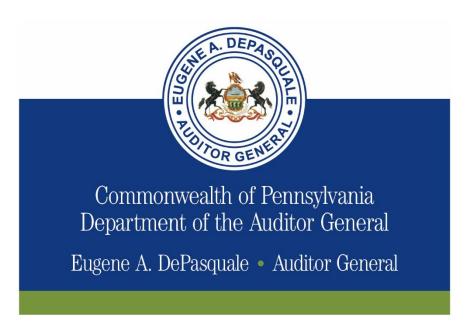
### TOBACCO SETTLEMENT PROGRAM

# Lancaster Rehabilitation Hospital Tobacco Settlement Payment Data Review Year 2021

June 2020





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

EUGENE A. DEPASQUALE AUDITOR GENERAL

June 1, 2020

Ms. Mary Porr Controller Lancaster Rehabilitation Hospital 675 Good Drive Lancaster, PA 17601

Re: Lancaster Rehabilitation Hospital

Dear Ms. Porr:

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<sup>1</sup> of Lancaster Rehabilitation Hospital'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

<sup>&</sup>lt;sup>1</sup> 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 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 2021 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, 2018, however, we could not substantiate the originally submitted number of days because the provider did not respond to our requests for documentation.

Since Lancaster Rehabilitation Hospital 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.

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.

Since this facility chose to not submit any claims 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, 2019, which the facility now believes qualify as self-pay claims, and which have total charges above Lancaster Rehabilitation Hospital's threshold of \$61,674.03.

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

Eugnet O-Page

**Auditor General** 

#### LANCASTER REHABILITATION HOSPITAL 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. R. Dennis Welker

Special Audit Services Bureau of Audits Office of the Budget

Mr. David Bryan

Manager
Audit Resolution
Department of Human Services

Ms. Mary Porr

Controller
Lancaster Rehabilitation Hospital

Mr. Alexander Matolyak

Director

Division of Audit and Review Department of Human Services

Ms. Tina Long

Director

Bureau of Financial Operations Department of Human Services

Ms. Erica Eisenacher

**HSPS** 

Bureau of Fiscal Management Department of Human Services

This report is a matter of public record and is available online at <a href="www.PaAuditor.gov">www.PaAuditor.gov</a>. 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: <a href="mailto:news@PaAuditor.gov">news@PaAuditor.gov</a>.