world in which Program Inspections operate—the nexus between policies and specific activities—it is important to identify and cultivate both types of audiences.

To identify important secondary audiences, Inspections staff might:

- Make a list of all persons and organizations who might have a vested interest or stake in the Inspection (i.e., the stakeholders). List as many possibilities as you can, at least at first.
- Discuss this list with OEI headquarters staff and decide on those to be designated as secondary audiences. Ask what, if anything, these audiences know about the Inspection.

It is also important to determine, as much as possible, how each stakeholder is likely to react to the Inspection being conducted. Some will no doubt be pleased; the person(s) who requested the Inspection, for example, will no doubt be delighted it is being done and will look forward to receiving the results. In all likelihood, so will staff experts who specialize in the issues being studied and those outside persons and organizations who believe that closer scrutiny will further their own cause. These audiences will most likely support the Inspection and be receptive to its findings.

But other stakeholders will almost certainly be less supportive and less receptive. Managers of activities being studied may be understandably less likely to welcome the Inspection with open arms, and they may have serious concerns about the timing, content, conduct, or impact of the Inspection. In other instances, managers of related activities may understand neither the need nor the specific plans for the Inspection.

For example, the SSA Commissioner and the SSA Office of Hearings and Appeals requested an Inspection to respond to a Congressionally mandated request for information about Medicare telephone hearing appeals. Officials in HCFA's Bureau of Operations, however, were chagrined to learn of this Inspection, since they assumed that HCFA would conduct this study. It took a number of high-level discussions to assure HCFA that the Inspection was the proper vehicle for the Secretary to provide the needed information to Congress.

When important stakeholders have concerns about an Inspection, it is important that those concerns be addressed. In fact, there are at least three reasons why we should try to understand these concerns as fully as possible.

The first and most important reason is that their concerns may be valid. Perhaps we are about to make a mistake, and perhaps we should reconsider part or all of the Inspection. One of our guiding principles is to begin with and keep an open perspective, and that requires that we consider the views of even those who oppose the Inspection in part or in whole. After all, our harshest critics are often the very persons who force us to strengthen our cases the most.

Second, if we have any hopes to reduce or eliminate these concerns, our only chance is to first understand exactly what those concerns are. We may believe, for our part, that the Inspection is an excellent idea and will be very useful. We may even have information (about developing problems, upcoming decisions, etc.) which bolsters our case. But those who disagree will no doubt have their own reasons for disagreeing, and we cannot begin to change their minds unless we first understand their concerns from their perspective.

Finally, we may not convince these skeptical stakeholders, and we may have to live with their reluctance (or opposition) throughout the Inspection. This is obviously not ideal, but given the world in which Inspections operate, it may also not be too surprising. In these instances, it is much better to know the likely objections up front rather than at the end of our

work. By knowing their objections in advance, we can tailor our Inspection to minimize (or even eliminate) their impact on our eventual credibility and acceptance. To learn the reactions of important stakeholders, Inspections staff might:

- Talk with OEI headquarters staff about the likely reactions of each of the primary and secondary audiences. Ask why each of these reactions is expected.
- Contact the primary audience and the most important secondary audiences to explain that the Inspection is beginning and to ask for general suggestions (see also Step #2). Contact key staff members if the individuals themselves are unavailable. Use this meeting to learn how each audience feels about the Inspection.

Step #2: Clarify the Exact Purpose of the Inspection.

Every Inspection is conducted for a specific purpose—none is simply a “fishing expedition.” Different Inspections have been conducted to identify vulnerabilities, describe reality, review compliance with requirements, highlight potential problems, uncover wasteful practices, identify best practices, assess the prevalence of a condition, answer questions posed by management, and assess progress toward stated goals and objectives. Each of these possibilities is a legitimate reason for conducting an Inspection, and each has triggered Inspections in the past.

Note that this list of purposes does not include “to study the issues.” While studying the issues is part of what one does during an Inspection, it is not a sufficiently detailed reason for the Inspection. This is because studying issues is the means to an end, not the end itself.

The important thing, though, is to learn the purpose behind our particular Inspection. In some instances, another OEI regional office had already conducted quite an extensive research process when they proposed the topic as part of the Inspection workplan. This research is often invaluable in helping us to establish the overall purpose of the Inspection.

In one case, Inspections staff were assigned to review Electronic Media Claims (EMC) billing and to identify areas of weakness or potential abuse. Two other OEI regional offices had previously researched the topic and had obtained considerable background information on EMC processes and potential problem areas. By contacting these two other offices, Inspections staff gathered not only this important background information, but also the names of key program staff and their earlier views on the topic. To benefit from previous research, the following should be considered:

- If another OEI regional office originally proposed the Inspection as a workplan topic, read their original proposal and ask their advice. Find out how they originally envisioned the Inspection findings being used.

In other instances, the Inspection was requested directly by the primary audience. If so, why? What does this audience want (or need, or expect) from the Inspection? How does this audience plan to use the Inspection findings? For personal education? For discussions with outside interests? For testimony before Congress?

Unfortunately, the primary audience may not always know specifically or clearly what he or she wants or what would be most useful. Through questioning, Inspections staff might be able to elicit a clearer sense of what is desired and useful. They can also clarify what an Inspection can and cannot do to produce the desired result. In either case, Inspections staff might:

- Contact the primary audience (or key staff, if necessary) and ask if he or she can clarify the exact purpose of the Inspection. Ask for specifics: What exactly is needed from the Inspection? How exactly will these findings be used? When exactly is this information needed? What exact format is needed?

