

# TOBACCO SETTLEMENT PROGRAM

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## Girard Medical Center Tobacco Settlement Payment Data Year 2022

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June 2021



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**

June 7, 2021

Mr. P. Douglas Maier  
Chief Financial Officer  
North Philadelphia Health System  
801 West Girard Avenue  
Philadelphia, PA 19122

Re: Girard Medical Center

Dear Mr. Maier:

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 score of each hospital 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. A hospital qualifies for an extraordinary expense payment based on their number of 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 attempted to obtain records from Girard Medical Center (facility) and perform the established procedures to substantiate the claims data and days data it submitted to the Pennsylvania Health Care Cost Containment Council (PHC4) and DHS,<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, 2020 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. The purpose of this engagement was also to determine 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, 2019.

The results of our procedures are as follows:

**For Reported Claims:**

Based on the PHC4 claims database for the fiscal year ended June 30, 2020, the facility did not have any potentially eligible extraordinary expense claims for review and, therefore, the facility is not eligible for payment under the extraordinary expense method for the 2022 Tobacco Settlement Payment Year.

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

We attempted to review the total inpatient days and total MA days for fiscal year ended June 30, 2019, however, we could not substantiate the originally submitted number of days because the provider did not respond to our requests for documentation.

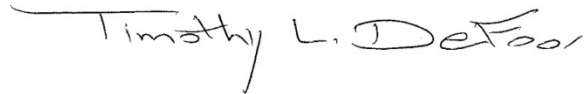
Since Girard Medical Center did not respond to our requests for documentation, the facility should not be eligible to receive a subsidy entitlement under either the extraordinary expense or the uncompensated care methods.

We are in the process of conducting engagements for all facilities that are potentially eligible for a 2022 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.

Since this facility did not submit any documentation for our review, the facility also waives the opportunity to submit for our review any "additional" claims, or claims coded as having Medicare, Medicaid, or any other insurance when submitted to the PHC4 for the fiscal year ended June 30, 2020, which the facility now believes qualify as self-pay claims, and which have total charges above the facility's threshold of \$595,296.67.

If you have any questions, please feel free to contact Tracie Fountain, CPA, Director, Bureau of Children and Youth Services Audits 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 to the left of the first letter.

Timothy L. DeFoor  
Auditor General

**GIRARD MEDICAL CENTER  
REPORT DISTRIBUTION  
2022 TOBACCO SETTLEMENT PAYMENT DATA**

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Chief Financial Officer  
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