

Report in Brief

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



Why OIG Did This Audit

The Centers for Medicare & Medicaid Services (CMS) can provide temporary relief loans through the accelerated payment program for certain Part A providers and through the advance payment program for certain Part B providers and suppliers when these providers and suppliers face cashflow challenges due to circumstances beyond their control. The Coronavirus Aid, Relief, and Economic Security (CARES) Act, which Congress passed on March 27, 2020, expanded these programs to more providers to relieve pandemic-caused financial strain. CMS referred to this expansion as the COVID-19 Accelerated and Advanced Payments (CAAP) Program and issued eligibility criteria on March 28, 2020. As of September 17, 2020, CMS, through the Medicare Administrative Contractors (MACs), disbursed more than \$100 billion in CAAP Program payments to more than 46,000 providers. These CAAP Program payments were issued in a short period of time, thus increasing the risk of improper payments.

COVID-19 has created extraordinary challenges for the delivery of health care and human services to the American people. As the oversight agency for HHS, the Office of Inspector General (OIG) oversees HHS's COVID-19 response and recovery efforts. This audit is part of OIG's COVID-19 response strategic plan.

Our objective was to determine whether CAAP Program payments were made to providers in compliance with the CARES Act and other Federal requirements.

How OIG Did This Audit

Our audit covered \$103.1 billion in total CAAP Program payments made to 46,373 providers. We selected a stratified random sample of 109 providers and reviewed CAAP Program payments totaling \$4.1 billion made to those providers. Of those 109 providers, 100 providers were randomly selected, and 9 providers were under bankruptcy when the CAAP Program payments were made.

Payments Made to Providers Under the COVID-19 Accelerated and Advance Payments Program Were Generally in Compliance With the CARES Act and Other Federal Requirements

What OIG Found

CMS generally made CAAP Program payments to providers in compliance with the CARES Act and other Federal requirements. Of the 109 providers in our sample, CMS appropriately made CAAP Program payments to all 100 providers that we randomly selected. For the nine providers under bankruptcy, CMS did not send a CAAP Program payment to six of the providers; however, CMS did make a CAAP program payment to three of the providers.

The CAAP Program payments made to the three providers under bankruptcy occurred because two MACs did not correctly match the provider's request against their bankruptcy databases, and one MAC did not update its bankruptcy database based on bankruptcy information that was provided by CMS prior to approving the CAAP Program payment request.

For the three CAAP Program payments made to providers under bankruptcy, the MACs immediately identified their errors after the payment and recovered the improper payments.

What OIG Recommends

Based on our sample, we found that CMS and its MACs generally made CAAP Program payments to providers in compliance with the CARES Act and other Federal requirements. Although the MACs erroneously approved CAAP Program payments to nine providers under bankruptcy, the MACs immediately identified their errors, stopped payments to six providers, and recovered improper payments made to the other three providers. Therefore, we do not have any recommendations.