

Department of Health and Human Services

**OFFICE OF  
INSPECTOR GENERAL**

**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**

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**July 2023  
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# *Office of Inspector General*

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## Report in Brief

Date: July 2023

Report No. A-02-21-01013

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.

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## INTRODUCTION

### WHY WE DID THIS AUDIT

On March 13, 2020, then-President Trump declared the COVID-19 outbreak a national emergency. In response, Congress passed the Families First Coronavirus Response Act (FFCRA) and the Paycheck Protection Program and Health Care Enhancement Act (PPP), which together appropriated \$2 billion to reimburse eligible hospitals and other health care providers (providers) for conducting COVID-19 testing and testing-related items and services for the uninsured. The FFCRA defines an uninsured individual as someone who is not enrolled in: (1) a Federal health care program (e.g., Medicare or Medicaid), (2) an individual health insurance coverage or a group health plan, or (3) the Federal Employees Health Benefits Program.

Congress also appropriated \$178 billion to the Provider Relief Fund (PRF) to provide funds to providers for health care-related expenses or lost revenue (e.g., revenue lost due to canceled elective services) attributable to COVID-19.<sup>1</sup> The Department of Health and Human Services (HHS) used a portion of the PRF for the treatment of uninsured individuals with a primary COVID-19 diagnosis and to reimburse providers for administering COVID-19 vaccines to uninsured individuals.

The national emergency posed unprecedented challenges to HHS to distribute funds to providers for COVID-19 testing and treatment services for uninsured individuals in a fast, fair, and transparent manner and to provide immediate financial relief to providers on the front lines of the COVID-19 response. HHS was responsible for program oversight and policy decisions, and the Health Resources and Services Administration (HRSA), within HHS, was selected to administer the COVID-19 Uninsured Program (UIP). Approximately 1 month after the national emergency declaration, HRSA established an online UIP portal, which allowed providers to begin enrolling in the UIP. Providers were then able to submit claims for reimbursement of COVID-19 testing and treatment of uninsured individuals to the UIP.

This audit assessed claims for COVID-19 testing and treatment services for uninsured individuals provided during the period from March through December 2020 and reimbursed through the UIP. This audit is one of several Office of Inspector General (OIG) audits of various aspects of PRF payments, including HHS's and HRSA's controls related to the requirements for submission of revenue information and attestation of rejection of PRF payments, HHS's and HRSA's controls over PRF payment calculations and provider eligibility, and providers' compliance with Federal requirements for reporting and using PRF payments.<sup>2</sup>

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<sup>1</sup> The Coronavirus Aid, Relief, and Economic Security Act, P.L. No. 116-136, signed into law on Mar. 27, 2020; the PPP, P.L. No. 116-139; and the Consolidated Appropriations Act, 2021, P.L. No. 116-260, signed into law on Dec. 27, 2020.

<sup>2</sup> The first audit, *HHS's and HRSA's Controls Related to Selected Provider Relief Fund Program Requirements Could Be Improved* ([A-09-21-06001](#)), was issued Sept. 26, 2022.

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, OIG oversees HHS's COVID-19 response and recovery efforts. This audit is part of OIG's COVID-19 response strategic plan.<sup>3</sup>

## **OBJECTIVE**

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

## **BACKGROUND**

### **COVID-19 National Emergency and Funding for the COVID-19 Uninsured Program**

COVID-19 is a disease caused by a highly contagious coronavirus called SARS-CoV-2. On January 30, 2020, the World Health Organization (WHO) declared the COVID-19 outbreak a Public Health Emergency of International Concern, and on March 11, 2020, WHO characterized COVID-19 as a pandemic.<sup>4</sup> Later, on March 13, 2020, then-President Trump declared the COVID-19 outbreak a national emergency.

In response to the national emergency, Congress passed the FFCRA, P.L. No. 116-127, and the PPP, P.L. No. 116-139, which together appropriated \$2 billion to reimburse providers for conducting COVID-19 testing and testing-related items and services for the uninsured.<sup>5</sup> The FFCRA defines an uninsured individual as someone who is not enrolled in: (1) a Federal health care program (e.g., Medicare or Medicaid), (2) individual health insurance coverage or a group health plan, or (3) the Federal Employees Health Benefits Program.<sup>6</sup>

Congress also appropriated \$178 billion to the PRF to provide funds to eligible providers for health care-related expenses or lost revenue (e.g., revenue lost due to canceled elective services) attributable to COVID-19. HHS used a portion of the PRF for the treatment of

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<sup>3</sup> OIG's COVID-19 response strategic plan and oversight activities can be accessed at [HHS-OIG's Oversight of COVID-19 Response and Recovery | HHS-OIG](#).

<sup>4</sup> A pandemic is an epidemic that has spread over several countries or continents, usually affecting many people. An epidemic is an increase, often sudden, in the number of cases of a disease above what is normally expected in a population in a specific area.

<sup>5</sup> The FFCRA was signed into law on Mar. 18, 2020. The PPP was signed into law on Apr. 24, 2020.

<sup>6</sup> After our audit period, HHS allocated additional funding to the UIP from funds appropriated by Congress for COVID-19 testing in the American Rescue Plan Act of 2021, P.L. No. 117-2, signed into law on Mar. 11, 2021.



uninsured individuals with a primary diagnosis of COVID-19, as well as to reimburse providers for administering COVID-19 vaccines to uninsured individuals.<sup>7</sup>

Because of the unprecedented national emergency, HHS faced substantial challenges in distributing funds to providers for COVID-19 testing and treatment for uninsured individuals in a fast and effective manner. In order to quickly set up a program and reimburse providers for COVID-19 testing and treatment of uninsured individuals, HRSA held limited competitions to evaluate prospective vendors' abilities to administer the UIP.<sup>8</sup> Approximately 1 month after the national emergency declaration, HRSA entered into an agreement with a contractor to administer the UIP portal, which allowed providers to begin enrolling in the UIP.<sup>9</sup> Providers were then able to submit claims for reimbursement of COVID-19 testing and treatment of uninsured individuals to the UIP.

### **Administration of the COVID-19 Uninsured Program**

As the Federal agency responsible for administration of the UIP, HRSA entered into an agreement with a contractor to launch the online UIP portal. The portal was used by providers to enroll in the UIP, submit patient rosters to verify patient eligibility, and access customer support and resources.

