

TOBACCO SETTLEMENT PROGRAM

UPMC Presbyterian Shadyside Tobacco Settlement Payment Data Review Year 2021

October 2020



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



**Commonwealth of Pennsylvania
Department of the Auditor General
Harrisburg, PA 17120-0018
Facebook: Pennsylvania Auditor General
Twitter: @PAAuditorGen**

**EUGENE A. DePASQUALE
AUDITOR GENERAL**

October 2, 2020

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 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.

At the request of DHS, the Department of the Auditor General performed a review¹ of UPMC Presbyterian Shadyside's (facility) records to substantiate the claims data and days data it submitted to the Pennsylvania Health Care Cost Containment Council (PHC4) and DHS, respectively.

The purpose of our review was to determine whether this facility reported any potentially eligible extraordinary expense claims for the fiscal year ended June 30, 2019 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

¹ This review was not required to be and was not conducted in accordance with professional auditing or attestation standards.

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, 2018.

The results of our review are as follows:

For Reported Claims:

Based on the PHC4 claims database for the fiscal year ended June 30, 2019, the facility reported 67 potentially eligible extraordinary expense claims for review. The results of our review disclosed that 30 of the 67 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 should be made to the PHC4 Database. Since we determined that 30 of the 67 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 2021 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	\$3,898,008.75	\$0	\$0	No – Paid by MA	Claim should be removed from self-pay listing
2	\$2,434,536.25	\$0.	\$0	No – Paid by MA	Claim should be removed from self-pay listing
3	\$2,181,422.15	\$0	\$0	No – Paid by MA	Claim should be removed from self-pay listing
4	\$1,967,672.50	\$0	\$0	No – Paid by MA	Claim should be removed from self-pay listing
5	\$1,818,839.00	\$0.	\$0	No – Paid by MA	Claim should be removed from self-pay listing
6	\$1,713,705.00	\$1,713,705.00	\$0	Yes	Not Applicable
7	\$1,636,203.50	\$0	\$0	No – Paid by MA	Claim should be removed from self-pay listing
8	\$1,555,253.25	\$0	\$0	No – Paid by MA	Claim should be removed from self-pay listing
9	\$1,297,762.75	\$0	\$0	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
10	\$1,171,993.75	\$0	\$0	No – Paid by MA	Claim should be removed from self-pay listing
11	\$983,770.50	\$983,770.50	\$0	Yes	Not Applicable
12	\$972,973.25	\$0	\$0	No – Paid by the patient	Claim should be removed from self-pay listing
13	\$965,472.00	\$0	\$0	No – Paid by MA	Claim should be removed from self-pay listing
14	\$945,634.75	\$945,634.75	\$0	Yes	Not Applicable
15	\$903,319.50	\$903,319.50	\$0	Yes	Not Applicable
16	\$854,616.25	\$0	\$0	No – Paid by MA	Claim should be removed from self-pay listing
17	\$846,156.25	\$846,156.25	\$0	Yes	Not Applicable
18	\$824,929.00	\$806,087.25	\$0	Yes	An adjustment is needed to total charges
19	\$824,790.50	\$824,790.50	\$0	Yes	Not Applicable
20	\$807,072.25	\$0	\$0	No – Paid by MA	Claim should be removed from self-pay listing
21	\$785,277.50	\$0	\$0	No – Not a Self-Pay Claim	Claim should be removed from self-pay listing
22	\$761,662.50	\$0	\$0	No – Paid by MA	Claim should be removed from self-pay listing
23	\$725,032.43	\$0	\$0	No – Paid by MA	Claim should be removed from self-pay listing
24	\$722,257.60	\$722,257.60	\$0	Yes	Not Applicable
25	\$710,678.50	\$0	\$0	No – Paid by MA	Claim should be removed from self-pay listing
26	\$699,964.75	\$699,964.75	\$0	Yes	Not Applicable
27	\$692,374.50	\$0	\$0	No – Not a Self-Pay Claim	Claim should be removed from self-pay listing
28	\$691,584.25	\$691,584.25	\$0	Yes	Not Applicable

