OIG Issues Favorable Advisory Opinion to Therapy Company that Provides Patients' Families with Financial Assistance



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On September 8, 2025, the U.S. Department of Health and Human Services, Office of Inspector General (OIG) issued a favorable advisory opinion regarding a company that furnishes therapy to children with a particular disorder.

The therapy in question is typically covered by insurance, including federal healthcare programs. However, families often face significant financial barriers, such as high cost-sharing obligations, as well as non-financial barriers, to access the therapy. As a result, the company established and funds a non-profit, tax-exempt charitable organization that offers need-based grants to families supporting their child's therapy. The foundation provides monthly grants to qualifying families based on verified financial need, therapy hours, and adherence to prescribed therapy plans. Grant eligibility does not depend on using the company's services and families receiving therapy from any qualified provider may apply.

The OIG found that the arrangement potentially implicates the Federal Anti-Kickback Statute and the civil monetary penalty law that prohibits inducements to beneficiaries because the company's donations to the foundation and the foundation's grants to patients' families constitute prohibited remuneration. However, the OIG determined that the risk of fraud and abuse is low due to several mitigating factors, including:

• The arrangement is unlikely to lead to overutilization or inappropriately increase costs to federal health care programs because families must have a therapy plan in place before applying for a grant.

• Grant funding is unlikely to incentivize a provider to recommend unnecessary therapy because the grants are paid directly to

families rather than providers.

• The arrangement is unlikely to lead to inappropriate steering or unfair competition because the company's donations to the foundation are unrestricted and independent of any patient referrals or provider selection.

• The Foundation awards grants based on financial need, not on a family's choice of provider, and families remain eligible for grants even if they switch providers.

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