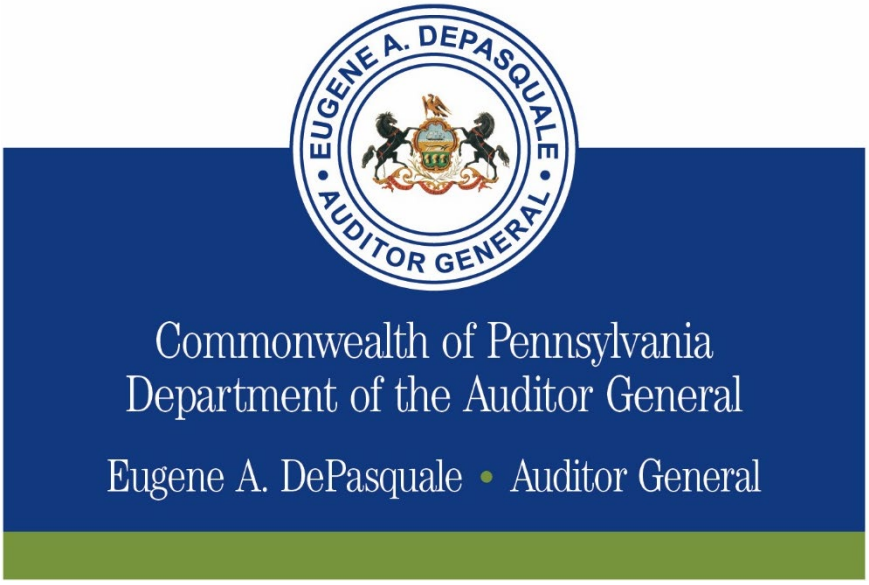
# TOBACCO SETTLEMENT PROGRAM

# Grand View Health

## Tobacco Settlement Payment Data Review
## Year 2021

May 2020



Commonwealth of Pennsylvania
Department of the Auditor General
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EUGENE A. DEPASQUALE
AUDITOR GENERAL

April 24, 2020

Ms. Robin Reddick
Budget Coordinator, Fiscal Services
Grand View Health
700 Lawn Avenue
Sellersville, PA 18960

Re: Grand View Health

Dear Ms. Reddick:

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 review[1] of Grand View Health'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 themselves toward their financial obligations may have reduced the allowable costs of the

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

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 60 potentially eligible extraordinary expense claims for review. The results of our review disclosed that three of these 60 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 three of these 60 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 | $264,845.76 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 2 | $227,098.69 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 3 | $211,912.72 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 4 | $156,391.92 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 5 | $152,162.52 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 6 | $142,387.20 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 7 | $133,536.76 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 8 | $129,083.26 | $0 | $0 | No – Paid by Insurance | 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 |
|---|---|---|---|---|---|
| 9 | $127,731.42 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 10 | $125,443.42 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 11 | $102,346.85 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 12 | $100,234.81 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 13 | $97,705.77 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 14 | $93,332.87 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 15 | $92,961.71 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 16 | $92,458.40 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 17 | $90,883.93 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 18 | $90,845.93 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 19 | $90,441.85 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 20 | $88,411.97 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 21 | $84,734.01 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 22 | $82,561.46 | $0 | $0 | No – Paid by Insurance | 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 |
|---|---|---|---|---|---|
| 23 | $81,993.27 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 24 | $79,405.15 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 25 | $79,291.80 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 26 | $78,683.18 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 27 | $77,083.17 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 28 | $76,579.21 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 29 | $75,340.60 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 30 | $74,655.50 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 31 | $74,414.66 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 32 | $69,976.24 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 33 | $68,942.14 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 34 | $68,591.12 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 35 | $68,043.34 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 36 | $67,320.64 | $0 | $0 | No – Paid by Insurance | 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 |
|---|---|---|---|---|---|
| 37 | $64,802.50 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 38 | $64,187.42 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 39 | $64,087.10 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 40 | $63,077.70 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 41 | $62,565.64 | $62,490.64 | $0 | Yes | An adjustment is needed to total charges |
| 42 | $62,477.16 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 43 | $61,975.96 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 44 | $61,739.72 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 45 | $61,651.87 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 46 | $60,238.50 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 47 | $59,697.62 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 48 | $59,103.52 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 49 | $58,929.80 | $58,892.30 | $0 | Yes | An adjustment is needed to total charges |
| 50 | $58,010.86 | $0 | $0 | No – Paid by Insurance | 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 | $57,740.84 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 52 | $56,453.62 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 53 | $55,646.50 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 54 | $54,344.59 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 55 | $53,769.37 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 56 | $53,404.62 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 57 | $53,275.50 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 58 | $52,355.10 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 59 | $52,317.69 | $0 | $0 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 60 | $51,422.93 | $51,362.93 | $0 | Yes | An adjustment is needed to total charges |

**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 | 36,328 | 36,328 | Not Applicable |

| For FYE 6/30/18 | Originally Submitted Number of Days | Substantiated Number Based on Source Documents | Explanation of Difference |
|---|---|---|---|
| FFS Days | 401 | 401 | Not Applicable |

| For FYE 6/30/18 HMO Days | Originally Submitted Number of Days | Substantiated Number Based on Source Documents | Explanation of Difference |
|---|---|---|---|
| Health Partners | 88 | 88 | Not Applicable |
| Keystone Mercy Health Plan | 2,415 | 2,415 | Not Applicable |
| United Healthcare Community Plan | 428 | 428 | Not Applicable |
| Aetna Better Health | 118 | 118 | Not Applicable |
| UPMC for You | 4 | 4 | Not Applicable |

| For FYE 6/30/18 OOS Days | Originally Submitted Number of Days | Substantiated Number Based on Source Documents | Explanation of Difference |
|---|---|---|---|
| - | 0 | 0 | Not Applicable |

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 $50,573.44. 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.

We thank the staff of Grand View Health for the cooperation extended to us during the course of our review. If you have any questions, please feel free to contact the Bureau of Children and Youth Services Audits at 717-787-1159.

Sincerely,

Eugene A. DePasquale
Auditor General

**GRAND VIEW HEALTH**
**REPORT DISTRIBUTION**
**2021 TOBACCO SETTLEMENT PAYMENT DATA**

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