Inspection staff designing the Inspection on SSA Technology found it very productive to meet with the primary audience early in the process. Prior to the meeting, staff were under the impression that the Inspection should focus on the attitudes of beneficiaries toward new technologies. During the meeting, however, it became clear that the primary audience was far more interested in the attitudes of SSA employees. This difference, needless to say, altered the entire approach to the Inspection.

If the Inspection was not requested by the primary audience, it is important to learn why it was begun. What do we hope the primary audience will do with the findings? What upcoming decisions can the Inspection enlighten? What developments are anticipated that will make the Inspection findings valuable? Only by determining this in advance can we maximize our chances of meeting the needs of those who will use the Inspection findings. Inspections staff might:

- Ask OEI headquarters staff why the Inspection was begun. Whose idea was it? Why? How does the Inspector General hope to use the findings?

Step #3: Understand the Activities to be Studied.

Once we understand who needs the Inspection and why, we then need a solid knowledge of what is to be the subject of the Inspection. This step and the next one (Step #4) both address this need. Some Inspections study activities which encompass an entire HHS program (e.g., foster care, child support enforcement). Others study activities which are only part of an HHS program (e.g., Medicare reimbursement for at-home oxygen care, medical licensure and discipline). Still, others study activities which cut across many HHS programs (e.g., physical abuse of patients in nursing homes, extent of use of Social Security numbers in the U.S.).

Whichever is the case, we cannot focus the Inspection until we have at least a basic understanding of these activities. To gain this understanding, Inspections staff might:

- Read from a wide variety of relevant documents, including existing legislation, existing regulations, court decisions, administrative directives or policy guidance, mission statements, program goals and objectives, strategic plans, local project reports, monitoring reports on the activities, reports to Congress, certain briefing materials, previous studies by other analysts, budget requests, Congressional testimony, and relevant academic journals (*Journal of the American Medical Association*, *New England Journal of Medicine*, etc.)

- Contact staff who are knowledgeable about the activities involved in the Inspection. The HHS staff might be in the OIG, the Secretary's Executive Secretariat (ES), Assistant Secretary for Planning and Evaluation (ASPE), Assistant Secretary for Management and Budget (ASMB), Assistant Secretary for Legislation (ASL), Office of General Counsel (OGC), relevant OPDIVs, etc. Non-HHS staff might be in the Office of Management and Budget, General Accounting Office (GAO), Congressional Budget Office, Office of Technology Assessment (OTA), etc. When contacting these staff, use a list of basic questions to gain a rudimentary understanding of the topic. (See Figure A for one suggested list of basic questions.)
- Visit one or two nearby sites to gain a first-hand exposure to the activities. Visit with an open mind, not as an effort to confirm or disconfirm what you have already learned from previous discussions.

These preliminary site visits are often invaluable for designing an effective Inspection. During the Inspection on itinerant surgery, for example, Inspections staff actually reviewed the claims processing operation and learned that a number of carriers omitted an important part of the procedure. This information was pursued more systematically during the full Inspection, and the findings revealed an important weakness in the activity.

Another way to understand the activities being inspected is to make explicit the hidden assumptions behind them. This often helps us to re-think the logic of the activities, sometimes with surprising results. For example, the Department currently funds projects which allow recipients to apply for social services at one location, rather than several different locations. The assumption is that such an "integrated" delivery system will save administrative costs and make applying easier for clients. But is this true? If not, what are the implications for such activities? Not surprisingly, re-examining assumptions often leads to the most powerful recommendations for improvement.

To make explicit these assumptions, Inspections staff might:

- Graphically display the "logic" of HHS activities by using a flow chart, decision tree, or other such techniques to display exactly what is supposed to occur. Include on this flow chart the intended inputs, processes, outputs, and outcomes of the activities. (See Figure B for a graphic display of one set of HHS activities.)
- Using your experience and judgment, ask yourself if any aspects of the activities as displayed seem implausible and unlikely to accomplish what is intended. If so, ask yourself why. (Evaluators often call this exercise a plausibility analysis.)

A third approach to understanding a set of activities is to identify the traditional measures of "successful" performance. By explicitly considering what the activities are supposed to accomplish, we can more readily consider what might be needed to "succeed." In some ways, this is similar to our brains' local project reports, monitoring reports on the activities, reports to Congress, certain briefing materials, previous studies by other analysts, budget requests, Congressional testimony, and relevant academic journals (*Journal of the American Medical Association*, *New England Journal of Medicine*, etc.)

Figure A
Basic Questions to Ask About an HHS Activity

Background

*What does the activity intend to accomplish?
Who is supposed to benefit from it?
What are its statutes, regulations, and policy guidance?
What are the politics of the situation?*

Organization

How is the activity organized within HHS?

