



September 2023

COVID-19 PROVIDER RELIEF FUND

HRSA Continues to Recover Remaining Payments Due from Providers

Accessible Version

Why GAO Did This Study

The PRF was created in March 2020 to provide COVID-19 relief to health care providers and ensure access to essential health care services. Providers included those enrolled in Medicare, Medicaid, and the Children's Health Insurance Program.

The CARES Act includes a provision for GAO to monitor and report on the federal response to the COVID-19 pandemic. This report describes (1) PRF payment distributions; and examines (2) efforts to ensure the accuracy of PRF payments, (3) efforts to ensure that PRF payments were used according to program requirements, and (4) the status of efforts to recover PRF payments.

GAO analyzed data on PRF payments as of December 2022, by which time nearly all PRF payments had been distributed. GAO analyzed recoveries of PRF payments as of May 2023—the most recent data available at the time of the review. GAO also reviewed information and agency documentation on payment integrity activities, including program reports and risk assessments; interviewed agency officials; and compared payment integrity activities to agency requirements.

GAO's draft report recommended that HRSA establish time frames to promptly recover remaining overpayments, unused payments and payments from all noncompliant providers. In response to the draft report, in August 2023, HRSA provided a time frame for the recovery of these payments. As a result, GAO removed the recommendation and modified the report accordingly.

View [GAO-23-106083](#). For more information, contact Leslie V. Gordon at (202) 512-7114 or GordonLV@gao.gov.

COVID-19 PROVIDER RELIEF FUND

HRSA Continues to Recover Remaining Payments Due from Providers

What GAO Found

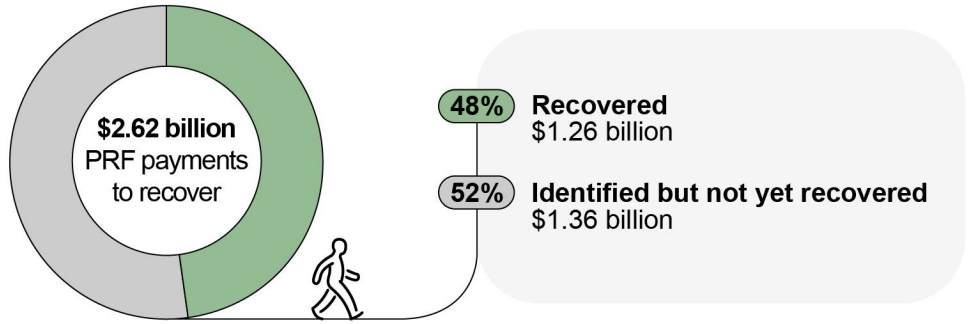
The Health Resources and Services Administration (HRSA), an agency within the Department of Health and Human Services (HHS), administers and oversees the Provider Relief Fund (PRF). The PRF provided relief to health care providers for expenses or lost revenues attributable to the COVID-19 pandemic. As of May 2023, HRSA distributed \$135 billion in payments kept by providers; hospital-based health systems and hospital-affiliated providers received the majority of payments—about \$84 billion. HRSA made payments until June 2023, when the remaining unobligated funds for provider relief payments were rescinded.

Among its efforts to ensure payment accuracy, HRSA conducted pre-payment reviews to verify provider eligibility and information on provider applications. HRSA also conducted post-payment reviews to check for potential payment errors and identify overpayments. HRSA plans to conduct these reviews on 59 types of potential payment errors, but the agency has been delayed in completing these reviews. As of May 2023, 21 of 59 remained open. In October 2021, GAO recommended that HRSA promptly complete the remaining reviews, but HRSA has not yet implemented the recommendation.

HRSA has taken steps to ensure that providers used PRF payments according to program requirements. HRSA required providers to report on their use of PRF payments, and it has been auditing a risk-based sample of providers to verify appropriate use of payments. HRSA also assessed fraud risks and implemented controls to ensure proper use of payments, though certain processes were only recently implemented. In particular, HRSA implemented recommendations from its 2021 fraud risk assessment. In March 2023, HRSA implemented a process to review irregular payments and, in June 2023, finalized procedures for responding to potential fraud.

As of May 2023, HRSA had recovered about half of the \$2.62 billion in payments identified for recovery. HRSA had established time frames to recover most of the \$1.36 billion in payments not yet recovered, but had not established time frames to recover \$250 million in remaining overpayments, unused payments, and some payments from non-compliant providers. However, in August 2023, HRSA established time frames for the recovery of these payments.

Provider Relief Fund (PRF) Payment Recoveries, as of May 2023



Source: GAO analysis of Health Resources and Services Administration data; GAO (illustration). | GAO-23-106083

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Abbreviations

HHS	Department of Health and Human Services
HRSA	Health Resources and Services Administration
OMB	Office of Management and Budget
PRF	Provider Relief Fund

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September 21, 2023

Congressional Committees

The Provider Relief Fund (PRF) was created in March 2020 to ensure access to essential health care services during the pandemic. As of May 2023, the program provided \$135 billion in payments kept by eligible health care providers for their expenses or losses attributable to the COVID-19 pandemic.¹ The Health Resources and Services Administration (HRSA), an agency within the Department of Health and Human Services (HHS), engaged in an unprecedented effort to quickly issue PRF payments—distributing more than \$92 billion between April and July 2020.² HRSA prioritized distributing PRF payments to providers as quickly as possible. According to HRSA, this was to compensate providers for lower revenues from postponed nonessential care and increased expenses for pandemic supplies. HRSA continued to make payments to providers until June 2023, when the remaining PRF funds for provider relief were rescinded.³

In part due to the risks associated with the rapid distribution of relief payments, HRSA implemented a number of payment integrity controls to help ensure that only eligible providers—including those enrolled in Medicare, Medicaid, and the Children’s Health Insurance Program—

¹Congress appropriated a total of \$178 billion for the PRF as part of the CARES Act, Paycheck Protection Program and Health Care Enhancement Act, and Consolidated Appropriations Act, 2021. Pub. L. No. 116-260, div. M, tit. III, 134 Stat. 1182, 1920 (2020); Pub. L. No. 116-139, div. B, tit. I, 134 Stat. 620, 622 (2020); Pub. L. No. 116-136, div. B, tit. VIII, 134 Stat. 281, 563 (2020). Of the \$178 billion, \$139 billion was allocated for relief payments to providers and the other \$39 billion was allocated for other distributions, including treatment and testing for the uninsured and underinsured, as well as vaccine and therapeutic development and procurement activities.

²For the purpose of this report, we focused exclusively on HRSA’s administration and oversight of the \$139 billion in allocations for relief payments to providers and not the other \$39 billion allocated for other distributions. In addition to the PRF, the American Rescue Plan of 2021 appropriated \$8.5 billion for relief to rural providers for health care related expenses and revenue losses attributable to COVID-19; these funds are also outside the scope of this report.

³In June 2023, the Fiscal Responsibility Act of 2023 rescinded unobligated PRF funds for provider relief payments. Pub. L. No. 118-5, div. B, tit. I, § 2. Additionally, based on the decline in COVID-19 deaths and hospitalizations, the Secretary of HHS ended the federal public health emergency for COVID-19 on May 11, 2023, although some response activities continue.

received payments in accurate amounts and that providers used their payments appropriately.⁴ Through these control activities, HRSA identified payments that need to be recovered, such as payments to non-compliant providers, overpayments, and unused payments.

The CARES Act includes a provision for GAO to monitor and oversee the federal government's efforts to prepare for, respond to, and recover from the COVID-19 pandemic.⁵ In this report we

1. describe PRF payment distributions;
2. examine HRSA's efforts to ensure that PRF payments were distributed only to eligible providers in correct amounts;
3. examine HRSA's efforts to ensure that PRF payments were used according to program requirements, and assess the risks of fraud in the PRF; and
4. examine the status of HRSA's recovery of PRF payments to non-compliant providers, overpayments, and unused payments.

