

REPORT HIGHLIGHTS



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Ten of Thirty Selected Nursing Facilities Did Not Comply or May Not Have Complied With Terms and Conditions and Federal Requirements for Expending Provider Relief Fund Payments

Why OIG Did This Audit

- Congress appropriated \$178 billion to HHS for the Provider Relief Fund (PRF), which provided reimbursement 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](#) administered 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 nursing facilities expended taxpayer funds in accordance with Federal and program requirements.

What OIG Found

- Of the 30 selected nursing facilities we reviewed, 8 nursing facilities used \$2.3 million in PRF payments for unallowable expenditures or lost revenues, and 3 nursing facilities used \$333,000 in PRF payments for expenditures that may not have been allowable. These nursing facilities (10, including 1 nursing facility that had more than 1 deficiency) received a total of \$178 million in PRF payments. The remaining nursing facilities used PRF payments for allowable expenditures and lost revenues.
- These deficiencies occurred because although nursing facilities attested to the PRF terms and conditions and HRSA provided continuously updated guidance to PRF recipients, the nursing facilities did not always maintain documentation to support reported expenditures, may have misinterpreted HRSA's guidance, made clerical errors, or did not effectively track expenses funded by PRF payments.

What OIG Recommends

We made two recommendations to HRSA, including that it require the selected nursing facilities to return any unallowable expenditures and lost revenue amounts to the Federal Government or ensure that the nursing facilities properly account for these expenditures and lost revenues. HRSA concurred with our recommendations.