Operations

*How does the activity operate?
Who operates it?
Who participates in it?
How many people are affected by it?*

Funding

*How is the activity funded?
How much does it cost?*

Important Issues

*Why is the activity important now?
What are the current developments?
What are the biggest issues facing it?
Where is there room for improvement?*

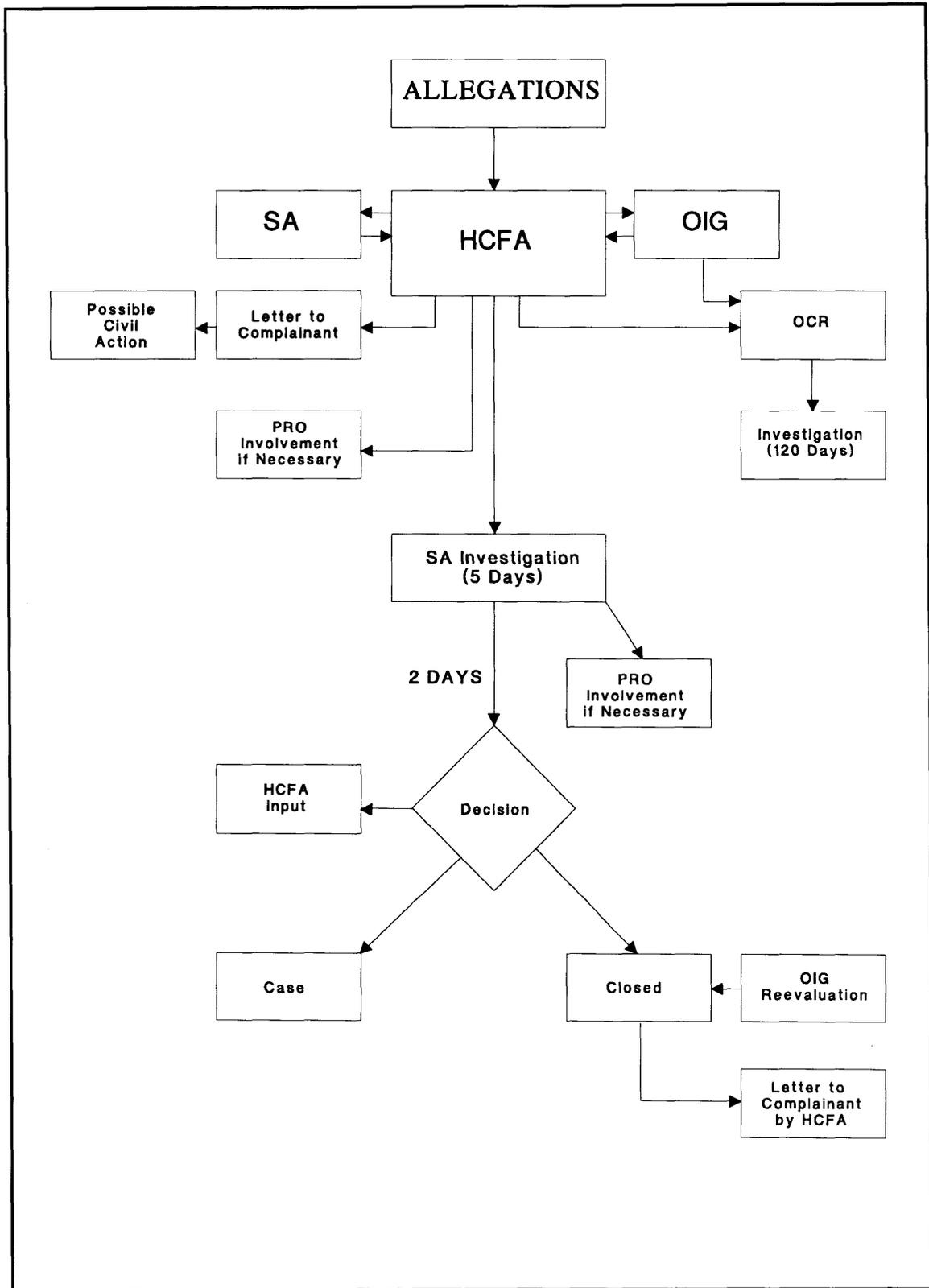
Data

*What data are available about the activity?
Are other studies currently underway?*

Trends

*What has been the history of the activity?
What are the recent trends? What future trends can be seen?*

Figure B
Flow Chart of HHS Activities
for Handling Alleged Cases of "Patient Dumping"



but in other ways it is quite different. In a surprising number of cases, the aims of activities and their measures of success are not identical. To identify these measures, Inspections staff might:

- Examine previous studies for the performance measures they used. Compare those measures to the activities as displayed on the following page, and ask if those measures are appropriate.

Step #4: Understand the Context of the Inspection Topic.

Programmatic Context

As important as it is to understand the activities to be studied (i.e., the results of Step #3), we can only truly understand them when we also understand the context in which they operate.

For example, **historical context** is very important, both for understanding how the current situation evolved and for developing options for the future. When and why did these activities begin? How have they changed over time? What momentum have they built up for the immediate future? Inspections staff might:

- Develop an historical timeline of the major events affecting the activities. Use this timeline not only to list the major events, but also to place them in their proper historical perspective. (See Figure C for an example of an historical timeline.)

Organizational context is important, since it suggests how adaptable a set of activities might be to major changes. Are they under the control of a high-level policy maker, or are they embedded several layers down in the bureaucracy? What other activities or legislation are related to the activities being inspected? Inspections staff might:

- Develop an organizational chart showing where the activities fit into HHS. Include all organizational ties, including those to other Federal agencies and to State and local agencies.