To describe PRF payment distributions, we obtained HRSA data on PRF payments from April 2020 through December 2022, along with data on provider acceptance of the PRF program requirements or rejection of PRF payments. Nearly all PRF payments had been distributed by the end of December 2022. We also analyzed HRSA data on PRF payments by provider type. We used HRSA's provider type categories to further categorize PRF recipients into seven broad provider type categories: (1) hospital or inpatient providers, (2) non-hospital-based health systems, (3) hospital-based health systems and hospital-affiliated providers, (4) outpatient providers, (5) clinicians and practitioners, (6) long-term care and skilled nursing facilities, and (7) other providers.⁶ Many health care

⁴Medicare is a federally financed health insurance program for persons aged 65 and over, certain individuals with disabilities, and individuals with end-stage renal disease. Medicaid is a joint federal-state program that finances health insurance coverage for certain low-income and medically needy individuals. The Children's Health Insurance Program is a joint federal-state program that finances health insurance for low-income children whose household incomes do not qualify them for Medicaid.

⁵Pub. L. No. 116-136, § 19010, 134 Stat. at 579–81.

⁶Our analysis focused on the provider entities that received payments. These entities may have re-distributed the payments to their subsidiary providers in accordance with program guidance.

systems that include hospitals also include a variety of other provider types. Providers in the “hospital-based health systems and hospital-affiliated providers” category may include other provider types owned by hospital systems, such as hospital-owned outpatient facilities, along with distinct provider entities that are affiliated with hospital systems, such as hospital-affiliated long-term care facilities. According to HRSA officials, payments in this category may underrepresent the proportion of funding received by other provider types since payments to distinct provider entities that are affiliated with hospitals may be included in this category. This may also accordingly overrepresent the proportion of payments to hospital entities.

To examine HRSA’s efforts to ensure that PRF payments were distributed only to eligible providers in correct amounts, we reviewed HRSA payment integrity documentation, including the agency’s payment review manual and program risk assessments, and we interviewed agency officials about payment integrity oversight activities. We obtained data on pre-payment reviews conducted as of December 2022, and post-payment reviews completed as of May 2023, the most recent data at the time of our review. We analyzed and compared HRSA data and documentation on the completion of post-payment reviews to the agency’s goals for these payment integrity reviews.

Also as part of our examination of HRSA’s efforts, we reviewed providers’ experiences verifying the accuracy of their PRF payments. HRSA established a contractor-operated provider support line to help providers with the PRF program; we interviewed the contractor to learn about provider experiences verifying the accuracy of their payments. In addition, we analyzed HRSA resources for PRF recipients, such as program guidance materials and webinars. We also conducted interviews with 10 selected health care provider and health care management organizations to determine providers’ experiences with PRF payments; these interviews are not generalizable to the entire health care provider population.⁷ We

Providers in the “hospital and inpatient facilities” category include hospitals, inpatient behavioral health facilities and other inpatient facilities that are distinct from hospitals. Providers in the “clinician and practitioners” category include physician practices and dentists, among others. Providers in the “other providers” category include home health, hospice, diagnostic, and transportation providers, and equipment suppliers, among others.

⁷We interviewed the American Dental Association, American Health Care Association/National Center for Assisted Living, American Hospital Association, American Medical Association, Children’s Hospital Association, Healthcare Financial Management Association, Medical Group Management Association, National Association for Home Care & Hospice, and National Rural Health Association.

selected organizations representing the different types of providers that received PRF payments targeted to them.⁸ We also reviewed data from payment reconsiderations—a process for providers to dispute the amount of payments they received—as of March 2023.

To examine HRSA's efforts to ensure that PRF payments were used according to the program's requirements, we reviewed HRSA's documentation on provider requirements for reporting on their use of the payments, audit processes, and efforts to address fraud. We interviewed HRSA officials regarding these efforts. We also obtained HRSA data on provider compliance with reporting requirements for payments distributed from April 2020 through June 2021, and provider selection for compliance audits for payments distributed from April 2020 through June 2020. As part of our review of HRSA's efforts to ensure appropriate use of payments, we also examined HRSA's efforts to assess fraud risks in the program, and reviewed the extent to which HRSA implemented recommendations in the agency's fraud risk assessments for the PRF program.⁹

To examine the status of HRSA's recovery of PRF payments to non-compliant providers, overpayments, and unused payments, we obtained and analyzed HRSA documentation, reports, and data on the agency's recovery activities.¹⁰ The reports and data included payment amounts to be recovered—such as identified overpayments and unused payments—along with data on payment amounts recovered by HRSA as of May

⁸We selected organizations that represent (1) Medicare and Medicaid provider types, and (2) provider types that received targeted PRF payments, such as skilled nursing facilities and rural health care facilities.

⁹Fraud risk assessments involve reviewing agency control activities to prevent, identify, and respond to fraud, with an emphasis on prevention, as well as structures and environmental factors that influence or help agencies achieve their objective to mitigate fraud risks. For more information, see GAO, *A Framework for Managing Fraud Risks in Federal Programs*, [GAO-15-593SP](#) (Washington, D.C.: July 28, 2015). The Payment Integrity Information Act of 2019 requires the Office of Management and Budget (OMB) to provide guidance to agencies in implementing the Fraud Risk Framework, and OMB has emphasized the importance of using the Fraud Risk Framework to implement effective program controls. See Pub. L. No. 116-117, § 2(a), 134 Stat. 113, 131-132 (2020), and Office of Management and Budget, *Establishing Financial and Administrative Controls to Identify and Assess Fraud Risk*, CA-23-03 (Washington, D.C.: Oct. 17, 2022).

¹⁰We defined non-compliant providers as those that failed to meet program requirements (such as the reporting requirements), had audit findings, or did not return payments as required (such as rejected payments). For the purposes of this report, we consider payment offsets—reduced subsequent payments to providers to recover funds from previous payments—recoveries.

2023, the most recent data at the time of our review. We also interviewed HRSA officials to determine the agency's progress in implementing payment recovery activities. We compared HRSA's recovery activities to the agency's policies and guidance, and to the Office of Management and Budget's (OMB) requirements that agencies promptly recover payments that should be returned.¹¹

To assess the reliability of all data used, we reviewed relevant agency documentation, interviewed HRSA officials and officials with the Pandemic Response Accountability Committee regarding the data and its limitations, and manually and electronically examined the data for obvious errors and consistency across datasets.¹² We determined that the data were sufficiently reliable for the purposes of our reporting objectives.

We conducted this performance audit from June 2022 to September 2023 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Provider Relief Fund Distribution Methods and Time Frames

To administer financial relief for losses and expenses related to the COVID-19 pandemic, HRSA distributed two separate types of PRF payments: general payments to eligible health care providers and targeted payments to certain types of providers. The targeted payments included payments to skilled nursing facilities, tribal health care providers,

¹¹See Office of Management and Budget, *Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement*, OMB Memorandum M-21-19 (Washington, D.C.: Mar. 5, 2021).

¹²The Pandemic Response Accountability Committee aggregated federal pandemic spending data across agencies. The CARES Act established the Pandemic Response Accountability Committee within the Council of Inspectors General on Integrity and Efficiency, the oversight and coordination body for the inspector general community. Pub. L. No. 116-136, § 15010(b), 134 Stat. 281, 534 (2020). The committee is composed of 21 inspectors general.

and rural health care facilities.¹³ HRSA distributed general payments in four phases beginning in April 2020 and ending in June 2023; eligible health care providers included those enrolled in Medicare, Medicaid, and the Children’s Health Insurance Program. HRSA distributed targeted PRF payments beginning in May 2020, with many of the targeted payments sent to providers that were acutely impacted by the COVID-19 pandemic. For example, HRSA distributed targeted payments to high-impact hospitals that had a high number of COVID-19 patient admissions, and to nursing facilities, whose residents and staff were disproportionately affected by COVID-19.

Most phase 1 general payments and targeted payments were sent automatically to providers, while all other general payments were based on applications submitted by providers (application-based payments). For the automatic payments, HRSA used information available to the agency to determine payment amounts. For example, HRSA used COVID-19 hospital admission data to determine targeted payment amounts to high-impact hospitals. HRSA relied on reported revenues and expenses from provider applications to determine general payment amounts for the application-based payments. See table 1 for information on the general and targeted payment distributions, provider eligibility, and payment distribution methods.

¹³Providers that received general payments were also eligible to receive targeted payments.

We previously reported on pandemic relief to tribal entities, including PRF distributions to tribal health care providers. See GAO, *COVID-19 Relief Funds: Lessons Learned Could Improve Future Distribution of Federal Emergency Relief to Tribal Recipients*, [GAO-23-105473](#) (Washington, D.C.: Dec. 15, 2022).