HRSA's contractor administered the UIP portal and enrolled eligible providers. The contractor was also tasked with verifying patients' health insurance coverage status, processing UIP claims, and reimbursing providers for eligible services. UIP reimbursement was generally paid at Medicare rates for qualifying COVID-19 testing and treatment services. The UIP stopped accepting testing and treatment claims for reimbursement on March 22, 2022, as well as vaccine administration claims on April 5, 2022, due to insufficient funding. As of December 2022, the Federal Government had paid providers approximately \$24.5 billion for UIP claims.<sup>10</sup>

### *Processes To Ensure That COVID-19 Uninsured Program Patients Were Uninsured*

To submit claims for reimbursement, providers submitted patient rosters to the UIP portal. Each roster listed a provider's patients who received COVID-19 testing and treatment services

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<sup>7</sup> UIP claims for vaccine administration began after our audit period; therefore, these services were not covered in our audit.

<sup>8</sup> In Mar. 2020, HHS issued a class justification and approval for all HHS acquisition offices to use procedures other than full and open competition in order for HHS agencies and offices to have adequate flexibility to respond to the COVID-19 pandemic.

<sup>9</sup> Specifically, HRSA entered into an agreement with HRSA's contractor on Apr. 16, 2020. Providers began submitting claims for services previously provided on May 6, 2020. Reimbursements to providers began May 18, 2020.

<sup>10</sup> Even though HRSA was no longer accepting UIP claims, HRSA's contractor was continuing to adjudicate and pay claims that were submitted before the program submission deadlines.

and were determined to be uninsured (i.e., did not have individual or employer-sponsored health insurance coverage, Medicare, or Medicaid). Providers also attested that they had read and agreed to the UIP's terms and conditions, checked that these patients did not have any health insurance coverage, confirmed that the patients were uninsured, and agreed to accept UIP reimbursement as payment in full and not balance bill the patient.<sup>11</sup> HRSA's contractor indicated that once providers submitted their attestations, the contractor used a health insurance coverage validation process to check for third-party health insurance coverage based on available internal and external data. If no health insurance coverage was identified, HRSA's contractor assigned patient identification numbers (patient IDs) for providers to use when submitting claims for UIP services.

According to HRSA, HHS made a policy decision that a provider would not be required to submit a patient's Social Security Number (SSN) as part of a provider's patient roster before HRSA's contractor assigned a patient ID. This decision was made to ensure that a patient's fear of providing an SSN (or the inability to do so) would not preclude the patient from receiving COVID-19 testing or treatment, and providers who provided services to patients unwilling to provide SSNs would not be precluded from receiving claims reimbursements. However, HRSA indicated that its contractor was unable to verify a patient's health insurance coverage status unless an SSN was provided. Therefore, HRSA's contractor only verified a patient's health insurance coverage status if the patient's SSN was submitted by the provider. When an SSN was collected by the provider, HRSA's contractor checked for third-party health insurance coverage using the patient's name, gender, date of birth, and SSN.<sup>12</sup> If the patient was determined to have health insurance coverage as a result of this search, HRSA's contractor did not issue a patient ID and shared the health insurance coverage information with the provider. When no active health insurance coverage was identified, HRSA's contractor issued patient IDs for providers to use when submitting claims for COVID-19 testing and/or treatment services. If the provider did not collect or report an SSN, HRSA's contractor relied on the provider's attestation that health insurance coverage had been checked and the patient's status as uninsured had been confirmed. HRSA's contractor then provided a patient ID for providers to use when filing claims.

Additionally, HRSA stated that its contractor performed retroactive health insurance verification checks for patients for whom an SSN was submitted by the provider 30, 60, and 90 days after providers received reimbursement from the UIP. HRSA's contractor performed each check to determine whether there were any changes to a patient's health insurance coverage

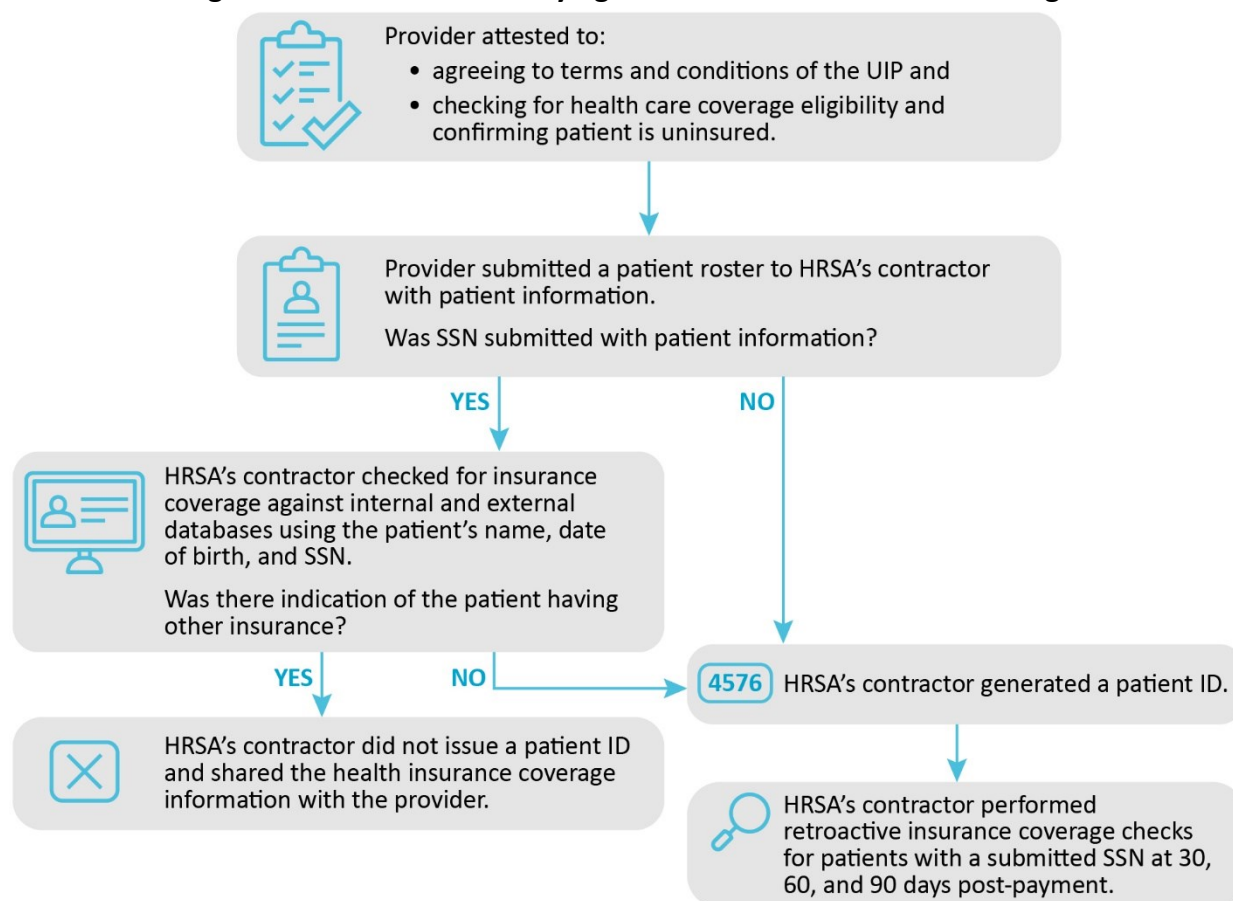
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<sup>11</sup> Balance billing occurs when a provider bills a patient for the difference between the provider's charge for a service and the allowed amount to be reimbursed for that service. For example, if the provider's charge is \$100 for a service and the allowed reimbursement amount is \$70, the provider may use balance billing to bill the patient for the remaining \$30.