Budgetary context is also important, since some activities require more of an initial expenditure of funds than do others. Given the current emphasis on AIDS prevention, for example, more monies might be available to recommended improvements in those activities than in other, less popular activities. Inspections staff might:

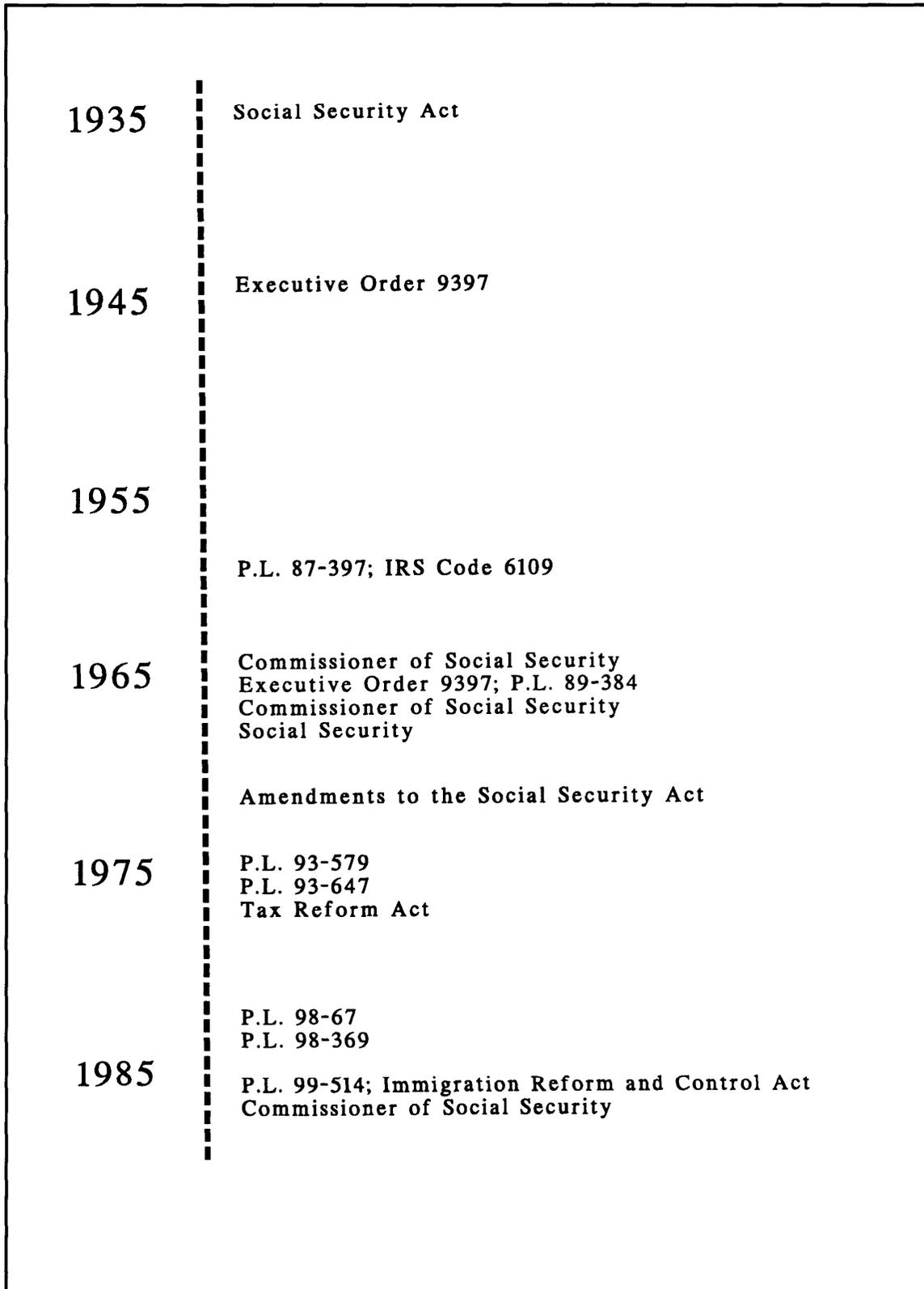
- Develop a budget analysis showing the current funds involved in the activities. If appropriate, compare these funds to past amounts, amounts for other activities, or amounts needed.

Policy Context

In addition to understanding these programmatic contexts, we also need to understand the policy—that is, the overall policy environment which surrounds the set of activities. This includes, in addition to the activities being inspected, any related activities or legislation which affect them.

Understanding the policy context proved critical during the Inspection on Medicare telephone hearings. At the time, the topic was the focus of extensive media coverage, Congressional hearings, and advocacy group

Figure C
Historical Timeline Showing Increasingly
Frequent Changes in the Use of Social Security Numbers



concerns. Congress' interest was so strong that it mandated both an HHS study and a very similar study from GAO. Because of this attention, the Inspections staff took great care to coordinate closely with GAO and to learn more about recent decisions which the Secretary had made on the topic. Both of these steps greatly affected the eventual design of the Inspection.

Activities do not exist in a vacuum, and we need to understand the forces influencing (or attempting to influence) them. Administration goals and proposals, Department objectives, Congressional interests, and the "small p" politics of outside persons and organizations are all a part of the policy context, and they all influence the policy scope within which our Inspection can hope to have an impact. Inspections staff might:

- Contact the "informal network" of persons within HHS who guide the direction of the activities to be inspected. These networks exist for every single issue, and membership in the network often cuts across organizations and official job titles. In fact, members more often tend to be key staff members than high-level officials. Members almost certainly include key staff in all involved OPDIVs and programs, the appropriate member of ES, and STAFFDIV experts from such offices as ASPE, ASMB, ASL, and OGC. You can identify these persons by (a) asking for the topic-area expert from each relevant office in the back of the HHS telephone directory and by (b) asking each expert to name the key HHS contacts. After asking only a few experts, the same names will start to repeat.
- Contact those outside stakeholders who have an important role to play in the activities. These could include interest groups, client advocacy groups, professional associations, academic experts, Congressional staff, outside analysts, etc. Identify them by asking the HHS experts.
- Prepare a one-page synopsis of the Inspection to facilitate these discussions. Include the purpose and objectives of the Inspection, the intended audiences, and the projected timetable. Use this synopsis as a way to explain the Inspection at the beginning of each meeting and to ask for reactions and advice. Be careful, though, to stress that this synopsis is tentative at this stage.
- Attend important meetings related to the Inspection topic. This could include internal Department meetings (of task forces, committees, working groups, etc.) or outside meetings (Congressional hearings, etc.). Identify these meetings by asking the HHS experts and outsiders.
- Read from a wide variety of relevant documents, including proposed legislation, proposed regulations, previous studies by other analysts, budget requests, Congressional testimony, speeches or public statements by key stakeholders, and media articles (*National Journal*, *Congressional Quarterly*, *The Washington Post*, *The New York Times*, *Newsweek*, *Time*, etc.).

Step #5: Clarify the OIG Context.

In addition to understanding the programmatic and policy contexts, we also need to clarify the *OIG context*. For example, is the OIG the most appropriate unit to study the topic, or is another HHS office more appropriate? While the OIG certainly has the right to examine any HHS activity, other units within the Department sometimes have more primary responsibility. Regarding internal budgeting procedures, for example, ASMB generally takes the lead. Similarly, the Assistant Secretary for Personnel (ASPER) takes the lead on resolving personnel disputes, and ASPE commissions longer-term research projects.

If we determine that OIG should have lead responsibility for the topic, is OEI the most appropriate OIG office? Both the Office of Audit Services (OAS) and the Office of Investigations (OI) also have the capacity to study HHS activities, especially if the topic involves allegations of fiscal irresponsibility or criminal wrongdoing. The OEI's unique contribution within the OIG is its ability to conduct short-term (4-6 months) studies of current program and policy issues, utilizing a variety of research, evaluation, and public opinion techniques. Each OEI Inspection should be designed to reflect this unique contribution.

If there seems to be any question about the appropriateness of OEI conducting the Inspection, contact OEI headquarters staff to resolve any doubts before proceeding further.

If we determine that the OIG is the appropriate office to study the topic, and if we also determine that OEI is the appropriate office within the OIG, then we must ensure that all of the OIG's efforts in this area are coordinated. Partly the coordination means ensuring that the different components of the OIG (OEI, OAS, and OI) are working in harmony on the topic and are not proceeding at cross-purposes. Inspections staff might:

- Contact all OIG staff responsible for the topic being inspected. Explain the Inspection to these persons, and ask about any projects they are currently conducting on the same or related topics. If projects are underway, learn as much as possible about them.

This coordination also means ensuring that the current Inspection builds on previous OIG work in a consistent, productive manner (see the earlier discussion of the importance of historical context). Otherwise, the OIG might find itself in the position of reporting inconsistent or even contradictory findings. Of course, if the situation being studied has changed since an earlier OIG study, it would be quite proper for the later study to report different findings. Otherwise, inconsistencies could diminish the OIG's credibility, harming the OIG's effectiveness on this issue and on other issues as well. Inspections staff might:

- Ask OEI headquarters staff if any previous OEI work has been done on the topic, and have them send you all relevant reports.
- Ask the relevant OAS and OI staff about any previous work their offices have done on the topic, and get copies of any reports.

Sometimes OEI and other OIG components are both studying topics which are relevant to both offices. In these instances, OEI coordinates closely with these other OIG offices. For example, the Inspection on urban Indian health was conducted at the same time as an audit on the same topic. Both staffs worked to ensure that recommendations from both studies were compatible, and both final reports were transmitted to the primary audience via a single transmittal memorandum.

Step #6: Establish the Specific Scope of the Inspection.

Since no Inspection can possibly study everything about a set of activities, it is important that we establish, as early as possible, and as clearly as possible, exactly what the Inspection will and will not address. A clear scope reassures the primary audience that we are addressing the proper topics (if he or she requested the Inspection), and it will also build interest for the findings (even if he or she didn't request the Inspection). In many ways, this step is the core of our focusing efforts.

A clear scope should also help to prevent future objections from persons who assumed we would "naturally" include issues which we had no plans to address. Often persons who are involved in a topic have such definite opinions about the important concerns that they cannot imagine others not sharing those same concerns. However, we may find it makes more sense to focus the Inspection on slightly, or even completely, different concerns. This can become a problem, but the problem is reduced once all interested parties understand the Inspection's scope.

Establishing a clear scope also helps those of us conducting the Inspection, since it draws our attention to the topics to be included and lets us not be distracted by other concerns. This allows us to easily identify specific tasks and make specific assignments.

There are several dimensions to consider when establishing an Inspection's scope. The first dimension to consider is the *range* of the inspection. For example, will the Inspection study all operations of a set of activities, or will it only study selected operations? The Inspection on inappropriate transfers of emergency room patients consciously did not study how allegations of "patient dumping" reach HHS. Instead, the Inspection focused on how the Department handles those allegations after they reach us. This decision allowed the Inspection staff to concentrate their efforts on a more limited set of concerns, and this was especially helpful given the short deadline which had been assigned. Inspections staff might:

- Indicate very clearly, preferably by using the display of the activities which was developed earlier, which operations will be included and which will not. For the emergency room example mentioned above, the display could show a solid line separating how allegations are received from how allegations are handled once received. Only the latter section of the flow chart would be inside the range of the Inspection.