Table 1: Provider Relief Fund General and Targeted Payment Distributions

Description	Date of initial distributions	Eligible providers	Payment distribution method
General distributions			
Phase 1	April 10, 2020	Medicare providers ^a	Automatic and application based
Phase 2	July 3, 2020	Medicaid and Children’s Health Insurance Program providers, dental providers, assisted living facilities, and Medicare providers ^b	Application based
Phase 3	November 16, 2020	Providers eligible under phases 1 and 2, and behavioral health providers ^c	Application based
Phase 4	December 16, 2021	Providers eligible under phases 1, 2, and 3, and those that received a prior targeted distribution	Application based
Targeted distributions			
Rural health care facilities	May 6, 2020	Hospitals, clinics, and federally qualified health centers in rural areas	Automatic
High-impact hospitals	May 7, 2020	Hospitals that had a high number of COVID-19 admissions	Automatic
Skilled nursing facilities	May 22, 2020	Skilled nursing facilities and nursing homes	Automatic
Tribal health care providers	May 29, 2020	Tribal hospitals, clinics, and health centers	Automatic
Safety net hospitals	June 12, 2020	Hospitals that provide care to vulnerable populations and operate on thin profit margins	Automatic
Children’s hospitals	August 20, 2020	Children’s hospitals	Automatic
Nursing home infection control, quality, and performance	August 27, 2020	Skilled nursing facilities and nursing homes	Automatic

Source: GAO analysis of Health Resources and Services Administration (HRSA) information. | GAO-23-106083

Note: Providers that received general payments were also eligible to receive targeted payments.

^aMedicare is a federally financed health insurance program for persons aged 65 and over, certain individuals with disabilities, and individuals with end-stage renal disease.

^bMedicare providers that received payments under phase 1 could have been eligible for phase 2 payments. Medicaid is a joint federal-state program that finances health insurance coverage for certain low-income and medically needy individuals. The Children’s Health Insurance Program is a joint federal-state program that finances health insurance for low-income children whose household incomes do not qualify them for Medicaid.

^cWhile providers that received payments under phase 1 and 2 were eligible for phase 3 payments, any prior payments were deducted from their phase 3 payment.

Provider Relief Fund Requirements and Payment Integrity

Providers that received PRF payments were subject to a number of program requirements, including requirements related to their use of the payments. In particular, providers could only use PRF payments to cover COVID-19-related losses or expenses—including losses related to

postponed patient care and expenses related to supplies, such as personal protective equipment, and facility upgrades to limit the spread of COVID-19. PRF payments could only be used for losses and expenses that were not reimbursed from other sources, such as other COVID-19-related federal financial assistance from the Paycheck Protection Program, a Small Business Administration program for small businesses.¹⁴ Within 90 days of receiving a payment, providers were required to attest to their receipt of the payments and agreement with program requirements, or reject the payment through an attestation web portal established by HRSA. HRSA informed providers that if they did not attest through the portal, but kept the PRF payment for more than 90 days, they were considered to have passively attested to their acceptance of both the payments and the requirements.

HRSA also required providers that received more than \$10,000 in aggregate in a given distribution period to report on their use of PRF payments through a separate reporting web portal, so that the agency can conduct audits to review whether providers used the payments according to program requirements. HRSA implemented the reporting requirement on a rolling basis depending on when providers received the payments, so providers may be required to report more than once.¹⁵ As of March 31, 2023, the reporting deadline has passed for providers that received and retained payments from on or before December 31, 2021—representing nearly \$130 billion in payments. See table 2 for additional information about provider reporting deadlines.

¹⁴Providers may have received other COVID-19-related assistance from several sources, including the Department of the Treasury, the Small Business Administration, the Federal Emergency Management Agency, and local, state, and tribal government assistance sources. Providers may not keep PRF payments for losses and expenses covered by other assistance. For example, if a provider received \$2 million in Paycheck Protection Program relief and \$1 million in PRF payments, and incurred \$2 million in COVID-19-related losses and expenses, the provider may not keep the PRF payments since the entirety of the provider's losses and expenses were covered by other assistance.

¹⁵For example, providers that received more than \$10,000 in aggregate between April 2020 and June 2020 were required to report on their use of payments by November 30, 2021. If those same providers then received more than \$10,000 in aggregate between July 2020 and December 2020, they were required to again report on their use of payments received during the period by March 31, 2022.

Table 2: Provider Relief Fund Reporting Deadlines

Distribution period	Dates of payment distributions	Reporting deadline
Period 1	April 10, 2020 through June 30, 2020	November 30, 2021 ^a
Period 2	July 1, 2020 through December 31, 2020	March 31, 2022
Period 3	January 1, 2021 through June 30, 2021	September 30, 2022
Period 4	July 1, 2021 through December 31, 2021	March 31, 2023 ^b
Period 5	January 1, 2022 through June 30, 2022	September 30, 2023
Period 6	July 1, 2022 through December 31, 2022	March 31, 2024
Period 7	January 1, 2023 through June 30, 2023	September 30, 2024

Source: Health Resources and Services Administration (HRSA). | GAO-23-106083

Note: The distribution periods—which are associated with the timing of when providers received payments—differ from the general distribution phases in table 1—which are associated with the type of payment. For example, a phase 1 payment to a Medicare provider could have been made in July 2020 during distribution period 2.

^aHRSA’s deadline for provider reporting was September 30, 2021, but the agency extended a grace period to November 30, 2021.

^bHRSA subsequently offered providers an extended opportunity to report late in the case of extenuating circumstances. Providers approved to report late were required to do so by June 2, 2023.

In addition to HRSA’s audits of providers’ use of PRF payments, certain providers may be subject to Single Audit Act requirements based on their PRF payments. The Single Audit Act requires non-federal and nonprofit entities that expend more than \$750,000 in federal awards in a fiscal year to undergo single audits, unless a specific exception applies.¹⁶ Single audits are independent audits of an entity’s financial statements and federal awards, or program-specific audits. HHS applies single audit requirements to for-profit entities that receive \$750,000 or more in annual aggregated HHS awards as well.¹⁷ Among other things, such audits can help identify noncompliance with program requirements and help ensure the appropriate use of payments. Providers that received PRF payments may be subject to such audits, and HRSA is required to follow up on audit findings to help ensure that appropriate and timely actions are taken to address the findings.

As part of its payment integrity activities, HRSA seeks to recover PRF payments from non-compliant providers, overpayments, or unused payments. According to program requirements, payments issued to providers deemed ineligible or noncompliant (such as those that do not report on their use of funds), unused payments, or overpayments, must

¹⁶31 U.S.C. § 7502; 2 C.F.R. § 200.501.

¹⁷45 C.F.R. §§ 75.216, 75.501.

be returned as repayments to the agency.¹⁸ The agency sends repayment notices requesting the return of payments from providers. HRSA may send multiple notices, but once HRSA sends a final, formal repayment notice, the provider must submit a repayment within 60 days or request a decision review. An appeal for decision review pauses the repayment request until the agency conducts an independent review and makes a determination regarding the need for repayment, which generally takes between 60 to 120 days. If the review determines that repayment is necessary and the provider does not submit repayment within 60 days, then HRSA refers the provider to HHS's Program Support Center for the initiation of debt collection activities.¹⁹

Hospital-Based Health Systems and Hospital-Affiliated Providers Received the Majority of Provider Relief Fund Payment Distributions

As of December 2022, HRSA had distributed more than \$135 billion in PRF payments that were kept by providers, the majority of which were distributed to hospital-based health systems and hospital-affiliated providers.²⁰ In total, HRSA made more than 770,000 separate PRF payments. Because HRSA distributed PRF payments to providers over multiple phases, providers may have received more than one payment. The average number of PRF payments per provider was 1.8. See table 3 for a summary of PRF payments by phase as of December 2022.

¹⁸In certain cases, HRSA recovered payments by offsetting later PRF payments to providers.

¹⁹The Program Support Center, a separate organization within HHS, is responsible for the department's debt collection activities, which include accrual of interest, penalties, and recovery of funds by offsetting other federal payments. These activities are executed in partnership with the Department of the Treasury, which receives debts referred by the Program Support Center for collections.