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
29	\$688,831.42	\$0	\$0	No – Not a Self-Pay Claim	Claim should be removed from self-pay listing
30	\$688,018.75	\$688,018.75	\$0	Yes	Not Applicable
31	\$674,327.92	\$678,570.92	\$0	Yes	An adjustment is needed to total charges
32	\$638,208.75	\$0	\$0	No – Paid by MA	Claim should be removed from self-pay listing
33	\$629,432.75	\$629,432.75	\$0	Yes	Not Applicable
34	\$626,162.21	\$626,162.21	\$0	Yes	Not Applicable
35	\$621,263.50	\$621,263.50	\$0	Yes	Not Applicable
36	\$615,943.75	\$615,943.75	\$0	Yes	Not Applicable
37	\$604,991.75	\$0	\$0	No – Paid by MA	Claim should be removed from self-pay listing
38	\$581,954.75	\$0	\$0	No – Paid by MA	Claim should be removed from self-pay listing
39	\$562,571.50	\$0	\$0	No – Paid by MA	Claim should be removed from self-pay listing
40	\$556,453.75	\$556,453.75	\$0	Yes	Not Applicable
41	\$523,022.55	\$523,022.55	\$8,968.04	Yes	Not Applicable
42	\$521,041.75	\$521,041.75	\$0	Yes	Not Applicable
43	\$504,565.25	\$0	\$0	No – Paid by MA	Claim should be removed from self-pay listing
44	\$494,487.75	\$0	\$0	No – Not a Self-Pay Claim	Claim should be removed from self-pay listing
45	\$489,157.50	\$489,157.50	\$0	Yes	Not Applicable
46	\$488,225.75	\$488,225.75	\$0	Yes	Not Applicable
47	\$482,083.50	\$0	\$0	No – Paid by MA	Claim should be removed from self-pay listing
48	\$481,052.50	\$481,052.50	\$0	Yes	Not Applicable
49	\$476,202.75	\$476,202.75	\$200.00	Yes	Not Applicable
50	\$475,242.75	\$0	\$0	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
51	\$469,627.56	\$469,627.56	\$0	Yes	Not Applicable
52	\$463,818.00	\$463,818.00	\$0	Yes	Not Applicable
53	\$461,831.25	\$461,831.25	\$0	Yes	Not Applicable
54	\$457,136.25	\$0	\$0	No – Paid by MA	Claim should be removed from self-pay listing
55	\$437,392.00	\$0	\$0	No – Paid by MA	Claim should be removed from self-pay listing
56	\$428,468.75	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
57	\$427,722.00	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
58	\$421,906.75	\$0.00	\$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
59	\$420,975.45	\$420,975.45	\$0.00	Yes	Not Applicable
60	\$417,812.25	\$417,812.25	\$0.00	Yes	Not Applicable
61	\$417,022.50	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
62	\$414,753.82	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
63	\$410,316.75	\$410,316.75	\$0.00	Yes	Not Applicable
64	\$410,285.00	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
65	\$406,986.25	\$406,986.25	\$0.00	Yes	Not Applicable
66	\$406,369.50	\$0.00	\$0.00	No – Paid by MA	Claim should be removed from self-pay listing
67	\$383,398.84	\$0.00	\$0.00	No – Paid by MA	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, 2018, our results are as follows:

For FYE 6/30/18	Originally Submitted Number of Days	Substantiated Number Based on Source Documents	Explanation of Difference
Total Inpatient Days	419,594	419,594	Not Applicable

For FYE 6/30/18	Originally Submitted Number of Days	Substantiated Number Based on Source Documents	Explanation of Difference
FFS Days	12,084	12,084	Not Applicable

For FYE 6/30/18 HMO Days	Originally Submitted Number of Days	Substantiated Number Based on Source Documents	Explanation of Difference
Best Healthcare	30,738	30,738	Not Applicable
Gateway Health	7,965	7,965	Not Applicable
MedPlus	3,061	3,061	Not Applicable
Community Care Behavioral Health Organization	25,103	25,103	Not Applicable
Value Behavioral Health of PA	6,572	6,572	Not Applicable
Med Assits HMO - United	123	123	Not Applicable
SM Other PA MA MGD	1,605	1,605	Not Applicable
Other PA MA MGD	49	49	Not Applicable
Aetna	649	649	Not Applicable