<sup>12</sup> HRSA relied on the HRSA contractor's internal and external (i.e., third-party vendor) data sources for health insurance coverage information, including Medicaid and Medicare. The HRSA contractor's third-party vendor obtained Medicaid data directly from the States' Medicaid Management Information Systems, and Medicare data were queried against the third-party vendor's Coordination of Benefits solution's data lake (i.e., the centralized data repository).

status. When other health insurance coverage was found, HRSA’s contractor updated the patient’s eligibility dates and any associated claims submitted during that period. Furthermore, HRSA’s contractor initiated recovery of payments for any claims already paid to a provider. Figure 1 illustrates the processes for verifying patient health insurance coverage status under the UIP.

**Figure 1: Processes for Verifying Patient Health Insurance Coverage**



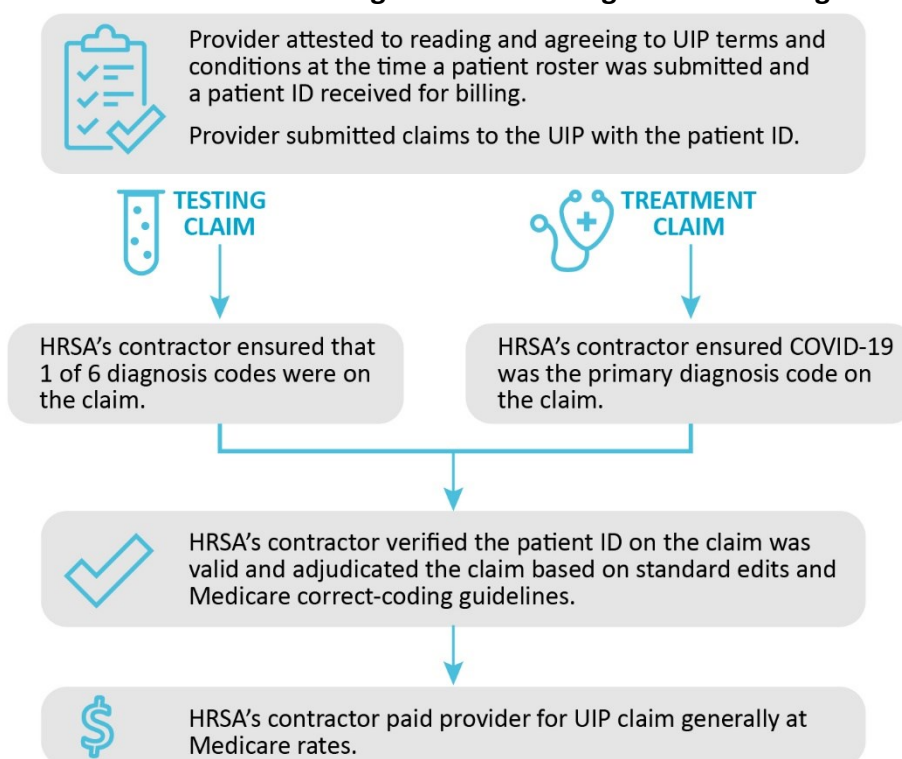
### *Processes for Submitting COVID-19 Uninsured Program Claims and Reimbursing Providers*

Once HRSA’s contractor approved a provider’s patient roster and assigned patient IDs, a provider was able to submit claims to the UIP. Claims for COVID-19 testing and testing-related items and services were eligible for reimbursement if one of six eligible COVID-19-related diagnoses codes was included on the claim. A claim for COVID-19 treatment services was eligible for reimbursement if COVID-19 was the primary diagnosis code on the claim.<sup>13</sup> HRSA’s

<sup>13</sup> For dates of service on or after Apr. 1, 2020, providers were instructed to use primary diagnosis U07.1 to indicate that COVID-19 was the primary reason for treatment except for pregnancy, for which providers were instructed to use O98.5 as the primary diagnosis and U07.1 as the secondary diagnosis. For dates of services or discharges prior to Apr. 1, 2020, there was no equivalent diagnosis to indicate COVID-19; therefore, providers were instructed to use B97.29 as the primary diagnosis.

contractor indicated that it had system edits in place to verify that: (1) the appropriate diagnoses codes were included on each claim and (2) the patient ID included on the claim was valid in order to be processed for reimbursement. HRSA stated that claims were adjudicated using industry standard edits and Medicare correct-coding guidelines and were generally paid at Medicare rates. Providers were required to accept reimbursement from the UIP for services provided as payment in full and were not to engage in balance billing or charge patients any type of cost-sharing. Figure 2 illustrates the processes for reviewing and reimbursing UIP claims.

