

REPORT HIGHLIGHTS



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Seven of Thirty Hospices Reviewed Did Not Comply or May Not Have Complied With Terms and Conditions and Federal Requirements for Provider Relief Fund Payments

Why OIG Did This Audit

- The Provider Relief Fund (PRF), a \$178 billion program, provided funds to eligible providers for health care-related expenses or lost revenue attributable to COVID-19. HHS was responsible for initial PRF program oversight and policy decisions, and [HRSA](#) administers the PRF program.
- Providers receiving PRF payments were to ensure that the payments were: (1) used to prevent, prepare for, or respond to COVID-19; (2) used for health care-related expenses or lost revenues attributable to COVID-19; (3) not used to cover expenses or losses reimbursed by other funding sources; and (4) not used to pay salaries in excess of a certain threshold or to pay for certain prohibited activities.
- This audit is part of a series reviewing PRF payments to various provider types. Specifically, this audit assessed whether 30 selected hospices expended taxpayer funds in accordance with Federal and program requirements.

What OIG Found

- The selected hospices reported that they used \$80.2 million of their PRF payments to offset lost revenues, \$89.8 million for general and administrative expenses, and \$34.8 million for health care-related expenses.
- Of the 30 selected hospices, 23 hospices used PRF funds for allowable expenditures and lost revenues attributable to COVID-19; however, 7 hospices did not comply with or may not have complied with Federal requirements. Of these seven hospices, which received \$98.1 million in PRF payments, six hospices claimed a total of \$8.3 million of unallowable PRF expenditures and inaccurately reported \$1.5 million of lost revenues, and one hospice claimed \$4 million in expenditures that may not have been allowable.
- These deficiencies occurred because although HRSA provided the PRF terms and conditions and updated its guidance to PRF recipients, the hospices did not always maintain documentation for expenses claimed, correctly interpret HRSA guidance, have procedures to verify the accuracy of lost revenue calculations, or track expenses funded by PRF payments.

What OIG Recommends

We made two recommendations to HRSA, including that it require the selected hospices to return any unallowable expenditures to the Federal Government or ensure that the hospices properly account for these expenditures. HRSA concurred with our recommendations.