

Report in Brief

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U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL



Why OIG Did This Audit

Congress passed a series of bills to provide funds to eligible hospitals and other health care providers for COVID-19 testing and treatment for uninsured individuals. The Health Resources and Services Administration (HRSA), within HHS, was selected to provide day-to-day oversight and management of the COVID-19 Uninsured Program (UIP). HRSA entered into an agreement with a contractor to administer the UIP, which allowed providers to enroll and submit claims for reimbursement of COVID-19 testing and treatment made to uninsured individuals (patients). This audit is part of OIG's oversight of HHS's COVID-19 response and recovery efforts.

Our objective was to determine whether claims for COVID-19 testing and treatment services reimbursed through the UIP complied with Federal requirements.

How OIG Did This Audit

Our audit covered claims for 19 million patients with associated UIP provider payments totaling \$4.2 billion with service dates from March 1 through December 31, 2020. As part of our audit, we interviewed HRSA officials and HRSA's contractor and analyzed health insurance coverage data as well as medical and billing records. We reviewed a stratified random sample of 300 patients with associated provider payments totaling \$2.8 million.

HRSA Made COVID-19 Uninsured Program Payments to Providers on Behalf of Individuals Who Had Health Insurance Coverage and for Services Unrelated to COVID-19

What OIG Found

In the context of unprecedented challenges related to the COVID-19 national emergency, HRSA implemented a program to distribute funds to providers for COVID-19 testing and treatment for uninsured individuals in a fast and effective manner. However, we determined that HRSA made payments to providers through the UIP for claims for COVID-19 testing and treatment services that did not comply with Federal requirements.

For 240 of our 300 sampled patients, UIP payments to providers for claims for COVID-19 services met program terms and conditions, and were made on behalf of uninsured individuals. Furthermore, we determined that providers in the sample had effective processes to ensure that they did not engage in balance billing or charge patients any type of cost-sharing. However, UIP payments for 58 sampled patients totaling \$294,294 were improper because they were made on behalf of individuals who had health insurance coverage or were made for testing and treatment services that were not provided or were unrelated to COVID-19. We were unable to determine whether UIP payments for two other sampled patients complied with Federal requirements because the providers were unresponsive to our requests for supporting documentation.

On the basis of our sample results, we estimated that nearly \$784 million of \$4.2 billion (or 19 percent) in UIP payments made to providers during our audit period for approximately 3.7 million of 19.2 million patients were improper. We understand that HRSA's operational objective for the UIP was to rapidly disburse funds for COVID-19 testing and treatment to ensure uninsured individuals were receiving vital health care services and to prevent the spread of COVID 19. However, if HRSA or another HHS agency administers any programs of a similar nature in the future, the agency should consider the information included in this report.

What OIG Recommends and HRSA Comments

We made a series of recommendations to HRSA, including that it recover \$294,294 in improper UIP payments identified in our sample and identify additional improper UIP payments for services provided to insured individuals or services unrelated to COVID-19, which we estimate to be nearly \$784 million, and take remedial action. We also made procedural recommendations for HRSA to improve future programs of a similar nature.

In written comments on our draft report, HRSA partially concurred with our first recommendation and concurred with our second and third recommendations. In addition, HRSA provided information on actions that it has taken or plans to take to address our recommendations.

We commend HRSA for its actions and acknowledge that the UIP was administratively designed to be responsive to the pandemic and expeditiously reimburse providers. Regarding HRSA's comments on our first recommendation, we note that payments per the UIP terms and conditions were for testing or treatment of COVID-19 for individuals who did not have any health insurance coverage at the time the services were provided. Therefore, we maintain that our findings and associated recommendation are valid because we determined that improper UIP payments were made to providers on behalf of individuals who had health insurance coverage at the time of services.