**Figure 2: Processes for Reviewing and Reimbursing Uninsured Program Claims**



## HOW WE CONDUCTED THIS AUDIT

Our audit covered UIP claims for COVID-19 services for 19,191,091 patient IDs (patients) with associated provider payments totaling \$4,183,094,053 with service dates from March 1 through December 31, 2020. We reviewed a stratified random sample of 300 patients with associated provider payments totaling \$2,838,023. We divided the sampling frame into six strata based on whether an identification number (SSN or State ID) was submitted by the provider for the

patient, and then by the total payment amount for all associated claims.<sup>14, 15</sup> For each sampled patient, we obtained and reviewed the associated providers' medical documentation supporting UIP payments made for claims for COVID-19 services and any associated Medicare and Medicaid health insurance coverage status information. In addition, we obtained and reviewed the associated providers' billing documentation to determine whether providers engaged in balance billing or charged any type of cost-sharing for UIP services.

We conducted this performance audit 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.

Appendix A contains the details of our audit scope and methodology, Appendix B contains our statistical sampling methodology, and Appendix C contains our sample results and estimates.

## FINDINGS

HRSA made some payments to providers through its UIP for claims for COVID-19 testing and treatment services that did not comply with Federal requirements. For 240 of 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 for which they already received UIP payments. 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 for testing and treatment services not provided or unrelated to COVID-19. For the two remaining sampled patients—with UIP payments totaling \$1,220—the providers were unresponsive to our requests for supporting documentation. As a result, we were unable to determine whether the related payments for UIP claims complied with Federal requirements.<sup>16</sup>

On the basis of our sample results, we estimated that nearly \$784 million, or 19 percent, of \$4.2 billion in UIP payments made to providers during our audit period for approximately 3.7 million of 19.2 million patients were improper because they were made on behalf of

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<sup>14</sup> According to the HRSA COVID-19 FAQs, a patient's SSN or State ID (e.g., a driver's license) was needed to verify health insurance coverage status. However, after we selected our sample HRSA indicated that HRSA's contractor was unable to use a patient's State ID to verify health insurance coverage status.

<sup>15</sup> Specifically, an identification number was submitted by a provider for each of 100 sampled patients (88 sampled patients with an SSN and 12 sampled patients with a State ID), and no identification number was submitted for each of 200 sampled patients.

<sup>16</sup> Since we consider these payments to be potentially improper, they were not included in our estimate of improper UIP payments. We submitted the claims information associated with these providers to HRSA for potential action.

individuals who had health insurance coverage or were for testing and treatment services that were not provided or were unrelated to COVID-19.

We understand that HRSA's operational objective at the beginning of the national emergency 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. HRSA established procedures with its contractor that were not effective at ensuring that the UIP only reimbursed claims for services to uninsured individuals or for services related to the testing and treatment of COVID-19. 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.

### **PROVIDERS APPROPRIATELY DID NOT ENGAGE IN BALANCE BILLING OR CHARGE ANY TYPE OF COST-SHARING FOR UNINSURED PROGRAM SERVICES**

Providers were required to attest that they agreed to accept defined UIP reimbursements, as determined by HRSA, as payment in full and would not balance bill patients or charge any type of cost-sharing.<sup>17</sup>

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 for which they already received UIP payments. For 297 of the 300 sampled patients, we did not identify any instances in which the provider balance billed the patient or charged any type of cost-sharing.<sup>18</sup>

### **HRSA MADE UNINSURED PROGRAM PAYMENTS TO PROVIDERS ON BEHALF OF INDIVIDUALS WHO HAD HEALTH INSURANCE COVERAGE**

During our audit period, the UIP had two definitions of an uninsured individual based on the type of COVID-19 services the patient received. For COVID-19 testing and testing-related services, a patient was considered uninsured if the patient did not have coverage through an individual, employer-sponsored plan, Federal health care program (e.g., Medicare and

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<sup>17</sup> HRSA COVID-19 Uninsured Program Terms and Conditions—Testing and Treatment Services, and HRSA COVID-19 FAQs.

<sup>18</sup> Providers associated with two other sampled patients were unresponsive to our requests for supporting documentation, and we were unable to determine whether the related payments for UIP claims complied with Federal requirements. The provider associated with the remaining sampled patient reimbursed the uninsured individual for excess payments made by the uninsured individual. We determined that the excess payments were due to a clerical oversight by the provider.

Medicaid), or the Federal Employees Health Benefits Program.<sup>19, 20</sup> For COVID-19 treatment services, a patient was considered uninsured if the patient did not have any health care coverage at the time the services were provided.<sup>21, 22</sup> In order for claims to be eligible for reimbursement from the UIP, providers were required to attest that they had checked for health care coverage eligibility and confirmed patients were uninsured.

For 38 of the 300 sampled patients, HRSA reimbursed UIP claims totaling \$148,432 to providers on behalf of individuals who had health insurance coverage (i.e., patients who did not meet the definition of an uninsured individual based on the testing or treatment services provided).

Based on our understanding of the processes HRSA established with its contractor for verifying patients' health insurance coverage, we determined that there is a risk that providers may have been improperly reimbursed for UIP claims on behalf of patients not eligible for the UIP. This may have led to UIP funds being depleted before they could be used for their intended purpose (i.e., the purpose of reimbursing providers for services to uninsured individuals).

### **Health Insurance Coverage Verifications Were Not Performed for Patients for Whom Social Security Numbers Were Not Provided**

For 29 of the 38 sampled patients who had health insurance coverage, HRSA's contractor did not perform its processes for verifying health insurance coverage because the patients' SSNs were not provided. As a result, HRSA's contractor did not identify that these patients had health insurance coverage.

This occurred because the procedures for verifying health insurance coverage that HRSA established with its contractor were not effective. Specifically, HRSA's contractor verified a patient's health insurance coverage status only if the patient's SSN was submitted by the provider (emphasis added). HRSA's contractor indicated that it was unable to check its internal and third-party databases to verify a patient's health insurance coverage status unless an SSN was provided.<sup>23</sup> However, for 25 of the 29 sampled patients we were able to independently

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<sup>19</sup> FFCRA Division A, Title V, HRSA COVID-19 Uninsured Program Terms and Conditions—Testing Services, and HRSA COVID-19 FAQs.