²⁰HRSA distributed nearly \$146 billion to providers in PRF payments and providers returned more than \$10 billion.

Table 3: Provider Relief Fund (PRF) Payments Kept by Providers, as of December 2022

Description	Payments kept by providers ^a (dollars in billions)
General distributions	
Phase 1: Medicare providers	\$41.8
Phase 2: Medicaid and Children’s Health Insurance Program providers	3.1
Phase 2: dental providers	1.0
Phase 2: assisted living facilities	0.4
Phase 3: general distributions ^b	18.8
Phase 4: general distributions	15.4
<i>Subtotal of general distributions</i>	\$80.5
Targeted distributions	
Rural health care facilities	10.7
High-impact hospitals	20.7
Skilled nursing facilities	4.7
Tribal health care providers	0.5
Safety net hospitals	12.8
Children’s hospitals	1.1
Nursing home infection control, quality, and performance	4.5
<i>Subtotal of targeted distributions</i>	\$54.9
Total of general and targeted distributions	\$135.4

Source: Health Resources and Services Administration (HRSA). | GAO-23-106083

Note: Totals may not sum due to rounding.

^aHRSA distributed nearly \$146 billion to providers in PRF payments and providers returned more than \$10 billion. Payments kept by providers represent total payments retained.

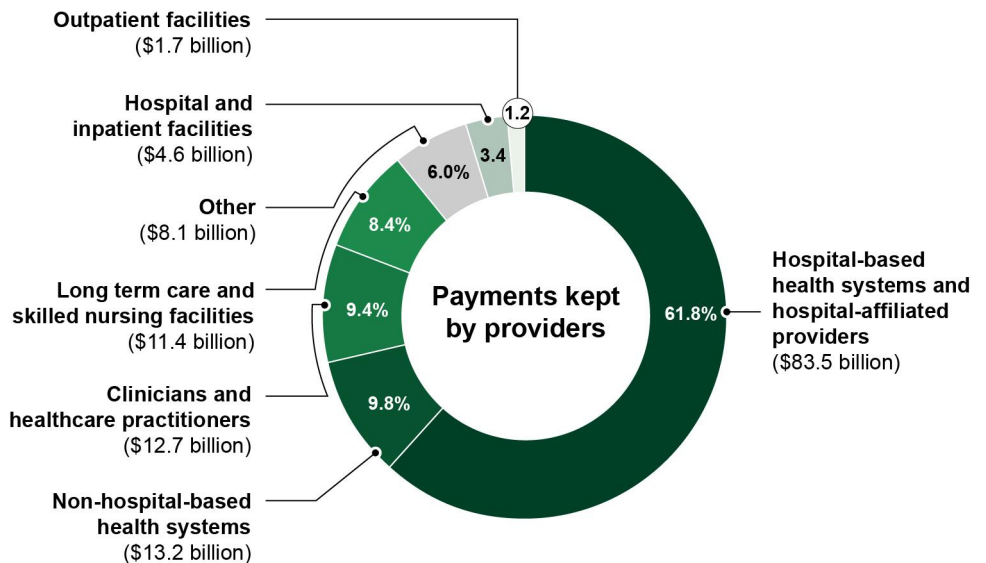
^bPhase 3 general distributions include payments made during HRSA’s reconsideration process, which allowed providers to contest initial payments they believed were calculated incorrectly.

Hospital-based health systems and hospital-affiliated providers received more than 60 percent of PRF payments, our analysis of HRSA data show.²¹ Other provider types, such as outpatient facilities, clinicians and health care practitioners, and long-term care and skilled nursing facilities, each received less than 10 percent of the total distributed payments.

²¹Many health care systems that include hospitals also include a variety of other provider types. Providers in the “hospital-based health systems and hospital-affiliated providers” category may include other provider types owned by hospital systems, such as hospital-owned outpatient facilities, along with distinct provider entities that are affiliated with hospital systems, such as hospital-affiliated long-term care facilities. According to HRSA officials, payments in this category may underrepresent the proportion of funding received by other provider types since payments to distinct provider entities that are affiliated with hospitals may be included in this category. This may also accordingly overrepresent the proportion of payments to hospital entities.

Entities that received PRF payments may have redistributed their payments to subsidiary providers. For example, a hospital-based health system could have redistributed PRF payments to subsidiary outpatient or long-term care facilities. See figure 1 for detailed information about PRF payments kept by providers by provider type.

Figure 1: Provider Relief Fund (PRF) Payments Kept by Providers, by Type of Provider, as of December 2022



Source: GAO analysis of Health Resources and Services Administration (HRSA) data. | GAO-23-106083

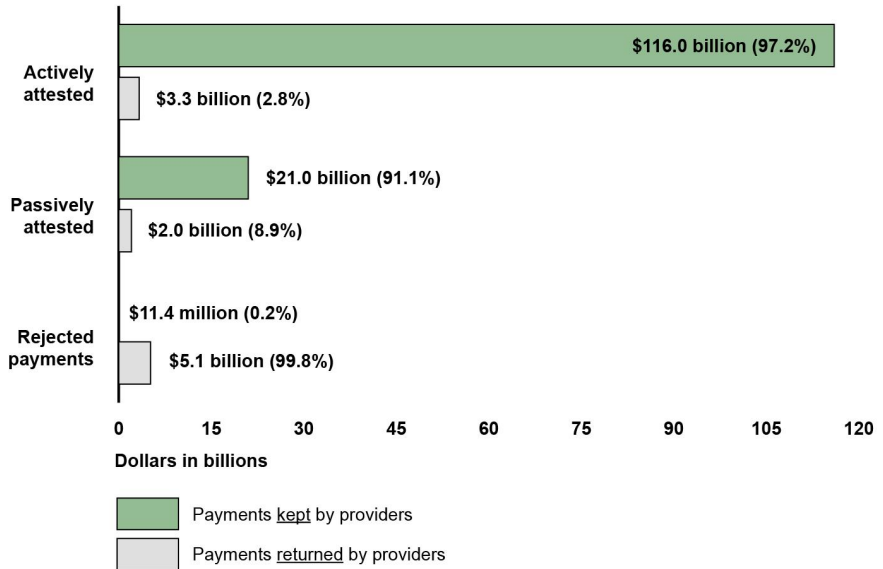
Notes: Data in this figure represent the entity that received PRF payments. These entities may have redistributed the payments to their subsidiary providers in accordance with program guidance.

Providers in the “hospital and inpatient facilities” category include hospitals, inpatient behavioral health facilities and other inpatient facilities that are distinct from hospitals. Providers in the “clinicians and healthcare practitioners” category include physician practices and dentists, among others. Providers in the “other” category include home health, hospice, diagnostic, and transportation providers, and equipment suppliers, among others.

Many health care systems that include hospitals also include a variety of other provider types. Providers in the “hospital-based health systems and hospital-affiliated providers” category may include other provider types owned by hospital systems, such as hospital-owned outpatient facilities, along with distinct provider entities that are affiliated with hospital systems, such as hospital-affiliated long-term care facilities. According to HRSA officials, payments in this category may underrepresent the proportion of funding received by other provider types since payments to distinct provider entities that are affiliated with hospitals may be included in this category. This may also accordingly over-represent the proportion of payments to hospital entities.

The majority of PRF payments were associated with providers that actively attested to the program’s requirements, as opposed to passively accepting the payments. Of the providers that either actively or passively attested to PRF program requirements, providers kept more than 90 percent of the payment amounts. (See fig. 2.)

Figure 2: Provider Relief Fund (PRF) Payments Kept and Returned by Providers, by Active and Passive Attestation to Program Requirements, and Rejected Payments, as of December 2022



Source: GAO analysis of Health Resources and Services Administration (HRSA) data. | GAO-23-106083

Note: Providers that received PRF payments were required to attest to their acceptance or rejection of the program’s requirements. Providers that retained their payments for more than 90 days were considered to have passively attested to their acceptance of the requirements.

