



DEPARTMENT OF HEALTH AND HUMAN SERVICES

OFFICE OF INSPECTOR GENERAL



OFFICE OF AUDIT SERVICES, REGION V
233 NORTH MICHIGAN, SUITE 1360
CHICAGO, IL 60601

June 7, 2022

The U.S. Department of Health and Human Services (HHS), Office of Inspector General (OIG), is conducting an audit of nursing facilities' compliance with Provider Relief Fund (PRF) requirements.¹ The objective of our audit is to determine whether selected nursing facilities that received targeted PRF payments complied with certain terms and conditions, and Federal requirements for expending and reporting PRF payments.

To accomplish our objective, we will review targeted SNF and NHIC PRF payments made by HRSA to nursing facilities during calendar year (CY) 2020. We selected for review a sample of 30 nursing facilities that received and kept such payments. Your entity was among those selected for review.

OIG performs independent reviews of HHS programs pursuant to the Inspector General Act of 1978 (the Act). Section 6(a)(1) of the Act (5 U.S.C. App. § 6(a)(1)) authorizes OIG “. . . to have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material available to [HHS] which relate to programs and operations with respect to which the Inspector General has responsibilities under this Act.” As a recipient of PRF payments, you are subject to OIG audits and other reviews. Pursuant to 45 CFR § 75.364(a), OIG has the right of access to any documents, papers, or other records that are pertinent to the Federal award. This right includes timely and reasonable access to personnel for the purpose of interviews and discussion relating to such records.

¹ The Health Resources and Services Administration (HRSA) made PRF distributions to entities based on their Tax Identification Numbers (TINs). We refer to the entities with the TINs that received targeted Skilled Nursing Facility (SNF) and Nursing Home Infection Control (NHIC) PRF distributions as “nursing facilities.”

Under the health information privacy regulation that implements the Health Insurance Portability and Accountability Act of 1996, providing the information requested by this letter is a permitted disclosure because it (1) is “required by law” to be produced to OIG as part of your participation in a Government benefits program (45 CFR §§ 164.512(a) and 164.103) and (2) will be used for “health oversight” activities by OIG, which meets the definition of a “health oversight agency” (45 CFR §§ 164.512(d) and 164.501).

This audit will be performed under my direction. A member of my staff will contact you to schedule an entrance conference. To expedite completion of our work, we request that you submit the documents listed in the enclosure to this letter within 15 calendar days from the date of this letter. We appreciate your cooperation in this matter and will make every effort to minimize any disruption to the work of your office.

When transmitting any audit information to the Office of Audit Services over the Internet, please properly safeguard the information. We request that you use the HHS/OIG Delivery Server, not email or attachments to email. Information transmitted through the HHS/OIG Delivery Server complies with Federal Information Processing Standard (FIPS) 140-2, *Security Requirements for Cryptographic Module*. We will authorize your staff to use the HHS/OIG Delivery Server and give instructions in its use.

We are required to report as a security breach any audit information sent to us that does not meet FIPS 140-2 requirements.

If you have any questions or concerns about our review, please contact Olga Gesell, Senior Auditor, at (202) 945-2081 or Olga.Gesell@oig.hhs.gov or Mark Williams, Auditor, at (202) 945-2617 or Mark.Williams@oig.hhs.gov.

Thank you for your attention to this matter.

Sincerely,

Sheri L. Fulcher Digitally signed by Sheri L. Fulcher
Date: 2022.06.07 13:40:52 -05'00'

Sheri L. Fulcher
Regional Inspector General
for Audit Services

Enclosure:
Information Request (Sample 16)

INFORMATION REQUEST (SAMPLE 16)

- I. Please provide the documentation listed below within **15 calendar days** from the date of this letter. This document list should not be considered final as we will request additional supporting documentation to determine compliance.

1. Accounting

- a. Accounting basis (such as cash, accrual, or other) used in CYs 2020 and 2021.
- b. Chart of accounts (account codes and descriptions) used for Federal grants/payments and, if available, specifically for the targeted SNF and NHIC PRF payments (listed in Table below) used in CYs 2020 and 2021. Please provide this information in a Microsoft Excel or Access format.
- c. General ledger transactions related to (i) the receipt of PRF and expenses reimbursed with PRF and, if available, (ii) the receipt of the targeted SNF and NHIC PRF and expenses reimbursed with the targeted SNF and NHIC PRF (listed in Table below). Please provide this information in a Microsoft Excel or Access format.
- d. List of NPIs of providers that used targeted SNF and NHIC PRF (listed in Table below).

2. Financial Statements

- a. Audit reports (including internal control assessments) and financial statements for fiscal years 2019, 2020, and 2021, if available.
- b. Single Audit reports for fiscal years 2019, 2020, and 2021, if available.

3. Policies and Procedures

- a. Policies and procedures related to the receipt, revenue recognition, and use of Federal grants/payments and, if available, specifically for the PRF payments.
- b. Policies and procedures for recording patient care revenues from Medicare, Medicaid, CHIP, commercial insurance, self-pay patients, and other sources, including adjustments.
- c. Policies for cost allocation between parent and subsidiaries, if applicable.

Table: Targeted SNF and NHIC PRF Payments Received in CY 2020

Reporting Period Number	Targeted SNF PRF Payment	Targeted NHIC PRF Payment
1		\$0
2	\$0	

***Warning—This request contains restricted information for official use.
Distribution is limited to authorized officials.***