<sup>20</sup> The definition of an uninsured individual changed for testing and testing-related items and services after May 31, 2021, after the \$2 billion allocated by the FFCRA and PPP for these services were fully expended.

<sup>21</sup> HRSA COVID-19 Uninsured Program Terms and Conditions—Treatment Services, and HRSA COVID-19 FAQs.

<sup>22</sup> Individuals who were enrolled in limited benefit Medicaid plans (e.g., family planning services) did not meet the definition of "uninsured" for the purposes of reimbursing providers for COVID-19 testing services. However, these individuals were considered uninsured for the purposes of reimbursing providers for COVID-19 treatment services.

<sup>23</sup> As previously described, HRSA stated that HRSA's contractor verified a patient's health insurance coverage status by comparing the patient's SSN with internal and external databases that contained certain Medicare, Medicaid, and private health insurance coverage information. When no SSN was submitted, HRSA's contractor processed a UIP claim for payment based solely on the provider's attestation that the patient was uninsured.

verify that the patients had Medicare and/or Medicaid coverage through CMS's Integrated Data Repository (IDR) using additional data fields collected by HRSA's contractor (e.g., a patient's first name, last name, date of birth, and address).<sup>24, 25</sup> Furthermore, HRSA stated that it intended to conduct postpayment reviews of claims associated with patients for whom SSNs were not provided. However, HRSA's UIP assessment strategy for reviewing postpayment provider claims did not include any steps other than reviews of patient information initially collected by providers and provider billing records.<sup>26</sup> Therefore, HRSA did not establish a prepayment check or a postpayment review process to verify health insurance coverage when a patient's SSN was not submitted on a UIP claim.

As a result, health insurance coverage status was not verified for the vast majority of patients for whom claims were reimbursed by the UIP. Specifically, the percentages of patients for whom paid UIP claims did not include an associated SSN in 2020, 2021, and 2022 were 82 percent (22.6 million of 27.7 million patients), 91 percent (106.9 million of 117.8 million patients), and 94 percent (29.8 million of 31.8 million patients), respectively.

### **Patients for Whom Social Security Numbers Were Provided Were Incorrectly Determined to Not Have Health Insurance Coverage**

For 9 of the 38 sampled patients who had health insurance coverage, HRSA's contractor performed health insurance verifications through its internal and external data sources using the patients' SSNs. However, we determined that HRSA's contractor incorrectly determined that these patients did not have health insurance coverage.<sup>27</sup>

This occurred because HRSA did not ensure that the data used by its contractor was sufficiently reliable to identify health insurance coverage for every patient who provided an SSN. As

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<sup>24</sup> For each of the four remaining sampled patients, the provider acknowledged that the patient had health insurance coverage for the dates of UIP services and either: (1) inappropriately billed the UIP or (2) did not return the associated UIP payment when the patient was retroactively approved for Medicaid. We did not have access to databases containing individual or employer-sponsored health insurance coverage information. Therefore, we were unable to independently verify whether our sampled patients had private health insurance.

<sup>25</sup> We note that in July 2020 (after the start of our audit period), HHS's Office of the National Coordinator for Health Information Technology (ONC) established a standardized set of data elements to be used among health care professionals nationwide for exchanging a patient's health information that does not include an SSN. ONC is organizationally within the Office of the Secretary for HHS and is the principal Federal entity charged with coordinating nationwide efforts to implement the most advanced health information technology and the electronic exchange of this information.

<sup>26</sup> HRSA's UIP assessment strategy steps would identify health insurance coverage documented in a provider's patient or billing records but would not verify health insurance coverage status independent of a provider record review.

<sup>27</sup> For eight of the nine sampled patients, we used the patients' SSNs and additional data fields to identify Medicare and/or Medicaid coverage through the IDR. For the remaining sampled patient, the provider acknowledged that the patient had health insurance coverage for the dates of UIP services.



previously described, HRSA relied on its contractor's internal and external (third-party vendor) data sources for health insurance coverage information, including Medicaid and Medicare.<sup>28</sup> HRSA stated that it did not have access to its contractor's third-party vendor's data because the vendor was not a HRSA contractor; therefore, HRSA could not conduct an independent analysis of the completeness and accuracy of the data.

## **HRSA MADE UNINSURED PROGRAM PAYMENTS TO PROVIDERS FOR TESTING AND TREATMENT SERVICES THAT WERE NOT PROVIDED OR RELATED TO COVID-19**

To be eligible for UIP payments, providers were required to attest that they had read and agreed to the applicable UIP terms and conditions for testing and treatment services, including the UIP's definitions of eligible services. The terms and conditions stated that UIP testing was eligible to be claimed for reimbursement for in vitro diagnostic tests for detecting SARS-CoV-2 or diagnosing the virus that causes COVID-19, and the administration of such tests. Furthermore, testing-related items and services were eligible to be claimed for reimbursement if provided to an individual during an office, telehealth, urgent care, or emergency room (ER) visit that resulted in an order for or administration of a COVID-19 test, but only to the extent that the items and services related to the test or an evaluation of the individual for the need of such a test.<sup>29</sup> UIP treatment services were eligible to be claimed for reimbursement if a patient had a primary COVID-19 diagnosis and the services were for the care or treatment of COVID-19 and its complications.<sup>30</sup>

HRSA did not provide guidance on UIP claim-coding to providers. Rather, HRSA provided billing guidelines to allow providers to identify and submit only claims eligible for reimbursement under the UIP.<sup>31</sup>

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<sup>28</sup> HRSA stated that the HRSA contractor's third-party vendor obtains Medicaid data directly from the States' Medicaid Management Information Systems. The vendor queries Medicare data against its own Coordination of Benefits solution's data lake.

<sup>29</sup> FFCRA Division F, Sec. 6001., HRSA COVID-19 Uninsured Program Terms and Conditions—Testing Services, and HRSA COVID-19 FAQs.

<sup>30</sup> HRSA COVID-19 Uninsured Program Terms and Conditions—Treatment Services, and HRSA COVID 19 FAQs.

