FAVORABLE

OIG WATCH

22-03

Tuition + pre-cert pay for uncertified CNAs (often parents of patients)

CABRA CONSULTING

What OIG Said

OIG said this arrangement passed because the payments were bona fide employment compensation, not inducements tied to referrals.

- ✓ OIG reviewed a home health agency's plan to hire new CNA candidates, pay their training tuition, and provide salaries during orientation and pre-certification work.
- ✓ These hires often included parents or relatives of Medicaid patients who might receive services, which meant referral risk was on the table.
- ✓ OIG said this is remuneration but accepted it under the employee safe harbor, because the pay was for actual employment, not contingent on referrals or patient volume.
- ✓ Importantly, repayment of tuition (if quitting early) was tied only to continued employment, not to referral activity or whether the employee's child became a patient.

CABRA CONSULTING

Diligence Checklist

What you need to be ready to show in diligence

- ✓ Have clear documentation showing the compensation is tied to employment, not to referrals, patient volume, or collections.
- ✓ Show that all recipients are bona fide employees under IRS standards, even before they pass certification.
- ✓ Prove repayment obligations (if applicable) are linked to employment duration only, not to referral behavior.
- ✓ Demonstrate that the tuition and wages are commercially reasonable and consistent with workforce development needs, not selective inducement.

If you're offering workforce support to patient families, you need proof it's a compensation structure, not a steerage strategy.

CABRA CONSULTING

Structure not diligence-ready?

Cabra Consulting helps healthcare organizations make sure compensation and transaction structures are independently valued, clearly scoped, and defensible in diligence.

CABRA CONSULTING