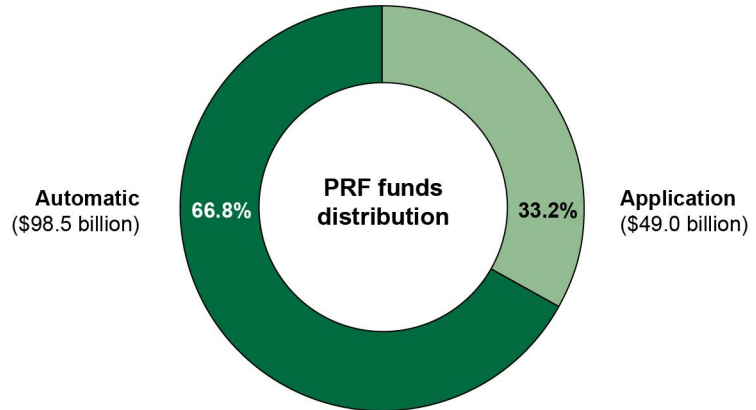
Payment totals shown in figure 2 represent all distributed funds—both payments kept and returned by providers—which vary from totals in table 3 and figure 1, which include only payments kept by providers. Further, the kept amounts may vary from totals in table 3 and figure 1 as a result of timing differences in HRSA updates to the datasets used for the analyses.

Accessible Data table for Figure 2: Provider Relief Fund (PRF) Payments Kept and Returned by Providers, by Active and Passive Attestation to Program Requirements, and Rejected Payments, as of December 2022

Distribution	Payments kept by providers	Payments returned by providers	Kept funds percentage	Returned funds percentage
Actively Attested	\$116,042,744,794	\$3,296,020,069	97.2%	2.8%
Rejected	\$20,963,152,576	\$2,035,730,142	91.1%	8.9%
Passively Attested	\$11,436,950	\$5,136,335,077	0.2%	99.8%

HRSA distributed the majority of PRF funds to recipients via automatic payments. As of December 2022, automatic payments accounted for nearly 67 percent of the total payments. Application-based payments accounted for 33 percent of payments. (See fig. 3.)

Figure 3: Application and Automatic Provider Relief Fund (PRF) Payments, as of December 2022



Source: GAO analysis of Health Resources and Services Administration (HRSA) data. | GAO-23-106083

Note: HRSA sent PRF payments to recipients automatically or as the result of applications submitted by the provider. For automatic payments, HRSA used information available to the agency to determine payment amounts. For application-based payments, HRSA relied on information from provider applications to determine payment amounts.

Payment totals shown in figure 3 represent all distributed funds—both payments kept and returned by providers—which vary from totals in table 3 and figure 1, which include only payments kept by providers.

HRSA Reviewed Payments to Ensure Eligibility and Accuracy, but Has Delayed Completion of Reviews

HRSA Reviewed Provider Eligibility and Financial Information Prior to Payment

To help ensure payment accuracy, HRSA conducted pre-payment reviews to verify provider eligibility and pre-payment reviews of the financial information on PRF applications to verify payment amounts. HRSA checked for ineligible providers prior to payment, such as those excluded from participating in federal health care programs, including Medicare and Medicaid. HRSA also verified the accuracy of provider-reported revenue losses against documentation submitted by providers, such as their tax returns, to ensure correct payment amounts.

According to agency officials, HRSA used factors based on the level of risk to select provider applications for pre-payment review. For example,

applications with PRF payments amounts over a certain threshold, applications that appeared to be potentially duplicative, or applications with a suspicious email address (such as @dr.com) were selected for review. Our analysis of PRF data found that as of December 2022, HRSA had conducted these pre-payment reviews of financial information for about 54 percent (about \$26.7 billion of \$49.0 billion) of the application based payments issued.

Ongoing HRSA Delays in Reviewing Payments Have Impeded the Identification of Potential Overpayments

In addition to pre-payment reviews, HRSA also conducted post-payment reviews of distributed payments, though the agency has experienced ongoing delays in completing the reviews.²² In December 2020, agency documentation showed that HRSA began to identify potential payment errors—referred to as payment discrepancies—and began conducting post-payment reviews of these discrepancies. According to HRSA, the post-payment reviews are data-driven analyses designed to identify PRF overpayments and payments that should not have been made and need to be recovered. For example, one discrepancy type was payments made based on potentially duplicate provider applications, which resulted in the identification of overpayments of funds to be recovered from providers.

As of May 2023, HRSA documentation showed that of the 59 post-payment reviews the agency conducted, 38 were closed and 21 remained open. HRSA closed a number of reviews based on its determination that other planned and ongoing program integrity processes would address the underlying payment integrity issues associated with the payment discrepancies. For example, HRSA closed 10 reviews because required provider reporting and audits would address the issues. HRSA closed another four reviews based on the planned implementation of a separate payment integrity process for addressing irregular and problematic payments. For example, in July 2022, HRSA closed post-payment reviews for PRF applications that used personal rather than business email addresses or personal bank accounts on the basis that the payment irregularities process would review and address the issues. However, the payment irregularities process was not implemented until March 2023. (See table 4.)

²²Throughout this report, the term “post-payment reviews” refers to HRSA’s post-payment quality control reviews.

Table 4: Status of Provider Relief Fund (PRF) Post-Payment Reviews, as of May 2023

Status of post-payment reviews and reasons for closure	Number of post-payment reviews
Open	21
<i>Open; overpayments identified for repayment, and funds recovered^a</i>	1
<i>Open; overpayments identified for repayment, but not yet recovered^a</i>	8
<i>Open; no payments identified for repayment yet</i>	12
Closed	38
<i>Closed; overpayments identified and recovered^b</i>	1
<i>Closed; consolidated with other, similar reviews</i>	5
<i>Closed; payment irregularities found and addressed through policy changes, other controls, or case management</i>	4
<i>Closed, issue with the Department of Health and Human Services Office of Inspector General</i>	2
<i>Closed, other resolution identified</i>	9
<i>Closed; any potential discrepancy will instead be addressed through provider reporting and audits</i>	10
<i>Closed; any potential discrepancy will instead be addressed through a new payment irregularities workflow process</i>	4
<i>Closed; documentation and final memo not yet available^c</i>	3
Total post-payment reviews	59

Source: GAO analysis of Health Resources and Services Administration (HRSA) data. | GAO-23-106083

^aAs of May 2023, HRSA had identified about \$242 million in overpayments to be recovered based on nine open reviews. Of that amount, about \$77 million had been recovered through offsets, about \$10,000 had been recovered through provider repayment, and the remainder had not yet been recovered.

^bAs of May 2023, based on this closed post-payment review, HRSA had identified \$60 million in overpayments and recovered the funds through \$15 million in repayments from providers and \$45 million in offsets of subsequent payments. In addition, HRSA identified and recovered \$11 million through an individual case not associated with a specific post-payment review.

^cAccording to HRSA procedures, the agency is to document reasons for closing post-payment reviews in a final memo. As of the dates specified, HRSA documentation and final memos were not yet available.

As of May 2023, about one-third—21 of 59—of post-payment reviews remained open, despite most PRF payments being issued in 2020 and 2021. Agency documents from January 2022 had scheduled all but one ongoing review to be completed by the end of 2022. Further, the 21 open reviews represent no change since September 2022, when the totals were the same. Of the 21 reviews that remained open in May 2023, HRSA officials told us they had partially completed some of the open reviews, but were leaving them open until all related PRF payments were issued. Thus far, nine of the open reviews have identified overpayments for potential recovery.

Due to concerns about delays, in October 2021, we recommended that HRSA expeditiously complete the remaining post-payment reviews to identify potential overpayments. HRSA partially agreed with our recommendation, but has not implemented it as of April 2023.²³ HRSA officials also told us that the agency has experienced delays in closing the post-payment reviews because the reviews have required extensive discussions and collaborations with other HHS agencies. HRSA officials told us they recently established a team to complete the reviews, and they plan to complete the reviews by the end of calendar year 2023. We reiterate the importance of taking prompt action to complete post-payment reviews and identify potential overpayments.

HRSA has Taken Steps to Better Ensure Payment Accuracy by Addressing Provider Challenges Verifying Their Payment Amounts

To help ensure the accuracy of PRF payments, HRSA asked providers to report payment errors to the agency. However, HRSA communications to providers did not include provider-specific information on their payment amounts. Several of the selected provider organizations we spoke with noted that providers experienced challenges verifying the accuracy of their PRF payments. HRSA has since taken steps to address such concerns and better ensure payment accuracy by improving its provider support line and establishing a process for providers to request reconsideration of payments they believed were incorrectly calculated.