<sup>31</sup> As described earlier, providers had to submit testing claims with one of six eligible COVID-19-related diagnoses codes (i.e., Z03.818, Z11.59, Z20.828, Z11.52, Z20.822, or Z86.16) included in the claim. In addition, providers had to submit treatment claims with a primary diagnosis code (i.e., U07.1) that indicated that COVID-19 was the primary reason for treatment. The only exception to this requirement was for pregnant patients. For pregnant patients, COVID-19 would be a secondary reason for treatment.

For 22 of the 300 sampled patients, HRSA made UIP payments for claims for COVID-19 services totaling \$161,465 to providers for testing or treatment services that were not provided or were unrelated to COVID-19.<sup>32</sup> Specifically:

- For 14 sampled patients, HRSA made UIP payments to providers for claims for items or services that met UIP billing guidelines but were either not provided or were not related to COVID-19 testing. For example, one sampled patient was admitted to an ER for a broken ankle. The patient was subsequently admitted for observation and had surgery to repair the ankle the following day. The medical records indicated that the patient was tested for COVID-19 as a presurgical procedure, with a negative result. The ER visit, hospital observation, surgery, and related items and services were billed as a COVID-19 testing claim, and the provider was reimbursed by the UIP for \$6,505.<sup>33</sup> Per UIP testing terms and conditions, only the \$100 COVID-19 test was eligible for reimbursement; therefore, the remaining UIP payment of \$6,405 was improper.
- For 8 sampled patients, HRSA made UIP payments for claims for treatment services that met UIP billing guidelines; however, COVID-19 was not the primary reason for the services. For example, one sampled patient went to an ER after vomiting blood. The patient was admitted for further care and found to be COVID-19-positive. However, the patient's medical records noted: (1) COVID-19 was an "incidental finding," (2) the patient did not have any respiratory symptoms, and (3) the patient did not require treatment for COVID-19 at that time. Additionally, COVID-19 was not listed as the primary reason for admitting the patient or the primary diagnosis on the patient's discharge paperwork.<sup>34</sup> Per UIP treatment terms and conditions, the total claim amount of \$14,063 was improper.

These deficiencies occurred because HRSA did not have effective procedures to ensure that the UIP only paid provider claims for services related to the testing or treatment of COVID-19. Specifically, HRSA primarily relied on providers' attestations that claims were for eligible services under the UIP and HRSA's contractor reimbursed UIP claims after ensuring claims contained correct diagnosis codes in order to be processed for payment. HRSA excluded only select services from claims (i.e., hospice services and most outpatient prescription drugs) and did not employ any prepayment edits or postpayment analyses of additional diagnosis codes on

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<sup>32</sup> The error counts and improper UIP payments related to the sampled patients who either had health insurance coverage or services that were not provided, or were unrelated to COVID-19, do not total to the overall improper payment amount. This occurred because two sampled patients, with UIP payments totaling \$15,603, had health insurance coverage and services reimbursed by the UIP that were not related to COVID-19.

<sup>33</sup> The provider included a diagnosis code on the claim related to observation for suspected exposure to COVID-19 and to rule out other biological agents.

<sup>34</sup> The diagnosis code for COVID-19 (U07.1) was included on the associated UIP claim as the primary diagnosis; however, "gastrointestinal hemorrhage" was listed as the primary diagnosis in the patient's medical records. The provider subsequently confirmed that COVID-19 was not the primary reason for treatment.

claims to identify claims for services potentially unrelated to COVID-19.<sup>35</sup> Additionally, although HRSA planned to conduct postpayment medical reviews of claims for selected providers through a comprehensive assessment strategy, it did not begin conducting these assessments until March 2022.<sup>36</sup> Due to a delayed start for these assessments, program recoveries of improper payments are likely to be significantly delayed.

## **RECOMMENDATIONS**

We recommend that HRSA:

- recover the \$294,294 in improper UIP payments identified in our sample;
- identify additional improper UIP payments for services provided to insured individuals or services unrelated to COVID-19, which we estimate to be \$783.6 million, and take remedial action; and
- commit to strengthening its procedures that may apply to future programs of a similar nature to:
  - expand insurance verifications using additional data fields on each patient for whom an SSN is not submitted as part of a prepayment check or postpayment review process to identify potential exact matches for health insurance coverage,
  - ensure data sources used to verify health insurance coverage are reliable, and
  - develop in a timely manner an assessment strategy to ensure claims are appropriately reimbursed to providers.

## **HRSA COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE**

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. HRSA also provided technical comments on our draft report, which we addressed as appropriate. HRSA's comments, excluding the technical comments, are included as Appendix D.

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<sup>35</sup> HRSA stated that the UIP was designed as an administrative program and that no medical review was conducted prior to making UIP payments.

<sup>36</sup> Additionally, beginning in Mar. 2021, HRSA developed an interim standard operating procedure to flag providers with abnormal billing patterns and conducted reviews of these providers.

Regarding our first recommendation, HRSA concurred with our determinations related to improper UIP payments to providers for testing and treatment services that were not provided or related to COVID-19 and stated that it is seeking repayment from those providers (i.e., for 22 sampled patients). However, for our determinations related to UIP payments to providers on behalf of individuals who had health insurance coverage (i.e., on behalf of 38 sampled patients), HRSA stated that it will analyze the claims associated with these payments and take appropriate action based on the results of that analysis, including seeking repayment.<sup>37</sup> HRSA stated that it will review as part of its analysis whether providers complied with UIP terms and conditions, which included certifying that, to the best of the providers' knowledge, patients were uninsured at the time of services.

HRSA concurred with our second recommendation and stated that HRSA has already taken action to address the issue. Specifically, HRSA stated that as part of its UIP assessment strategy, which was implemented in March 2022, HRSA obtained providers' policies and procedures detailing how providers determined patient health insurance coverage status and reviewed patient intake forms. HRSA also stated that it selected a sample of claims from providers and reviewed associated medical documentation to determine whether testing and treatment of COVID-19 were medically necessary. HRSA stated that it will take remedial action, including seeking repayment if HRSA determines a provider submitted any claims for individuals identified to have health insurance coverage or that services were not medically necessary. Finally, HRSA concurred with our third recommendation and indicated that if charged with implementing another claims reimbursement program in the future, HRSA would work with Congress, HHS, and other agencies to implement additional tools that would be suitable, based on the circumstances.

