

Report on Medicare Compliance Volume 29, Number 16. April 27, 2020 With Its Vague Terms, Relief Fund Has Compliance Risks; 'Look from Several Angles'

By Nina Youngstrom

Because of the coronavirus, the talents of a business development executive at a hospital are wasted, and the chief financial officer (CFO) is wondering whether her salary can be allocated to the Provider Relief Fund^[1] even though the connection to COVID-19 is circuitous. The stakes for getting this right are high, because HHS will recoup the money from the hospital with interest unless it complies with the terms and conditions of the Provider Relief Fund, which was created by the Coronavirus Aid, Relief, and Economic Security (CARES) Act^[2] to help health care organizations prevent, prepare for and respond to the coronavirus. But some of the terms and conditions are ambiguous, attorneys said.

“The compliance risk is in how you spend the money and how you document how you spend the money—and eventually how you report that spending, but we don’t know the process yet,” said Martie Ross, a health care consultant with PYA in Overland Park, Kansas.

In this scenario, the answer to the CFO is probably “yes,” because HHS made it clear the funds may be used for diagnosing and treating patients and replacing revenue lost because of the pandemic, said attorney Gregory Etzel, with Morgan Lewis in Houston, Texas. “In the words of HHS, for determining the eligibility for the payments, the agency considers every patient to be a potential coronavirus patient.” But it would be helpful to have more definitive answers about the terms and conditions, which are written in broad strokes. “Hopefully, there will be more clarity coming out from HHS about these questions,” Etzel said. One catch: The Provider Relief Fund money can’t pay more than \$197,300 of the hospital executive’s salary.

This document is only available to subscribers. Please log in or purchase access.

[Purchase Login](#)