HRSA officials told us they did not communicate individual payment calculations or payment amounts to providers, because it would have been time-intensive and cost-prohibitive to do so. Instead, HRSA posted payment calculation methodologies on the agency's PRF website. However, according to seven provider organizations we spoke with, providers found HRSA's payment methodologies complex and difficult to use. In addition, a provider organization and a health care management organization we spoke with told us that some providers with subsidiaries (such as health care systems with separate outpatient clinics) did not know if the payments they received included payments for their subsidiaries. In other cases, HRSA capped amounts used for payment calculations for providers with higher-than-expected revenues or losses

²³See GAO, *COVID-19: Additional Actions Needed to Improve Accountability and Program Effectiveness of Federal Response*, [GAO-22-105051](#) (Washington, D.C.: Oct. 27, 2021).

relative to their peer providers, but did not directly communicate this information to the affected providers.²⁴

HRSA helped address these provider challenges by improving the program's provider support line. In April 2020, HRSA established a contractor-operated provider support line, in part, to address provider questions about payments. However, contractor staff could only answer inquiries using information from publicly available PRF guidance, which according to three provider organizations we spoke with, limited its usefulness in addressing providers' payment-specific questions. Contractor officials told us that they were able to address most provider inquiries, although they acknowledged that some providers were frustrated by the lack of provider-specific information. Subsequently, in February 2021, HRSA established an additional provider support line with HRSA staff who had access to provider-specific information. Two of the provider organizations we spoke with said that providers found HRSA staff helpful in answering questions about specific payment amounts.

In addition, in 2021, HRSA established a process where providers could request reconsideration of PRF payments they believed were incorrectly calculated. As of March 2023, HRSA had reviewed more than 3,600 reconsideration requests and redistributed an additional \$1.67 billion to 325 providers for phase 3 payments based on those requests. HRSA had planned to include a reconsideration process for phase 4 payments, but no reconsideration payments were made prior to the rescission of remaining PRF funds for provider relief in June 2023.²⁵

²⁴For phase 3 payment distributions, HRSA used loss ratios (which they defined as reported losses divided by annual patient care revenue) to calculate payments and capped the loss ratios for some providers, which resulted in reduced payments to those providers. HRSA used the loss ratio as a measure to ensure that similar providers' reported revenues and losses were within a set range. According to the PRF payment methodology, capped loss ratios served as a risk mitigation and cost-containment safeguard. While HRSA did not inform providers when the capped loss ratios were applied to their payments, the methodology for phase 3 payments posted on HRSA's PRF website informed providers of the possible adjustment.

²⁵In June 2023, the Fiscal Responsibility Act of 2023 rescinded unobligated PRF funds for provider relief payments. Pub. L. No. 118-5, div. B, tit. I, § 2.

HRSA Has Initiated Audits of Providers' Reported Use of Relief Payments and Implemented Its Recommendations to Address Potential Fraud

HRSA has Initiated Audits of Provider's Reported Use of Provider Relief Fund Payments

According to HRSA documentation and officials, the agency has been conducting audits on a sample of providers to verify that providers used their PRF payments according to program requirements. Providers that received more than \$10,000 in PRF payments in aggregate in a given distribution period were subject to HRSA's requirement to report on their use of the funds and generally complied with the requirement. Nearly all PRF payments distributed were subject to the reporting requirement. Based on our analysis of HRSA data, about half of providers received more than \$10,000 in PRF payments, and these providers received more than 99 percent of the PRF payments distributed. Of the providers required to report on their use of payments received from April 2020 through June 2021, more than 92 percent reported.²⁶

According to agency documentation, as part of the audits, HRSA plans to verify the accuracy of providers' reported information on how they used the payments. For example, the audit procedures include reviews of providers' invoices and receipts for COVID-19-related expenses to verify providers' reported expenses. Additionally, HRSA plans to identify and determine the amount of other COVID-19-related assistance received by providers, such as other federal financial assistance, to ensure that PRF payments were only used for COVID-19-related losses and expenses not otherwise reimbursed from other sources.

Starting in January 2022, HRSA initiated pilot audits on four provider organizations, and according to agency officials, these audits were scheduled to be completed by February 2023. As of June 2023, HRSA

²⁶Because providers report on their use of PRF payments on a rolling basis, these data may count individual providers who reported on payments more than once. For example, a provider that received more than \$10,000 from one PRF distribution, and then later received more than \$10,000 from another distribution, may have been required to separately report on their use of the two distributions.

had completed the audits and plans to finalize the audits by issuing reports to the four organizations, according to HRSA officials.²⁷ In August 2022, HRSA began auditing 30 additional provider organizations.²⁸ These 34 provider organizations received more than \$3 billion in PRF payments from April 2020 through June 2020, or about 4 percent of payments that were subject to reporting requirements during the time period. As of May 2023, HRSA anticipates completing the first round of audits in August 2023. According to agency officials, HRSA has selected providers who received PRF payments from July 2020 through December 2020 for audit and plans to initiate those audits later in 2023.

HRSA selected providers for audit by developing a risk score for each provider based on payment amounts and other factors. For example, providers that received larger payments received higher risk scores.

Further, as part of its obligation to review all single audit findings, as of June 2023, HRSA identified 321 providers that did not use PRF payments in accordance with program requirements, according to fiscal year 2021 and 2022 single audits.

In addition to using provider reporting to conduct audits, HRSA used provider reporting to identify PRF payments that went unused by providers. HRSA compared providers' payment amounts against their reported losses and expenses to determine if any portion of their payments went unused. According to the PRF's terms and conditions, unused payments should be returned to HRSA.

HRSA Conducted Fraud Risk Assessments and Recently Implemented Its Recommendations for Identifying and Coordinating Its Response to Potential Fraud

As part of HRSA's efforts to ensure providers used PRF payments appropriately, the agency conducted fraud risk assessments to assess and implement controls to help reduce the risk for fraud in the program. In 2021 and 2022, HRSA conducted fraud risk assessments to identify

²⁷HRSA's audits of these four provider organizations include 38 subsidiary providers, for a total of 42 providers.

²⁸HRSA's audits of these 30 provider organizations include 180 subsidiary providers, for a total of 210 providers.

- fraud risks to the PRF program,
- existing controls in place to mitigate those risks,
- the remaining risks that could leave the program vulnerable to fraud, and
- recommendations to address them.

HRSA identified a number of existing controls in place to address identified fraud risks. For example, according to the assessments, HRSA's pre-payment reviews of provider documentation limited providers' ability to submit false financial information to inflate their PRF payment calculations. Additionally, the assessments found that HRSA took steps to check provider information to prevent providers from submitting more than one PRF application, limiting the potential for duplicate payments.

As part of the assessments, HRSA made recommendations in its 2021 fraud risk assessment to document procedures for certain anti-fraud efforts to ensure consistency and coordination of activities. In its 2021 assessment, HRSA found that it had not documented analytic procedures for what types of irregular or problematic payments should be flagged for further review, and for responding to allegations of potential fraud; HRSA recommended that such procedures be documented and standardized. In March 2023 and June 2023, HRSA addressed these recommendations by implementing and documenting the agency's new standardized processes for identifying and addressing irregular and problematic payments, and for responding to allegations of potential fraud. These processes were implemented nearly a year and a half after the 2021 fraud risk assessment and 3 years after initial payments. While implementing these recommendations sooner would have been helpful, formally documenting and standardizing such procedures will better enable HRSA to consistently respond to potential fraud as the agency moves forward with its payment integrity efforts.