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. Nevertheless, we believe it is an appropriate step for HRSA in its role as the Federal agency administering the UIP to conduct its own analysis of these UIP payments and to take appropriate action.

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<sup>37</sup> The count of sampled patients with improper payments does not equal 58 (the total number of sampled patients with improper payments) because 2 sampled patients had health insurance coverage and services reimbursed by the UIP that were not related to COVID-19.

## APPENDIX A: AUDIT SCOPE AND METHODOLOGY

### SCOPE

Our audit covered claims for 19,191,091 patient IDs with provider payments totaling \$4,183,094,053 with service dates from March 1 through December 31, 2020 (audit period). We reviewed a stratified random sample of 300 patients with provider payments totaling \$2,838,023.

We assessed the design of HRSA's internal controls applicable to the administration of UIP payments to providers for claims for COVID-19 items and services furnished to uninsured individuals. However, we limited our assessments of the implementation and operating effectiveness of HRSA's internal controls to the review of our sampled patients. Our assessments included reviewing the results of the HRSA contractor's health insurance verification checks (when applicable) and providers' medical and billing documentation to support UIP claims.

We conducted our audit from June 2021 through February 2023.

### METHODOLOGY

To accomplish our objective, we:

- reviewed applicable Federal laws, regulations, and other requirements (e.g., HRSA UIP FAQs) related to the administration of the UIP;
- met with officials from HRSA and HRSA's contractor to develop an understanding of their processes for administering UIP payments;
- obtained from HRSA data on all UIP payments with service dates during our audit period;
- created a sampling frame of 19,191,091 patient IDs with UIP claim payment amounts totaling \$4,183,094,053;
- selected a stratified random sample of 300 patients for whom UIP payments were made to providers,<sup>38</sup> and for each sampled patient we obtained and reviewed:
  - providers' medical documentation supporting UIP payments made for claims for COVID-19 services;

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<sup>38</sup> We considered any adjustments made to UIP payment amounts for our selected sample as of the July 3, 2021, update of the uninsured paid claims file provided by HRSA.

- providers' billing documentation to determine whether providers engaged in balance billing or charged any type of cost-sharing for UIP services; and
  - any Medicare and Medicaid health insurance coverage status information in CMS's IDR;
- used the results of the sample to estimate the total number of patient IDs with associated improper UIP payments and the total dollar value of improper UIP payments in the sampling frame; and
- discussed the results of our audit with HRSA officials.

We conducted this performance audit 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.

## APPENDIX B: STATISTICAL SAMPLING METHODOLOGY

### SAMPLING FRAME

Our sampling frame contained 19,191,091 patient IDs with HRSA UIP claim payments greater than \$0, totaling \$4,183,094,053, for services provided during the period from March 1, 2020, through December 31, 2020.<sup>39</sup>

### SAMPLE UNIT

The sample unit was a patient ID.<sup>40</sup>

### SAMPLE DESIGN AND SAMPLE SIZE

We used a stratified random sample. We divided the sampling frame into six strata based on whether an SSN or State ID was submitted by the provider for the patient ID and then by the total payment amount for all associated claims:

Stratum	SSN or State ID Submission Status	Dollar Range of Total Payments	Number of Patient IDs in Frame	Frame Payments Amount	Sample Size
1	SSN or State ID	> \$0 and ≤ \$589.32	4,897,374	\$625,298,100	30
2	SSN or State ID	> \$589.32 and ≤ \$15,431.26	315,133	625,305,426	40
3	SSN or State ID	> \$15,431.26	18,920	625,288,287	30
4	No SSN or State ID	> \$0 and ≤ \$100	11,359,040	937,796,103	65
5	No SSN or State ID	> \$100 and ≤ \$5,909.70	2,565,954	600,615,399	65
6	No SSN or State ID	> \$5,909.70	34,670	768,790,739	70
Totals			19,191,091	\$4,183,094,053 <sup>41</sup>	300

<sup>39</sup> We used the Mar. 30, 2021, update of the UIP paid claims file provided by HRSA.

<sup>40</sup> Throughout the report, we refer to “patient ID” as a patient who received UIP services.

<sup>41</sup> The individual stratum values do not add to the total value because of rounding.

## **SOURCE OF RANDOM NUMBERS**

We generated the random numbers with the OIG, Office of Audit Services (OAS) statistical software.

## **METHOD FOR SELECTING SAMPLE UNITS**

We sorted the items in each stratum by patient ID and then consecutively numbered the items in each stratum in the sampling frame. After generating 300 random numbers, we selected the corresponding frame items.

## **ESTIMATION METHODOLOGY**

We used the OIG-OAS statistical software to calculate the point estimate and 90-percent confidence interval for the total number of patient IDs with associated improper UIP claim payments in the sampling frame. We also used this software to calculate the point estimate and 90-percent confidence interval for the total dollar value of improper UIP claim payments in the sampling frame. Note that in the latter case, we calculated the 90-percent confidence interval using the empirical likelihood option.



## APPENDIX C: SAMPLE RESULTS AND ESTIMATES

### Sample Detail and Results

Stratum Number	Number of Patient IDs in Frame	Sample Size	Value of Sample	Number of Patient IDs With Associated Improper UIP Payments	Value of Improper UIP Payments
1	4,897,374	30	\$4,490	4	\$623
2	315,133	40	71,691	12	14,262
3	18,920	30	1,401,570	2	45,151
4	11,359,040	65	5,663	14	1,039
5	2,565,954	65	16,910	12	6,266
6	34,670	70	1,337,699	14	226,952
<b>Totals</b>	<b>19,191,091</b>	<b>300</b>	<b>\$2,838,023</b>	<b>58</b>	<b>\$294,294<sup>42</sup></b>

### Estimated Number of Patient IDs With Associated Improper UIP Payments and Estimated Value of Improper UIP Payments in the Sampling Frame (Limits Calculated at the 90-Percent Confidence Level)

	Total Number of Patient IDs With Associated Improper UIP Payments	Total Value of Improper UIP Payments
<b>Point Estimate</b>	3,675,995	\$783,933,831
<b>Lower Limit</b>	2,569,786	539,801,945
<b>Upper Limit</b>	4,782,205	\$1,284,370,802

<sup>42</sup> The individual stratum values do not add to the total value because of rounding.

