

TOBACCO SETTLEMENT PROGRAM

Roxborough Memorial Hospital Tobacco Settlement Payment Data Review Year 2020

March 2019

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**EUGENE A. DePASQUALE
AUDITOR GENERAL**

March 25, 2019

Mr. Russ Hicswa
Controller
Roxborough Memorial Hospital
5800 Ridge Avenue
Philadelphia, PA 19128

Re: Roxborough Memorial Hospital

Dear Mr. Hicswa:

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 review¹ of Roxborough Memorial 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 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 2020 Tobacco Settlement Payment Year.

For MA Days:

We attempted to review the total MA days for fiscal year ended June 30, 2017, however, we could not substantiate the originally submitted number of days because the provider did not respond to our requests for documentation.

Since Roxborough Memorial 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 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.

Since Roxborough Memorial Hospital did not submit any documentation for our review, the facility also waived the opportunity to submit any "additional claims," or claims coded as having Medicare, Medicaid, or any other insurance when submitted to 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 Roxborough Memorial Hospital's threshold of \$107,490.90.

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

**ROXBOROUGH MEMORIAL HOSPITAL
REPORT DISTRIBUTION
2020 TOBACCO SETTLEMENT PAYMENT DATA**

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Ms. Russ Hicswa
Controller
Roxborough Memorial Hospital

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