For FYE 6/30/18 OOS Days	Originally Submitted Number of Days	Substantiated Number Based on Source Documents	Explanation of Difference
Delaware	9	9	Not Applicable
Maryland	51	51	Not Applicable
New York	51	51	Not Applicable
Ohio	2,270	2,270	Not Applicable
West Virginia	3,016	3,016	Not Applicable
Other - Pennsylvania ²	719	719	Not Applicable
Other - ZZ ³	29	12	No Overall Variance ⁴
Other - Florida	0	17	

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

³ The code "ZZ" is for patients with out-of-state insurance but the state of residence is unknown.

⁴ 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 noted.

For FYE 6/30/18 OOS Days (Continued)	Originally Submitted Number of Days	Substantiated Number Based on Source Documents	Explanation of Difference
Other	66	0	No Overall Variance ⁴
New Jersey	16	34	
Other - Nevada	0	20	
Other - Michigan	0	12	
Other - California	0	2	
Other - Colorado	0	5	
Other - Iowa	0	9	
Other	31	0	No Overall Variance ⁴
Other - Illinois	0	2	
Other – North Carolina	0	5	
Other - Arkansas	0	3	
Other - Maine	0	14	
Other – Rhode Island	0	7	

DHS will use all substantiated 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 2021 Tobacco Settlement subsidy entitlement payment. DHS establishes the date that these payments will be distributed to all eligible hospitals.

Our office is currently reviewing all facilities that are potentially eligible for a 2021 Tobacco Settlement subsidy entitlement payment. After all the reviews are completed, we will prepare for DHS’ use a report detailing the results of all of our reviews. PHC4 and DHS will contact you with instructions regarding entering adjustments to your facility’s originally submitted claims and MA days data based on the results of our review, as applicable.

As a reminder, this facility may submit for our review any claims coded as having Medicare, Medicaid, or any other insurance when submitted to the PHC4 for the fiscal year ended June 30, 2019, which the facility now believes qualify as self-pay claims, and which have total charges above this facility’s threshold of \$377,334.69. We refer to these types of claims as “additional claims” and these additional claims must be submitted to the Department of the Auditor General no later than October 31, 2020. The results of our review of each facility’s submitted additional claims data will be detailed in individualized reports sent to each respective hospital that submitted additional claims.

⁴ 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 noted.

We thank the staff of UPMC Presbyterian Shadyside for the cooperation extended to us during the course of our review. 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, appearing to read "Eugene A. DePasquale". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Eugene A. DePasquale
Auditor General

**UPMC PRESBYTERIAN SHADYSIDE
REPORT DISTRIBUTION
2021 TOBACCO SETTLEMENT PAYMENT DATA**

This report was initially distributed to:

Ms. Sally Kozak
Deputy Secretary
Office of Medical Assistance Programs
Department of Human Services

Mr. Alexander Matolyak
Director
Division of Audit and Review
Department of Human Services

Mr. R. Dennis Welker
Special Audit Services
Bureau of Audits
Office of the Budget

Ms. Tina Long
Director
Bureau of Financial Operations
Department of Human Services

Mr. David Bryan
Manager
Audit Resolution
Department of Human Services

Ms. Erica Eisenacher
HSPS
Bureau of Fiscal Management
Department of Human Services

Mr. Jared Weiner
Chief Financial Officer
UPMC Presbyterian Shadyside

Mr. Gerald Enos
Manager of Revenue Cycle
UPMC Health System

Mr. Christopher Stockhausen
Senior Director of Central Finance
UPMC Health System

Ms. Frances Voelker
Senior Director of Revenue Cycle
UPMC Health Network

Ms. Patricia Devlin
Director of Revenue Cycle
UPMC Health Network

This report is a matter of public record and is available online at www.PaAuditor.gov. Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 229 Finance Building, Harrisburg, PA 17120; via email to: news@PaAuditor.gov.