REPORT HIGHLIGHTS

October 2026 | A-09-23-01006

HRSA Made $658 Million in Potential Overpayments to Selected Providers Under Phase 3 of the Provider Relief Fund Program

Why OIG Did This Audit

- Congress appropriated $178 billion to HHS to provide funds to eligible providers for health care-related expenses or lost revenues attributed to COVID-19. These funds were distributed under the Provider Relief Fund (PRF) program. HRSA administered the PRF program and distributed the funds in multiple phases. HRSA calculated providers' Phase 3 PRF payments based on the greater of 2 percent of the providers' patient care revenue or 88 percent of the providers' reported net revenue losses. HRSA distributed about $19.3 billion to 64,048 providers in the Phase 3 General Distribution.
- This audit is part of a series reviewing various aspects of PRF payments. Specifically, this audit assessed whether Phase 3 PRF payments that HRSA made to providers were correctly calculated, properly supported, and were made to eligible providers in accordance with PRF terms and conditions and Federal requirements. We reviewed a statistical sample of 150 providers and a nonstatistical sample of 15 providers who received Phase 3 PRF payments.

What OIG Found

- For all 150 providers in our statistical sample and all 15 providers in our nonstatistical sample, HRSA made PRF payments to providers who met Federal eligibility requirements. However, for 65 of the 150 providers in our statistical sample, HRSA made PRF payments that were not correctly calculated or supported by appropriate documentation. For 7 of the 15 providers in our nonstatistical sample, HRSA made PRF payments that were not correctly calculated.
- HRSA made $655.7 million in potential overpayments to 39 providers and $131.3 million in potential underpayments to 26 providers in our statistical sample. In addition, HRSA made $2.3 million in potential overpayments to six providers and $1.1 million in potential underpayments to one provider in our nonstatistical sample.

What OIG Recommends

We made two recommendations to HRSA, including that it conduct a review of the providers in our statistical sample that had potential overpayments of $655.7 million and the providers in our nonstatistical sample that had potential overpayments of $2.3 million and determine the amount of and seek from these providers repayment of any overpayments, up to $658 million. The full recommendations are in the report.

HRSA did not indicate concurrence or nonconcurrence with our recommendations but described actions it plans to take in response to our recommendations.