The range of an Inspection also implies which **organizations** will be studied. Will all involved offices be studied, or only some? The same Inspection mentioned above could have studied (a) all three offices (HCFA, OI, and the Office of Civil Rights [OCR]) involved in investigating and resolving allegations, (b) those offices (HCFA and OI) responsible for the new COBRA requirements, (c) that office (OCR) responsible for the Hill-Burton requirements, or (d) those two offices (HCFA and OCR) with front-line authority for handling allegations. For a variety of reasons, the Inspection team consciously decided to study all three organizations.

Another aspect of an Inspection's range is the **time periods** to be studied. Many of the Department's activities have existed for many years, and sometimes it is important to study an issue from the beginning. At other times, an Inspection does better by studying a slice of time. In the emergency room Inspection, COBRA requirements became effective in August 1986, so the Inspection team decided to limit its study to those allegations made after that date, even though Hill-Burton legislation existed for many years earlier.

A final aspect of an Inspection's range is the **geographic areas** to be studied. Some Inspections require full national coverage, accomplished either by a census of all possible areas or by a valid sampling strategy. Other Inspections, such as those which aim to uncover emerging problems or identify best practices, may gain little by looking at the entire country.

For example, the Inspection on International Medical Centers focused on HMOs in five Florida counties. Because of the unique purpose of this Inspection, these were the only HMOs which needed to be included. For another Inspection of HMOs, however, it might well have been necessary to extend the range to include HMOs in other parts of the country.

This decision, like all the others about an Inspection's range, must be made on a case-by-case basis and must flow directly from the purpose of the Inspection. Inspections with certain purposes will require certain decisions about range, while Inspections with other purposes will require other decisions. Obviously there are strong incentives to focus the range as narrowly as possible, since this makes the Inspection that much easier to conduct.

A second dimension to consider when establishing an Inspection's scope, in addition to its range, is its specific **purpose** and **objectives**. We have already clarified the exact purpose of the Inspection (see Step #2), but that purpose is a general statement of why the Inspection is being done. Objectives are more specific statements of exactly what the Inspection must accomplish in order to achieve this purpose.

For example, the purpose of a recent Inspection on physical abuse of elderly patients in nursing homes was "To help assure an environment safe from physical abuse." Many different specific objectives could have been developed to accomplish this general purpose, but the Inspection team chose three: (1) "Review procedural requirements now in place," (2) "Assess the procedures actually being used," and (3) "Recommend ways to reduce any gaps between required and actual procedures." These choices obviously had a great influence on the Inspection's conduct and products.

A third dimension to consider when establishing an Inspection's scope is the **issues** to be addressed. Just as objectives flow directly from the purpose, so do issues flow directly from the objectives. In the Inspection described above, issues explored under the second objective ("Assess the procedures actually being used") included the number of allegations received, how these allegations are reported, investigated and resolved, what role Medicaid Fraud Control Units (MFCU) play in the process, and how different agencies relate with one another. By choosing these particular issues instead of other possibilities, the Inspection team further focused the Inspection in the direction most likely to accomplish its purpose. Inspections staff might:

- Develop both the objectives and the issues of the Inspection, beginning by listing all possibilities which are reasonable within the context of the assignment. Create this list by brainstorming among staff and censoring little. Then explicitly reject those possibilities which are not appropriate, and decide carefully on the remaining options.

If developed properly, an Inspection's purpose, objectives, and issues should flow directly from each other in a logical manner. Each objective, for example, should relate directly to the overall purpose of the Inspection, and accomplishing the separate objectives should automatically accomplish the purpose. Using exactly the same reasoning, each issue should relate directly to one (or more, in some instances) of the objectives of the Inspection, and providing information on each issue should automatically accomplish the objective. To ensure this, Inspections staff might:

- Diagram the purpose, objectives, and issues of the Inspection in a way which shows how each relates to all the others. Recognize that issues can relate to more than one objective, but that all objectives and all issues should relate directly to the purpose of the Inspection. (See Figure E for an example of such a diagram.)

Once the Inspection's scope (i.e., the range, purpose, objectives, and issues) has been established, it is important to communicate this scope clearly. This can be achieved by very clearly specifying what falls *outside* the scope of the Inspection as well as by specifying what falls *inside* the scope. As we mentioned earlier, persons with strong concerns will often assume that the Inspection will "naturally" address the concerns which are most important to them.

For example, SSA officials attending a preliminary briefing on the Inspection on disability determination services had mixed reactions to the issues which were discussed. Top officials felt that the Inspection addressed their concerns and was helpful. A lower-level official, however, was quite disappointed that the Inspection did not address one particular issue. After reviewing the Inspection design, it became obvious that this official had simply assumed the issue would be included, even though the Inspections staff had consciously excluded this issue and the design made no mention of it.

