

# TOBACCO SETTLEMENT PROGRAM

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## UPMC Presbyterian Shadyside Tobacco Settlement Payment Data Year 2024

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November 2023



Commonwealth of Pennsylvania  
Department of the Auditor General

Timothy L. DeFoor • Auditor General



**Commonwealth of Pennsylvania  
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**TIMOTHY L. DEFOOR  
AUDITOR GENERAL**

November 8, 2023

Mr. Jared Weiner  
Chief Financial Officer  
UPMC Presbyterian Shadyside  
200 Lothrop Street  
Pittsburgh, PA 15213

Re: UPMC Presbyterian Shadyside

Dear Mr. Weiner:

The Tobacco Settlement Act of June 26, 2001 (P.L. 755, No. 77), as amended, 35 P.S. § 5701.101 et seq., mandated the Department of Human Services (DHS) to make payments to hospitals for a portion of uncompensated care services provided by these facilities. Hospitals that qualify can receive payments using either an uncompensated care approach or an extraordinary expense approach. The uncompensated care approach is based on the hospital's uncompensated care score. The uncompensated care score is determined by using three-year averages from five main data elements (for a total of fifteen data elements). These data elements are uncompensated care costs, net patient revenues, Medicare supplemental security income (Medicare SSI) days, Medical Assistance (MA) days and total inpatient days. The extraordinary expense approach is based on the total costs of the qualified claims. Qualified claims are those claims in which the cost of the claim exceeds twice the average cost of all claims for that particular facility and for which the hospital provided inpatient services to an uninsured patient.

Upon request from DHS, we developed procedures to be performed for each facility that may be eligible to receive a payment for the provision of uncompensated care services to determine the eligibility of reported claims and the accuracy of days data reported by the facility. DHS agreed that the procedures were appropriate to meet its needs and approved the procedures. We obtained records from UPMC Presbyterian Shadyside (facility) and performed the established procedures to substantiate the claims data and days data it submitted to the Pennsylvania Health Care Cost Containment Council (PHC4) and DHS, respectively.<sup>1</sup>

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<sup>1</sup> This engagement was not required to be and was not conducted in accordance with professional auditing or attestation standards.

The purpose of this engagement was to determine whether this facility reported any potentially eligible extraordinary expense claims for the fiscal year ended June 30, 2022 and, if so, verify whether corresponding patients were uninsured and the facility received no compensation from third party payers such as Medicare, Medicaid, or Blue Cross. Payments made by the patients themselves toward their financial obligations may have reduced the allowable costs of the respective claim when determining eligibility. We also determined whether this facility could substantiate total inpatient days and total MA days as reported on its submitted MA-336 cost reports, if filed with DHS, for the fiscal year ended June 30, 2021. We obtained computer processed data from the facility (i.e. account notes and billing information for claims and census reports for days) to determine the eligibility of reported claims and the accuracy of days data reported by the facility. Because of the extensive amount of time that would be required to visit the facility and perform procedures to evaluate the reliability of this data in the facility’s information system, DHS management stated that the performance of such procedures is not necessary to meet DHS’ needs. As such, we have classified this computer processed data as data of undetermined reliability.

The results of our procedures are as follows:

**For Reported Claims:**

Based on the PHC4 claims database for the fiscal year ended June 30, 2022, the facility reported 35 potentially eligible extraordinary expense claims. The results of our procedures disclosed that 19 of the 35 reported potentially eligible extraordinary expense claims met the criteria to qualify as extraordinary expense claims. The chart below details our results and explains any adjustments that your facility should make to the PHC4 Database. Since we determined that 19 of the 35 reported claims submitted by the facility qualify as extraordinary expense claims, this facility could be eligible for payment under the extraordinary expense method for the 2024 Tobacco Settlement Payment Year.

