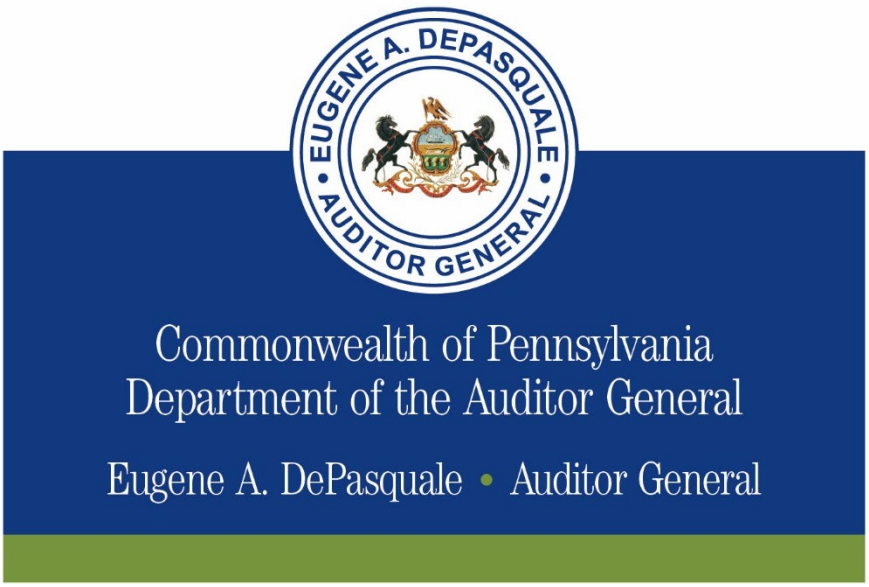
TOBACCO SETTLEMENT PROGRAM

Ohio Valley General Hospital

Tobacco Settlement Payment Data Review
Year 2020

July 2019



Commonwealth of Pennsylvania
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EUGENE A. DEPASQUALE
AUDITOR GENERAL

June 24, 2019

Mr. Jack Nelson
Chief Financial Officer
Ohio Valley General Hospital
25 Heckel Road
McKees Rocks, PA 15136

Re: Ohio Valley General Hospital

Dear Mr. Nelson:

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 the DHS, the Department of the Auditor General performed a review[1] of Ohio Valley General Hospital's records to substantiate the claims data and days data it submitted to the Pennsylvania Health Care Cost Containment Council (PHC4) and the 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, 2018 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 MA days as reported on its submitted MA-336 cost reports, if filed with the DHS, for the fiscal year ended June 30, 2017.

The results of our review are as follows:

For Reported Claims:

Based on the PHC4 claims database for the fiscal year ended June 30, 2018, the facility reported 56 potentially eligible extraordinary expense claims, totaling $3,814,481.90, for review. We reviewed 41 of these reported claims, representing at least 80% of the hospital's total dollar value of reported claims.[2] While the results of our review disclosed that none of these reported potentially eligible extraordinary expense claims met the criteria to qualify as an extraordinary expense claim, historically, the facility has self-reviewed and removed the majority of their initially reported claims (which are automatically transmitted to the PHC4 database) during the PHC4 "open window" period. The chart below details the 41 reported claims we reviewed, the results of our review, and explains the adjustments that should be made to the PHC4 Database. Since these 41 reported claims submitted by the facility did not meet the criteria to qualify as extraordinary expense claims, this facility may not be eligible for payment under the extraordinary expense method for the 2020 Tobacco Settlement Payment Year, unless, as detailed below, additional claims are submitted and deemed eligible or the facility determines during the self-review period that one or more of the remaining 15 potentially eligible extraordinary expense claims meet the qualifying criteria.

Claim No.	Originally Reported Total Charges	Substantiated Total Charges Based on Account Notes	Patient Payments Applied to Account	Qualify (Y/N) – Reason for Not Qualifying	Adjustment(s) Needed
1	$267,629.40	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
2	$173,881.63	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
3	$97,360.81	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
4	$91,305.40	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
5	$89,920.48	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing

[2]The facility is responsible for self-reviewing the remaining claims during the PHC4 "open window" period.

Claim No.	Originally Reported Total Charges	Substantiated Total Charges Based on Account Notes	Patient Payments Applied to Account	Qualify (Y/N) – Reason for Not Qualifying	Adjustment(s) Needed
6	$85,567.25	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
7	$83,281.84	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
8	$83,013.02	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
9	$82,975.29	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
10	$82,567.19	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
11	$81,106.06	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
12	$80,747.60	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
13	$74,358.87	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
14	$71,400.34	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
15	$70,982.16	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
16	$70,823.50	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
17	$70,739.92	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
18	$69,762.89	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
19	$68,397.31	$0	$0	N – Insurance Paid	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 (Y/N) – Reason for Not Qualifying	Adjustment(s) Needed
20	$66,857.88	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
21	$66,102.03	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
22	$65,626.89	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
23	$64,604.02	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
24	$64,255.09	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
25	$63,753.54	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
26	$63,324.99	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
27	$61,682.41	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
28	$60,577.41	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
29	$60,154.62	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
30	$57,194.82	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
31	$57,182.64	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
32	$57,091.68	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
33	$56,995.27	$0	$0	N – Insurance Paid	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 (Y/N) – Reason for Not Qualifying	Adjustment(s) Needed
34	$56,443.64	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
35	$55,198.48	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
36	$54,628.41	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
37	$54,066.28	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
38	$53,635.30	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
39	$53,604.71	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
40	$52,506.44	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing
41	$52,287.00	$0	$0	N – Insurance Paid	Claim should be removed from self-pay listing

For MA Days:

For the total MA days for fiscal year ended June 30, 2017, our results are as follows:

For FYE 6/30/17	Originally Submitted Number of Days	Substantiated Number Based on Source Documents	Explanation of Difference
FFS Days	278	230	Change in payer type
HMO Days	1,374	1,353	Change in payer type
OOS Days	12	15	Change in payer type

The DHS will use all substantiated additional claims and number of days to calculate Ohio Valley General Hospital'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, the DHS will allow the facility to choose the method to be used to calculate the facility's 2020 Tobacco Settlement subsidy entitlement payment. The 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 2020 Tobacco Settlement subsidy entitlement payment. After all the reviews are completed, we will prepare for the DHS' use a report detailing the results of all of our reviews. The PHC4 and the 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 a reminder, Ohio Valley General Hospital 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, 2018, which the facility now believes qualify as self-pay claims, and which have total charges above this facility's threshold of $44,946.35. 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, 2019. 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 Ohio Valley General Hospital 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,

Eugene A. DePasquale
Auditor General

OHIO VALLEY GENERAL HOSPITAL
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2020 TOBACCO SETTLEMENT PAYMENT DATA

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