

# TOBACCO SETTLEMENT PROGRAM

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## St. Mary Rehabilitation Hospital Tobacco Settlement Payment Data Review Year 2021

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November 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  
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**EUGENE A. DePASQUALE  
AUDITOR GENERAL**

November 12, 2020

Ms. Elizabeth Organ  
Controller  
St. Mary Rehabilitation Hospital  
1208 Newton-Langhorne Road  
Langhorne, PA 19047

Re: St. Mary Rehabilitation Hospital

Dear Ms. Organ:

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 St. Mary 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

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<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:**

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	14,708	14,708	Not Applicable

For FYE 6/30/18	Originally Submitted Number of Days	Substantiated Number Based on Source Documents	Explanation of Difference
FFS Days	222	222	Not Applicable

For FYE 6/30/18 HMO Days	Originally Submitted Number of Days	Substantiated Number Based on Source Documents	Explanation of Difference
Keystone First	249	249	Not Applicable
Health Partners Plan	64	64	Not Applicable
Aetna Better Health	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

The DHS will use the substantiated number of days to calculate this facility's eligibility to receive, and if deemed eligible, its subsidy entitlement under the uncompensated care method. 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 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 was to submit for our review, by October 31, 2020, 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 believed qualified as self-pay claims, and which had total charges above the facility's threshold of \$97,070.62; we refer to these types of claims as "additional claims." However, as of October 31, 2020, St. Mary Rehabilitation Hospital did not submit any additional claims for our review. For those facilities that submitted additional claims for our review, the results of our review of these facilities' submitted additional claims data will be detailed in individualized reports sent to each such respective hospital.

We thank the staff of St. Mary Rehabilitation Hospital for the cooperation extended to us during the course of our review. If you have any questions, please feel free to contact Tracie L. 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 stroke extending to the right.

Eugene A. DePasquale  
Auditor General

**ST. MARY REHABILITATION HSOPITAL  
REPORT DISTRIBUTION  
2021 TOBACCO SETTLEMENT PAYMENT DATA**

This report was initially distributed to:

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St. Mary Rehabilitation Hospital

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