Claim No.	Originally Reported Total Charges	Substantiated Total Charges Based on Account Notes	Patient Payments Applied to Account	Qualify (Yes/No) – Reason for Not Qualifying	Adjustment(s) Needed
1	\$3,473,766.50	\$0.00	\$0.00	No – Paid by Medical Assistance	Claim should be removed from self-pay listing
2	\$2,596,401.54	\$2,596,246.54	\$0.00	Yes	An adjustment is needed to total charges
3	\$2,458,200.00	\$2,451,305.46	\$0.00	Yes	An adjustment is needed to total charges
4	\$2,283,160.01	\$2,186,719.26	\$0.00	Yes	An adjustment is needed to total charges

Claim No.	Originally Reported Total Charges	Substantiated Total Charges Based on Account Notes	Patient Payments Applied to Account	Qualify (Yes/No) – Reason for Not Qualifying	Adjustment(s) Needed
5	\$2,247,209.51	\$0.00	\$0.00	No – Paid by Medical Assistance	Claim should be removed from self-pay listing
6	\$1,829,663.50	\$1,892,889.50	\$0.00	Yes	An adjustment is needed to total charges
7	\$1,718,094.89	\$1,718,094.89	\$0.00	Yes	Not Applicable
8	\$1,671,910.75	\$1,671,445.75	\$0.00	Yes	An adjustment is needed to total charges
9	\$1,598,728.01	\$0.00	\$0.00	No – Paid by Medical Assistance	Claim should be removed from self-pay listing
10	\$1,452,117.25	\$0.00	\$0.00	No – Paid by Medical Assistance	Claim should be removed from self-pay listing
11	\$1,431,133.75	\$1,430,978.75	\$0.00	Yes	An adjustment is needed to total charges
12	\$1,331,888.75	\$0.00	\$0.00	No – Paid by Medical Assistance	Claim should be removed from self-pay listing
13	\$917,082.50	\$0.00	\$0.00	No – Paid by Medical Assistance	Claim should be removed from self-pay listing
14	\$817,318.00	\$0.00	\$0.00	No – Paid by Medical Assistance	Claim should be removed from self-pay listing
15	\$773,808.50	\$0.00	\$0.00	No – Paid by Medical Assistance	Claim should be removed from self-pay listing
16	\$764,736.52	\$764,736.52	\$0.00	Yes	Not Applicable
17	\$762,672.25	\$762,672.25	\$0.00	Yes	Not Applicable
18	\$741,590.64	\$741,590.64	\$0.00	Yes	Not Applicable
19	\$726,836.50	\$0.00	\$0.00	No – Paid by Medical Assistance	Claim should be removed from self-pay listing
20	\$682,318.50	\$682,318.50	\$0.00	Yes	Not Applicable
21	\$643,147.75	\$642,872.75	\$0.00	Yes	An adjustment is needed to total charges

Claim No.	Originally Reported Total Charges	Substantiated Total Charges Based on Account Notes	Patient Payments Applied to Account	Qualify (Yes/No) – Reason for Not Qualifying	Adjustment(s) Needed
22	\$637,170.90	\$0.00	\$0.00	No – Paid by Medical Assistance	Claim should be removed from self-pay listing
23	\$635,325.26	\$635,170.26	\$0.00	Yes	An adjustment is needed to total charges
24	\$628,459.00	\$628,304.00	\$0.00	Yes	An adjustment is needed to total charges
25	\$617,894.50	\$0.00	\$0.00	No – Paid by the Patient	Claim should be removed from self-pay listing
26	\$604,487.50	\$604,212.50	\$0.00	Yes	An adjustment is needed to total charges
27	\$601,577.43	\$0.00	\$0.00	No – Not a Self-Pay Claim	Claim should be removed from self-pay listing
28	\$578,496.75	\$0.00	\$0.00	No – Not a Self-Pay Claim	Claim should be removed from self-pay listing
29	\$558,897.50	\$0.00	\$0.00	No – Paid by Medical Assistance	Claim should be removed from self-pay listing
30	\$553,941.25	\$0.00	\$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
31	\$549,702.00	\$549,427.00	\$0.00	Yes	An adjustment is needed to total charges
32	\$548,648.50	\$548,493.50	\$0.00	Yes	An adjustment is needed to total charges
33	\$537,756.75	\$543,102.75	\$0.00	Yes	An adjustment is needed to total charges
34	\$535,546.50	\$535,546.50	\$0.00	Yes	Not Applicable
35	\$523,097.75	\$0.00	\$0.00	No – Paid by Medical Assistance	Claim should be removed from self-pay listing

**For Total Inpatient Days and Total MA Days:**

For the total inpatient days and total MA days for fiscal year ended June 30, 2021, our results are as follows:

For FYE 6/30/21	Originally Submitted Number of Days	Substantiated Number Based on Source Documents	Explanation of Difference
Total Inpatient Days	403,988	403,988	Not Applicable
For FYE 6/30/21	Originally Submitted Number of Days	Substantiated Number Based on Source Documents	Explanation of Difference
FFS Days	8,928	8,928	Not Applicable