Over \$1 Billion in Provider Relief Fund Payments Remain Unrecovered

HRSA Has Recovered about Half of the \$2.6 Billion Identified for Recovery

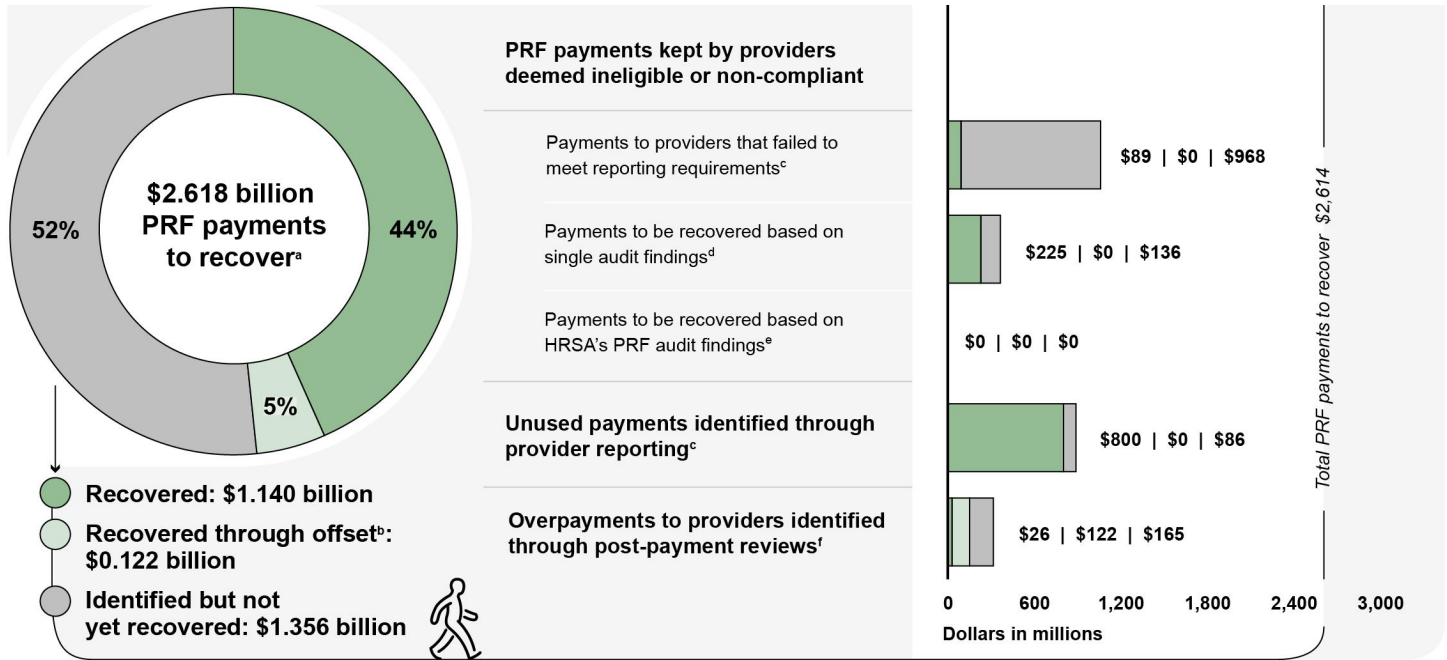
As of May 2023, HRSA had recovered nearly half of the \$2.6 billion in payments to non-compliant providers, overpayments, and unused payments identified for recovery. As of August 2023, the agency had established time frames to recover the nearly \$1.4 billion in payments not yet recovered.

In December 2020, HRSA began formal recovery activities to seek repayments from providers. Agency officials told us they later paused sending final repayment notices to providers for 9 months, between March and December 2022, to develop a decision review process to adjudicate provider disputes of HRSA's decisions to seek repayment of funds, and to finalize the process for the Program Support Center to serve as HRSA's collection agent.²⁹ HRSA officials told us that they implemented the decision review process in December 2022, at which time the agency resumed formal recovery efforts by issuing final repayment notices to non-compliant providers.

See figure 4 for the status of HRSA's efforts to recover PRF payments as of May 2023. HRSA may identify additional PRF payments for recovery in the future, because its payment integrity processes—such as post-payment reviews, provider reporting, and HRSA's provider audits—are ongoing.

²⁹In December 2020, HRSA had begun to seek repayment of overpayments identified through its post-payment reviews. HRSA recovered about \$145 million from post-payment reviews before pausing efforts in March 2022.

Figure 4: Status of the Health Resources and Services Administration (HRSA) Actions to Recover Provider Relief Fund (PRF) Payments, as of May 2023



Source: GAO analysis of Health Resources and Services Administration (HRSA) data; GAO (illustration). | GAO-23-106083

^aPercent does not sum to 100 due to rounding.

^bAccording to HRSA officials, payments recovered through offset were recovered by reducing the amount of subsequent payments to providers.

^cBased on reporting by providers that received and kept payments from on or before June 30, 2021.

^dThe Single Audit Act requires non-federal and non-profit entities that expend more than \$750,000 in federal awards in a fiscal year to undergo single audits, unless a specific exception applies. Single audits are independent audits of an entity's financial statements and federal awards, or program-specific audits.

^eAs of May 2023, HRSA had not completed any provider audits.

^fIn December 2020, HRSA had begun to seek repayment of overpayments identified through its post-payment reviews. HRSA had recovered about \$145 million before pausing efforts in March 2022. According to HRSA, the agency also set a threshold for recovery from providers of \$25 for overpayments, and the figure may include payments under the threshold.

Accessible data table for Figure 4: Status of the Health Resources and Services Administration (HRSA) Actions to Recover Provider Relief Fund (PRF) Payments, as of May 2023

	Recovered (dollars in millions)	Recovered through offset ^b (dollars in millions)	Identified but not yet recovered (dollars in millions)
PRF payments inappropriately kept by providers deemed ineligible or non-compliant			
Payments to providers that failed to meet reporting requirements ^c	\$88.9	\$0	\$968.1
Payments to be recovered based on single audit findings ^d	\$225.5	\$0	\$136.4
Payments to be recovered based on HRSA's PRF audit findings ^e	\$0	\$0	\$0
Unused payments identified through provider reporting ^c	\$800	\$0	\$86.3
Overpayments to providers identified through post-payment reviews ^f	\$26	\$122	\$165
Totals	\$1,140.4	\$122	\$1,355.8

As of May 2023, HRSA had either sent final repayment notices for much of the nearly \$1.4 billion in payments that have yet to be returned or established time frames for when the final notices would be sent out. In particular, of the \$968 million in unreturned payments from non-reporting providers, HRSA sent final repayment notices seeking about \$522 million in recoveries to about 60 percent (about 12,300 of about 20,200) of the providers who received payments on or before June 30, 2021 (or those in distribution periods one through three). The agency established time frames to send the remaining final repayment notices to non-compliant providers by September 2023. In addition, officials told us they had referred more than 2,500 unrecovered payments to the Program Support Center for debt collection.

As of May 2023, HRSA had not established time frames for pursuing recovery of overpayments, unused payments, and payments from providers that received payments from July 1, 2021, through December 31, 2021 (distribution period four), but did not comply with reporting requirements.³⁰ These funds totaled nearly \$250 million as of May 2023.

³⁰Providers that received payments from July 1, 2021 through December 31, 2021 were required to report on their use of payments by March 31, 2023, which was the last reporting deadline as of the time of this report. (Although HRSA subsequently offered providers an extended opportunity to report late in the case of extenuating circumstances.) Providers that received payments in distribution period five are required to report by September 30, 2023; providers that received payments in subsequent distribution periods are scheduled to complete reporting by September 30, 2024.

However, in August 2023, HRSA established time frames to send final repayment notices by April 2024 to recover these payments.

According to HRSA policy, the agency should seek repayment from overpayments, unused payments, and non-compliant providers.³¹ OMB policy further states that agencies should act promptly and seek to recover payments as quickly as possible, and previous reports show that the more time passes, the less likely it is that payments will be recovered.³² Accordingly, the establishment of time frames for recovering these payments will help better ensure that HRSA succeeds in recovering all of these funds.

HRSA has Received Nearly All Rejected PRF Payments, and Has Begun Recovery of Remaining Rejected Payments

HRSA has received 99.8 percent of the approximately \$5.1 billion in rejected PRF payments, as of December 2022, based on our analysis. HRSA officials told us that most providers returned their payments upon rejecting them, and that the agency did not have to actively or formally seek recovery of most of these funds. Consistent with this, we found that providers returned most rejected payments during the early months of the PRF and prior to HRSA beginning formal recovery activities in December

³¹In October 2021, we recommended that HRSA implement recovery of PRF overpayments, unused payments, or payments not properly used because we found that little action to recover payments had been taken as of August 2021. Based on our review of HRSA's procedures for recovery, the amount it has recovered thus far, and its planned schedule to seek recovery of all types of payments in need of recovery, we consider HRSA to have addressed the recommendation. We are in the process of closing the recommendation as implemented. See [GAO-22-105051](#).