## APPENDIX D: HRSA COMMENTS



DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Resources and Services  
Administration

Rockville, MD 20857

**TO:** Juliet T. Hodgkins  
Principal Deputy Inspector General

**FROM:** Carole Johnson   
Administrator

**DATE:** April 13, 2023

**SUBJECT:** Office of Inspector General Draft Report: *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 (A-02-21-01013)*

Attached is the Health Resources and Services Administration's response to the Office of Inspector General draft report A-02-21-01013. If you have any questions, please contact Sandy Seaton in HRSA's Office of Federal Assistance Management at (301) 443-2432.

**Health Resources and Services Administration's Comments on the OIG Draft Report –  
“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” (A-02-21-01013)**

**General Comments**

The Health Resources and Services Administration (HRSA) appreciates the opportunity to review the Office of Inspector General's (OIG) audit of claims reimbursed in 2020 by the COVID-19 Uninsured Program (UIP).

As the OIG notes, in 2020, then-President Trump declared the COVID-19 outbreak a national emergency and Congress passed both the Families First Coronavirus Response Act and the Paycheck Protection Program and Health Care Enhancement Act directing resources to reimburse eligible hospitals and other health care providers for conducting COVID-19 testing and testing-related items and services for the uninsured. Subsequently, these efforts included treatment and vaccine administration. The OIG further notes that “(T)he national emergency posed unprecedented challenges to HHS to distribute funds to providers for COVID-19 testing and treatment services for uninsured individuals in a fast, fair, and transparent manner and to provide immediate financial relief to providers on the frontlines of the COVID-19 response.” In addition, “approximately 1 month after the national emergency declaration, HRSA established an online UIP portal, which allowed providers to enroll in the UIP and submit claims for reimbursement of COVID-19 testing and treatment of uninsured individuals.”

The UIP played an important role in the federal government's response to the COVID-19 pandemic. The aim of the UIP was to reduce community spread of COVID-19 and ensure access to COVID testing and treatment, and later vaccines. The program reimbursed providers for delivering these services and eliminated financial barriers for uninsured individuals to get tested, treated, and vaccinated. Optimizing COVID-19 testing and vaccination rates, particularly among higher risk groups, was critical to curbing the spread of the pandemic and its negative impacts across the entire population.

The OIG report reviewed UIP claims for COVID-19 services between March 1, 2020 and December 31, 2020. In conducting its review, OIG notes their understanding that the operational objective at the beginning of the national emergency was to rapidly disburse funds for COVID-19 response to ensure uninsured individuals were receiving vital health care services and to prevent the spread of COVID-19. The UIP was administratively designed to be most responsive to the pandemic's unprecedented impact and scale while expeditiously reimbursing providers serving uninsured patients. The UIP required providers to attest that they checked for health care coverage eligibility and confirmed that the patient was uninsured. Additionally, providers attested to the programs' terms and conditions which stipulated the medical necessity requirement. At the start of the program in April 2020, HHS officials made the policy decision to conduct any medical review post-payment and to pay claims that did not include a Social Security Number provided that providers had certified uninsured status per program requirements. In addition to the recommendations outlined below, the OIG found that providers had effective processes to ensure that they did not engage in balance billing or charge any type of cost-sharing for program services for which they received reimbursement.

**Health Resources and Services Administration's Comments on the OIG Draft Report –  
“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” (A-02-21-01013)**

HRSA continues to use post-payment controls to identify claims processing errors, potential misuse of funds, or other instances where further reviews or actions are needed.

HRSA's response to the OIG draft recommendations are as follows:

**OIG Recommendation**

OIG recommends that HRSA recover the \$294,294 in improper UIP payments identified in our sample.

**HRSA Response**

HRSA partially concurs with OIG's recommendation.

OIG recommends recovery of \$294,294 in UIP payments for 58 of 300 sampled patients. Of the sampled patients, OIG identified UIP payments for 22 patients as ineligible claims unrelated to COVID-19. HRSA concurs and is seeking repayment from the providers. OIG also identified 38 UIP payments during its review that the OIG deemed to have been made on behalf of individuals who had health insurance. In accordance with the program's standard post-payment oversight processes, HRSA will analyze the claims associated with these payments. This includes reviewing whether the providers complied with the UIP Terms and Conditions, including certifying that to the best of their knowledge the patient identified on the claim was an uninsured individual at the time of service. Based on the results of that analysis, HRSA will take appropriate action including seeking repayment.

**OIG Recommendation**

OIG recommends that HRSA identify additional improper UIP payments for services provided to insured individuals or services unrelated to COVID-19, which we estimate to be \$783.6 million, and take remedial action.

**HRSA Response**

HRSA concurs with OIG's recommendation and has already taken action to address this recommendation. HRSA implemented a UIP Assessment Strategy in March 2022 to review payments to providers and determine whether the sampled providers were properly reimbursed for submitted claims in accordance with the authorizing statute and UIP Terms and Conditions. As part of the assessment, HRSA obtains the provider's policies and procedures regarding identification of insurance coverage, and reviews patient intake forms. HRSA also reviews medical documentation from a sample of claims to verify that submitted claims were medically necessary to provide for testing and treatment of COVID-19. In addition, it verifies submitted claims were medically necessary for prevention of COVID-19 (e.g., vaccinations). If HRSA determines a provider submitted claims for insured individuals or services that were not

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medically necessary in accordance with authorizing statute and UIP Terms and Conditions, the agency will take remedial action including seeking repayment.

**OIG Recommendation**

OIG recommends that HRSA commit to strengthening its procedures that may apply to future programs of a similar nature to:

- expand insurance verifications using additional data field on each patient for whom an SSN is not submitted as part of a prepayment check or post-payment review process to identify potential exact matches for health insurance coverage,
- ensure data sources used to verify health insurance coverage are reliable, and
- develop in a timely manner an assessment strategy to ensure claims are appropriately reimbursed to providers.

**HRSA Response**

HRSA concurs with OIG's recommendation. If the agency were to be charged with implementing other claims reimbursement programs in the future, HRSA would work with the Congress, the Department and other Agencies on additional implementation tools appropriate for the circumstances, such as an unprecedented public health emergency that required urgent response.