For FYE 6/30/21 HMO Days	Originally Submitted Number of Days	Substantiated Number Based on Source Documents	Explanation of Difference
Best Healthcare	35,319	35,319	Not Applicable
Gateway Health	8,500	8,500	Not Applicable
MedPlus	3,694	3,694	Not Applicable
Community Care Behavioral Health Organization	24,833	24,833	Not Applicable
Value Behavioral Health of PA	4,792	4,792	Not Applicable
Med Assist HMO - United	268	268	Not Applicable
SM Other PA MA MGD	3,496	3,496	Not Applicable
Aetna	1,774	1,774	Not Applicable
Geisinger	124	124	Not Applicable

For FYE 6/30/21 OOS Days	Originally Submitted Number of Days	Substantiated Number Based on Source Documents	Explanation of Difference
Maryland	384	384	Not Applicable
New Jersey	43	43	Not Applicable
New York	309	309	Not Applicable
Ohio	1,961	1,961	Not Applicable
Virginia	24	24	Not Applicable
West Virginia	1,521	1,521	Not Applicable
Florida	60	60	Not Applicable
South Carolina	74	74	Not Applicable
District of Columbia	15	15	Not Applicable

For FYE 6/30/21 OOS Days	Originally Submitted Number of Days	Substantiated Number Based on Source Documents	Explanation of Difference
Various	229	0	No Overall Variance
Pennsylvania <sup>2</sup>	0	41	
Louisiana	0	6	
Missouri	0	15	
Nevada	0	34	
Arizona	0	14	
California	0	26	
Colorado	0	5	
Kentucky	0	2	
North Carolina	0	12	
New Mexico	0	7	
Washington	0	46	
Wisconsin	0	15	
Alabama	0	5	
Texas	0	1	

PHC4 will contact you with instructions regarding entering adjustments to your facility’s originally submitted claims during the self-verification process. The facility’s failure to remove any claims identified as not qualifying as extraordinary expense claims from the PHC4 self-pay claims listing during the self-verification process will result in the facility’s records in the PHC4 database being inaccurate and DHS concluding that the facility is ineligible for payment under the extraordinary expense method. In addition to completing adjustments in the PHC4 database, any revisions to originally submitted days data on your facility’s MA-336 Cost Report should be submitted through the iPACRs system based on the results of our procedures.

We are in the process of conducting engagements for all facilities that are potentially eligible for a 2024 Tobacco Settlement subsidy entitlement payment. After all the engagements are completed, we will prepare for DHS’ use a report detailing the results of all of our engagements.

DHS will use each hospital’s revised MA-336 Cost Report and PHC4 database to pull reported claims and number of days to calculate this facility’s eligibility to receive, and if deemed eligible, its subsidy entitlement under both the extraordinary expense and uncompensated care methods. If eligible under both methods, DHS will allow the facility to choose the method to be used to calculate the facility’s 2024 Tobacco Settlement subsidy entitlement payment. DHS establishes the date that these payments will be distributed to all eligible hospitals.

As a reminder, this facility was to submit, by October 31, 2023, any claims coded as having Medicare, Medicaid, or any other insurance when submitted to the PHC4 for the fiscal year ended June 30, 2022, which the facility believed qualified as self-pay claims, and which had total charges above the facility’s threshold of \$512,609.87; we refer to these types of claims as “additional claims.” As of October 31, 2023, UPMC Presbyterian Shadyside had not submitted

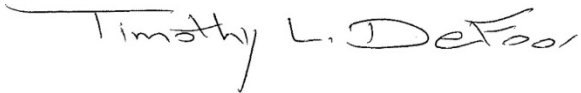
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<sup>2</sup> The out-of-state days that are listed as Pennsylvania are for patients with out-of-state insurance but reside in Pennsylvania.

any additional claims. For those facilities that submitted additional claims, we will include the results of our procedures for these facilities' submitted additional claims data in individualized reports sent to each such respective hospital.

We thank the staff of UPMC Presbyterian Shadyside for the cooperation extended to us during the course of our engagement. If you have any questions, please feel free to contact the Bureau of County Audits – Hospital and Tobacco Division at 717-787-1159.

Sincerely,

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive style with a long horizontal line extending from the start of the name.

Timothy L. DeFoor  
Auditor General



**UPMC PRESBYTERIAN SHADYSIDE  
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