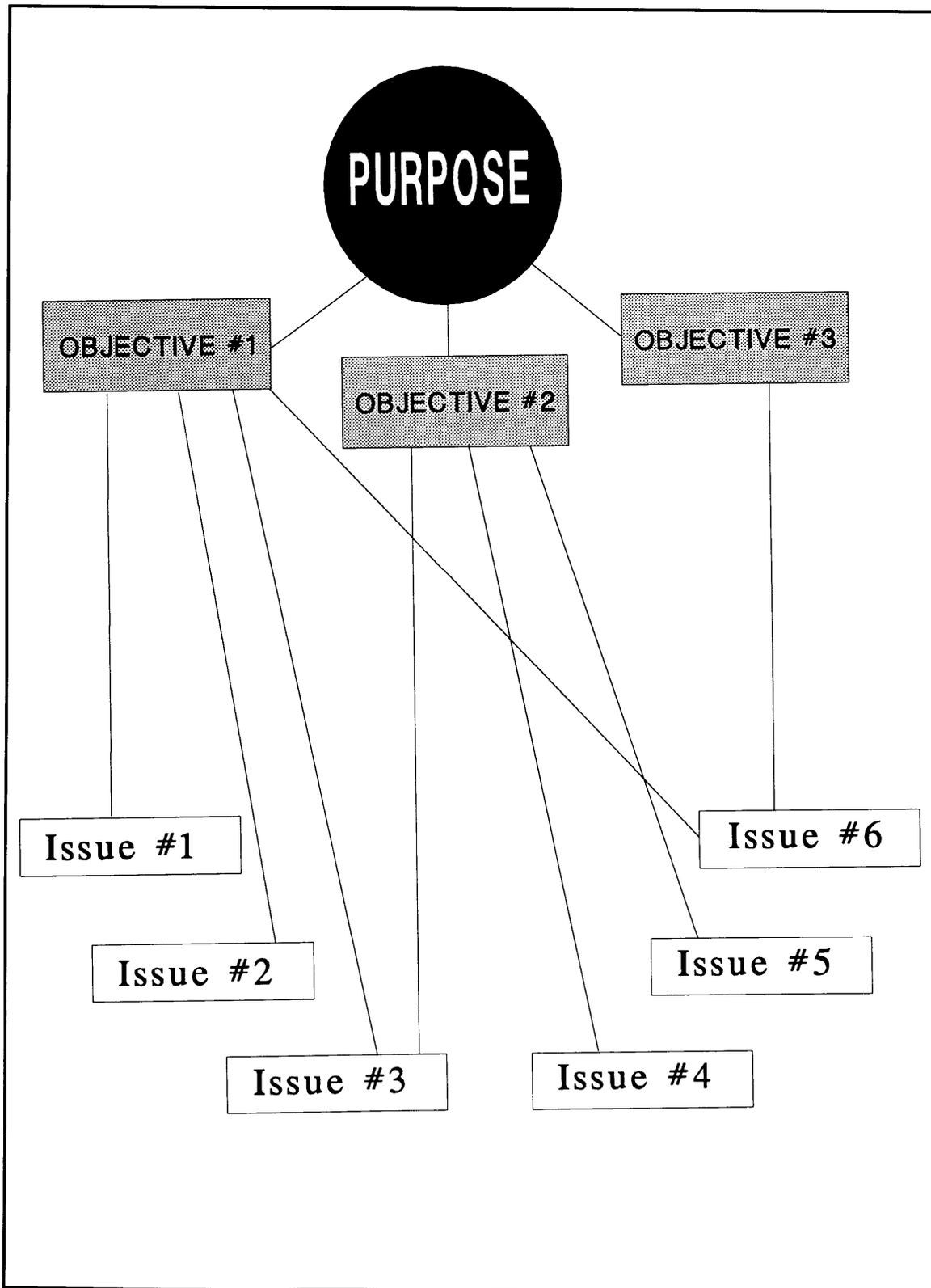
To avoid similar problems in the future, Inspections staff might:

- Specify very clearly in the design which operations, organizations, time periods, geographic areas, objectives, and issues will *not* be addressed in the Inspection.

After completing these six steps, the substantive content of the Inspection will be focused. That is, we will know *what* the Inspection will address. However, we are not yet ready to write the Inspection design, because we have not yet decided *how* the Inspection will be conducted. What information is needed to address the issues we have chosen? Does this information exist? Where? How can it be obtained?

These questions are addressed in OEI Technical Assistance Guide #2: Targeting the Information Needed.

Figure D
Relationships Among an Inspection's
Purpose, Objectives, and Issues



References for Further Reading

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Utilization-Focused Evaluation (Chapters 3-7); Michael Quinn Patton; Sage; Beverly Hills, CA; 1986.

Appendix: Summary of Suggested Techniques for Focusing an Inspection

Step #1: Determine the Audiences for the Inspection.

- Talk with OEI headquarters staff about who is the primary audience and whether that person or office requested the Inspection. Ask what, if anything, the primary audience knows about the Inspection.
- Make a list of all persons and organizations who might have a vested interest or stake in the Inspection (i.e., the “stakeholders”). List as many possibilities as you can, at least at first.
- Discuss this list with OEI headquarters staff and decide on those to be designated as secondary audiences. Ask what, if anything, these audiences know about the Inspection.
- Talk with OEI headquarters staff about the likely reactions of each of the primary and secondary audiences. Ask why each of these actions is expected.
- Contact the primary audience and the most important secondary audiences to explain that the Inspection is beginning and to ask for general suggestions (see also Step #2). Contact key staff members if the individuals themselves are unavailable. Use this meeting to learn how each audience feels about the Inspection.

Step #2: Clarify the Exact Purpose of the Inspection.

- If another OEI regional office originally proposed the Inspection as a workplan topic, read their original proposal and ask their advice. Find out how they originally envisioned the Inspection findings being used.
- Contact the primary audience (or key staff, if necessary) and ask if he or she can clarify the exact purpose of the Inspection. Ask for specifics: What exactly is needed from the Inspection? How exactly will these findings be used? When exactly is this information needed? What exact format is needed?
- Ask OEI headquarters staff why the Inspection was begun. Whose idea was it? Why? How does the Inspector General hope to use the findings?

Step #3: Understand the Activities to be Studied.

