

TOBACCO SETTLEMENT PROGRAM

UPMC Presbyterian Shadyside Tobacco Settlement Payment Data Year 2022

November 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**

November 8, 2021

Mr. Jared Weiner
Chief Financial Officer
UPMC Presbyterian Shadyside
200 Lothrop Street
Pittsburgh, Pennsylvania 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 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 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.¹

¹ 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. 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, 2019. 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, 2020, the facility reported 52 potentially eligible extraordinary expense claims. The results of our procedures disclosed that 19 of the 52 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 52 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 2022 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	\$1,317,129.25	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
2	\$1,310,890.00	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
3	\$1,298,694.00	\$1,298,539.00	\$0.00	Yes	An adjustment is needed to total charges
4	\$1,179,624.75	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing

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	\$1,118,341.75	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
6	\$1,060,813.50	\$1,060,813.50	\$0.00	Yes	Not Applicable
7	\$1,037,465.00	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
8	\$1,022,654.25	\$1,022,654.25	\$0.00	Yes	No
9	\$953,515.50	\$953,515.50	\$0.00	Yes	No
10	\$920,475.00	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
11	\$869,192.25	\$869,067.25	\$0.00	Yes	An adjustment is needed to total charges
12	\$825,558.58	\$825,558.58	\$0.00	Yes	Not Applicable
13	\$789,120.00	\$789,120.00	\$0.00	Yes	Not Applicable
14	\$777,044.00	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
15	\$763,023.00	\$763,023.00	\$0.00	Yes	Not Applicable
16	\$756,401.25	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
17	\$744,976.50	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
18	\$737,357.25	\$737,357.25	\$0.00	Yes	Not Applicable
19	\$704,637.50	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
20	\$692,323.75	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
21	\$655,340.24	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
22	\$622,711.00	\$622,711.00	\$0.00	Yes	Not Applicable
23	\$610,897.25	\$610,897.25	\$0.00	Yes	Not Applicable
24	\$609,170.75	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing

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
25	\$607,883.00	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
26	\$585,119.25	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
27	\$576,488.75	\$0.00	\$0.00	No – Paid in Full	Claim should be removed from self-pay listing
28	\$567,089.25	\$567,089.25	\$0.00	Yes	Not Applicable
29	\$553,560.00	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
30	\$536,151.50	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
31	\$517,483.50	\$517,483.50	\$1,050.00	Yes	Not Applicable
32	\$510,706.75	\$510,706.75	\$0.00	Yes	Not Applicable
33	\$504,811.00	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
34	\$502,515.25	\$0.00	\$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
35	\$497,321.92	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
36	\$495,259.25	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
37	\$492,374.50	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
38	\$488,035.25	\$0.00	\$0.00	No – Not a self-pay claim	Claim should be removed from self-pay listing
39	\$485,612.25	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
40	\$484,473.25	\$0.00	\$0.00	No – Paid by the patient	Claim should be removed from self-pay listing

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
41	\$477,513.25	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
42	\$476,655.99	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
43	\$473,024.00	\$473,024.00	\$0.00	Yes	Not Applicable
44	\$464,919.00	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
45	\$461,588.00	\$0.00	\$0.00	No - Paid by the patient	Claim should be removed from self-pay listing
46	\$455,691.25	\$455,691.25	\$0.00	Yes	Not Applicable
47	\$455,625.50	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
48	\$448,891.25	\$448,891.25	\$0.00	Yes	Not Applicable
49	\$428,403.25	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
50	\$421,254.00	\$421,254.00	\$0.00	Yes	Not Applicable
51	\$416,824.50	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
52	\$414,997.00	\$414,997.00	\$0.00	Yes	Not Applicable

For Total Inpatient Days and Total MA Days:

For the total inpatient days and total MA days for fiscal year ended June 30, 2019, our results are as follows:

For FYE 6/30/19	Originally Submitted Number of Days	Substantiated Number Based on Source Documents	Explanation of Difference
Total Inpatient Days	412,519	412,519	Not Applicable

For FYE 6/30/19	Originally Submitted Number of Days	Substantiated Number Based on Source Documents	Explanation of Difference
FFS Days	11,885	11,915	Changes in Payer Class

For FYE 6/30/19 HMO Days	Originally Submitted Number of Days	Substantiated Number Based on Source Documents	Explanation of Difference
Best Healthcare	30,724	32,543	Changes in Payer Class
Gateway Health	7,965	7,888	Changes in Payer Class
MedPlus	3,051	2,438	Changes in Payer Class
Community Care Behavioral Health Organization	25,964	25,964	Not Applicable
Value Behavioral Health of PA	5,749	5,749	Not Applicable
Med Assist HMO - United	130	128	Changes in Payer Class
SM Other PA MA MGD	1,611	2,986	Changes in Payer Class
Other PA MA MGD	49	60	Changes in Payer Class
Aetna	669	1,066	Changes in Payer Class

For FYE 6/30/19 OOS Days	Originally Submitted Number of Days	Substantiated Number Based on Source Documents	Explanation of Difference
New Jersey	8	8	Not Applicable
Florida	21	21	Not Applicable
Virginia	10	10	Not Applicable
Maryland	9	22	No overall variance ²
New York	155	205	
Ohio	1,931	2,211	
West Virginia	2,004	2,345	
Pennsylvania ³	224	350	
California	6	15	
Other	973	0	
Indiana	0	7	
Kentucky	0	5	
Missouri	0	22	
South Carolina	0	82	
Vermont	0	1	
District of Columbia	0	6	
Texas	0	6	
Arizona	0	7	
ZZ ⁴	0	18	

² There is no overall variance when comparing the submitted out-of-state days to the provider's supporting documentation; however, the supporting documentation included the breakdown between the states as noted.

³ The out-of-state days that are listed as Pennsylvania are for patients with out-of-state insurance but reside in Pennsylvania.

⁴ The code "ZZ" is for patients with out-of-state insurance but the state of residence is unknown.

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.

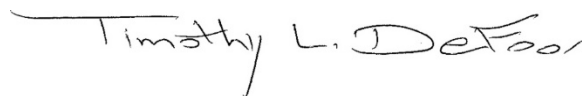
We are in the process of conducting engagements for all facilities that are potentially eligible for a 2022 Tobacco Settlement subsidy entitlement payment. After all the engagements are completed, we will prepare for DHS' use a report detailing the results of all of our engagements.

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 2022 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, 2021, any 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 believed qualified as self-pay claims, and which had total charges above the facility's threshold of \$411,565.87; we refer to these types of claims as "additional claims." As of October 31, 2021, UPMC Presbyterian Shadyside submitted 3 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 to the left of the first name.

Timothy L. DeFoor
Auditor General

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