³²See Office of Management and Budget, *Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement*; Department of Health and Human Services, Office of Inspector General, *Medicare's Currently not Collectible Overpayments*, OEI-03-11-00670 (Washington, D.C.: June 2013); and GAO, *Debt Collection: Treasury Faces Challenges in Implementing Its Cross-Servicing Initiative*, [GAO/AIMD-00-234](#) (Washington, D.C.: Aug. 4, 2000).

2020. At that time, providers had returned 92 percent (about \$4.7 billion of \$5.1 billion) of rejected payments.³³

Not all providers that rejected payments returned them, and HRSA began formal recovery efforts for rejected payments in May 2023.³⁴ As of December 2022, providers that rejected PRF payments had not yet returned about \$11 million of the \$5.1 billion in rejected payments. In May 2023, HRSA issued 837 final repayment notices to providers that rejected the \$11 million in payments.

Agency Comments

We provided a draft of this report to the HHS for comment. HHS's comments are reprinted in appendix I. Our draft report included a recommendation that HRSA establish time frames for promptly sending final repayment notices to recover the remaining overpayments, unused payments from providers, all non-compliant providers, and any additional payments identified for recovery. During the agency's review of our draft, HRSA concurred with our recommendation and established time frames for recovery of such PRF payments. We reviewed documentation that HRSA provided to us, agreed that HRSA's actions addressed our draft recommendation, and therefore removed the recommendation from the final report. Implementing these time frames for promptly sending final repayment notices will help ensure that HRSA recovers PRF payments identified for recovery.

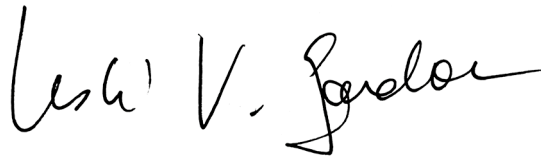
HRSA also provided technical comments on our report, which we incorporated as appropriate.

We are sending copies of this report to the appropriate congressional committees and the Secretary of HHS. In addition, the report is available

³³HRSA officials said that providers may have rejected PRF payments because they may not have had financial need for the payments or may not have wanted to be responsible for meeting the program requirements. Several provider and health care management organizations we spoke with also told us that providers may have had concerns about the program requirements, and they may have rejected payments for this reason.

³⁴The HHS Office of the Inspector General previously reported that providers had not returned about \$50 million in rejected payments as of March 2022, and recommended that HRSA recover these payments. See Department of Health and Human Services, Office of the Inspector General, *HHS's and HRSA's Controls Related to Selected Provider Relief Fund Program Requirements Could Be Improved*, A-09-21-06001 (Washington, D.C.: September 2022).

at no charge on the GAO website at <https://www.gao.gov>. If you or your staffs have any questions about this report, please contact me at (202) 512-7114 or GordonLV@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report.

A handwritten signature in black ink that reads "Leslie V. Gordon". The signature is written in a cursive style with a large, sweeping initial "L".

Leslie V. Gordon
Director, Health Care

List of Committees

The Honorable Patty Murray
Chair
The Honorable Susan Collins
Vice Chair
Committee on Appropriations
United States Senate

The Honorable Ron Wyden
Chairman
The Honorable Mike Crapo
Ranking Member
Committee on Finance
United States Senate

The Honorable Bernard Sanders
Chair
The Honorable Bill Cassidy
Ranking Member
Committee on Health, Education, Labor, and Pensions
United States Senate

The Honorable Gary C. Peters
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The Honorable Rand Paul, M.D.
Ranking Member
Committee on Homeland Security and Governmental Affairs
United States Senate

The Honorable Kay Granger
Chair
The Honorable Rosa L. DeLauro
Ranking Member
Committee on Appropriations
House of Representatives

The Honorable Cathy McMorris Rodgers
Chair
The Honorable Frank Pallone, Jr.
Ranking Member
Committee on Energy and Commerce
House of Representatives

The Honorable Mark E. Green, M.D.
Chairman

The Honorable Bennie G. Thompson
Ranking Member
Committee on Homeland Security
House of Representatives

The Honorable James Comer
Chairman

The Honorable Jamie Raskin
Ranking Member
Committee on Oversight and Accountability
House of Representatives

The Honorable Jason Smith
Chairman

The Honorable Richard Neal
Ranking Member
Committee on Ways and Means
House of Representatives

Appendix I: Comments from the Department of Health and Human Services



DEPARTMENT OF HEALTH & HUMAN SERVICES

OFFICE OF THE SECRETARY

Assistant Secretary for Legislation
Washington, DC 20201

August 31, 2023

Leslie V. Gordon
Director, Health Care
U.S. Government Accountability Office
441 G Street NW
Washington, DC 20548

Dear Ms. Gordon:

Attached are comments on the U.S. Government Accountability Office's GAO draft report entitled "**COVID-19 PROVIDER RELIEF FUND: Time Frames Needed for Recovering Remaining Payments from Providers**" (GAO-23-106083).

The Department appreciates the opportunity to review this report prior to publication.

Sincerely,

Melanie Anne Egorin

Melanie Anne Egorin, PhD
Assistant Secretary for Legislation

Attachment

GENERAL COMMENTS FROM THE DEPARTMENT OF HEALTH AND HUMAN SERVICES ON THE GOVERNMENT ACCOUNTABILITY OFFICE'S DRAFT REPORT ENTITLED – COVID-19 PROVIDER RELIEF FUND: TIME FRAMES NEEDED FOR RECOVERING REMAINING PAYMENTS FROM PROVIDERS (GAO-23-106083)

The U.S. Department of Health & Human Services (HHS) appreciates the opportunity from the Government Accountability Office (GAO) to review and comment on this draft report. The Health Resources and Services Administration (HRSA) appreciates the Government Accountability Office's acknowledgement of the critical role the Provider Relief Fund (PRF) played in the federal government's response to the COVID-19 pandemic. HRSA engaged in an unprecedented effort to quickly and responsibly distribute billions in PRF payments to help providers cover COVID-19 related losses and expenses during the pandemic.

Recommendation

The Administrator of HRSA should establish time frames for promptly sending final repayment notices to recover the remaining overpayments, unused payments from providers, all non-compliant providers, and any additional payments identified for recovery.

HHS Response

HHS concurs with the GAO recommendation. HRSA has established time frames for recovery of remaining overpayments, unused payments from providers, and payments from non-compliant providers. HRSA has ensured that approximately 90 percent of unused funds reported to date have been returned and is actively seeking repayment and implementing debt collection for non-compliant providers. HRSA continues to pursue robust recovery efforts and is committed to oversight of and accountability for PRF payments to ensure program and financial integrity.

Accessible Text for Appendix I: Comments from the Department of Health and Human Services

August 31, 2023

Leslie V. Gordon
Director, Health Care
U.S. Government Accountability Office
441 G Street NW
Washington, DC 20548

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Sincerely,

Melanie Anne Egorin, PhD
Assistant Secretary for Legislation

Attachment

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Recommendation

The Administrator of HRSA should establish time frames for promptly sending final repayment notices to recover the remaining overpayments, unused payments from providers, all non-compliant providers, and any additional payments identified for recovery.

HHS Response

HHS concurs with the GAO recommendation. HRSA has established time frames for recovery of remaining overpayments, unused payments from providers, and payments from non-compliant providers. HRSA has ensured that approximately 90 percent of unused funds reported to date have been returned and is actively seeking repayment and implementing debt collection for non-compliant providers. HRSA continues to pursue robust recovery efforts and is committed to oversight of and accountability for PRF payments to ensure program and financial integrity.

Appendix II: GAO Contact and Staff Acknowledgments

GAO Contact

Leslie V. Gordon, (202) 512-7114 or GordonLV@gao.gov.

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In addition to the contact named above Lori Achman (Assistant Director), Michael Erhardt (Analyst-in-Charge), Erin Barry, and Sylvia Diaz Jones made key contributions to this report. Also contributing were Sandra George, Cynthia Khan, Drew Long, Diona Martyn, Ethiene Salgado-Rodriguez, and Emily Wilson Schwark.

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