- Read from a wide variety of relevant documents, including existing legislation, existing regulations, court decisions, administrative directives or policy guidance, mission statements, program goals and objectives, strategic plans, local project reports, monitoring reports on the activities, reports to Congress, certain briefing materials, Congressional testimony, and relevant academic journals (*Journal of the American Medical Association*, *New England Journal of Medicine*, etc.)

- Contact staff who are knowledgeable about the activities involved in the Inspection. The HHS staff might be in the OIG, the Secretary's Executive Secretariat (ES), Assistant Secretary for Planning and Evaluation (ASPE), Assistant Secretary for Management and Budget (ASMB), Assistant Secretary for Legislation (ASL), Office of General Counsel (OGC), relevant OPDIVs, etc. Non-HHS staff might be in the Office of Management and Budget (OMB), General Accounting Office (GAO), Congressional Budget Office (CBO), Office of Technology Assessment (OTA), etc. When contacting these staff, use a list of basic questions to gain a rudimentary understanding of the topic. (See Figure A for one suggested list of basic questions.)
- Visit one or two nearby sites to gain a first-hand exposure to the activities. Visit with an open mind, not as an effort to confirm or disconfirm what you have already learned from previous discussions.
- Graphically display the "logic" of HHS activities by using a flow chart, decision tree, or other such techniques to display exactly what is supposed to occur. Include on this flow chart the intended inputs, processes, outputs, and outcomes of the activities. (See Figure B for a graphic display of one set of HHS activities.)
- Using your experience and judgment, ask yourself if any aspects of the activities as displayed seem implausible and unlikely to accomplish what is intended. If so, ask yourself why. (Evaluators often call this exercise a "plausibility analysis.")
- Examine previous studies for the performance measures they used. Compare those measures to the activities as displayed on page 15, and ask if those measures are appropriate.

Step #4: Understand the Context of the Inspection Topic.

- Develop an historical timeline of the major events affecting the activities. Use this timeline not only to list the major events, but also to place them in their proper historical perspective. (See Figure C for an example of an historical timeline.)
- Develop an organizational chart showing where the activities fit into HHS. Include all organizational ties, including those to other Federal agencies and to State and local agencies.
- Develop a budget analysis showing the current funds involved in the activities. If appropriate, compare these funds to past amounts, amounts for other activities, or amounts needed.
- Contact the "informal network" of persons within HHS who guide the direction of the activities to be inspected. These networks exist for every single issue, and membership in the network often cuts across organizations and official job titles. In fact, members more often tend to be key staff members than high-level officials. Members almost certainly

include key staff in all involved OPDIVs and programs, the appropriate member of ES, and STAFFDIV experts from such offices as ASPE, ASMB, ASL, and OGC. You can identify these persons by (a) asking for the topic-area expert from each relevant office in the back of the HHS telephone directory and by (b) asking each expert to name the key HHS contacts. After asking only a few experts, the same names will start to repeat.

- Contact those outside stakeholders who have an important role to play in the activities. These could include interest groups, client advocacy groups, professional associations, academic experts, Congressional staff, outside analysts, etc. Identify them by asking the HHS experts.
- Prepare a one-page synopsis of the Inspection to facilitate these discussions. Include the purpose and objectives of the Inspection, the intended audiences, and the projected timetable. Use this synopsis as a way to explain the Inspection at the beginning of each meeting and to ask for reactions and advice. Be careful, though, to stress that this synopsis is tentative at this stage.
- Attend important meetings related to the Inspection topic. This could include internal Department meetings (of task forces, committees, working groups, etc.) or outside meetings (Congressional hearings, etc.). Identify these meetings by asking the HHS experts and outsiders.
- Read from a wide variety of relevant documents, including proposed legislation, proposed regulations, previous studies by other analysts, budget requests, Congressional testimony, speeches or public statements by key stakeholders, and media articles (*National Journal*, *Congressional Quarterly*, *The Washington Post*, *The New York Times*, *Newsweek*, *Time*, etc.).

Step #5: Clarify the OIG Context.

- If there seems to be any question about the appropriateness of OEI conducting the Inspection, contact OEI headquarters staff to resolve any doubts before proceeding further.
- Contact all OIG staff responsible for the topic being inspected. Explain the Inspection to these persons, and ask about any projects they are currently conducting on the same or related topics. If projects are underway, learn as much as possible about them.
- Ask OEI headquarters staff if any previous OAI work has been done on the topic, and have them send you all relevant reports.
- Ask the relevant OAS and OI staff about any previous work their offices have done on the topic, and get copies of any reports.

Step #6: Establish the Specific Scope of the Inspection.

- Indicate very clearly, preferably by using the display of the activities which was developed earlier, which operations will be included and which will not. For the emergency room example mentioned above, the display could show a solid line separating how allegations are received from how allegations are handled once received. Only the latter section of the flow chart would be inside the range of the Inspection.
- Develop both the objectives and the issues of the Inspection, beginning by listing all possibilities which are reasonable within the context of the assignment. Create this list by brainstorming among staff and censoring little. Then explicitly reject those possibilities which are not appropriate, and decide carefully on the remaining options.
- Diagram the purpose, objectives, and issues of the Inspection in a way which shows how each relates to all the others. Recognize that issues can relate to more than one objective, but that all objectives and all issues should relate directly to the purpose of the Inspection. (See Figure E for an example of such a diagram.)
- Specify very clearly in the design what operations, organizations, time periods, geographic areas, objectives, and issues will *not* be addressed in the Inspection.