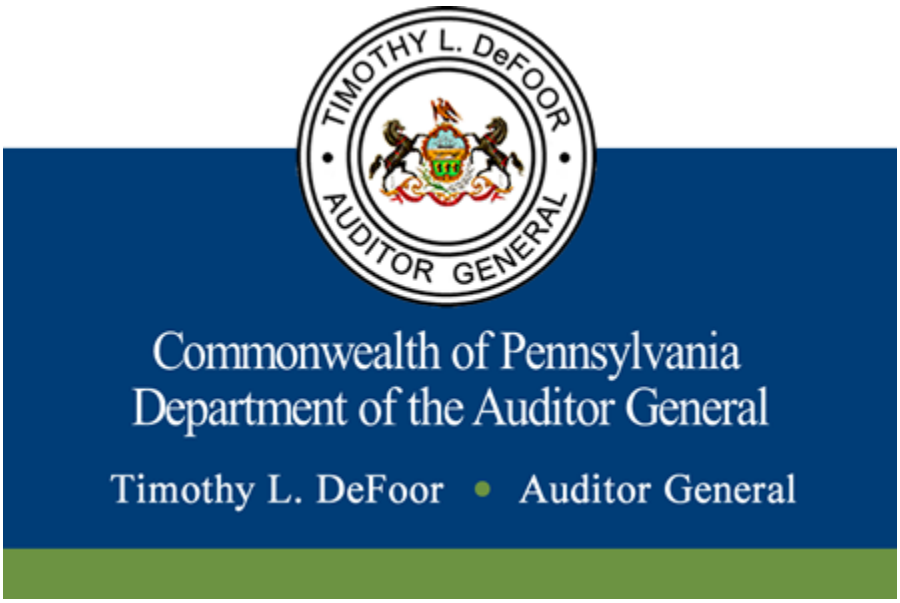
TOBACCO SETTLEMENT PROGRAM

Conemaugh Memorial Medical Center

Tobacco Settlement Payment Data
Year 2026

September 2025



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TIMOTHY L. DEFOOR
AUDITOR GENERAL

August 13, 2025

Mr. Lynn Kennington
Chief Financial Officer
Conemaugh Memorial Medical Center
1086 Franklin Street
Johnstown, PA 15905

Re: Conemaugh Memorial Medical Center

Dear Mr. Kennington:

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 approach is based on the hospital's uncompensated care score. The uncompensated care score 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. The extraordinary expense approach is based on the total costs of the 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.

Upon request from DHS, we developed procedures to be performed for each facility that may be eligible to receive a payment for the provision of uncompensated care services to determine the eligibility of reported claims and the accuracy of days data reported by the facility. DHS agreed that the procedures were appropriate to meet its needs and approved the procedures. We obtained records from Conemaugh Memorial Medical Center (facility) and performed the established procedures to substantiate the claims data and days data it submitted to the Pennsylvania Health Care Cost Containment Council (PHC4) and DHS, respectively.[1]

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

The purpose of this engagement was to determine whether this facility reported any potentially eligible extraordinary expense claims for the fiscal year ended June 30, 2024 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 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, 2023. We obtained computer processed data from the facility (i.e. account notes and billing information for claims and census reports for days) to determine the eligibility of reported claims and the accuracy of days data reported by the facility. Because of the extensive amount of time that would be required to visit the facility and perform procedures to evaluate the reliability of this data in the facility's information system, DHS management stated that the performance of such procedures is not necessary to meet DHS' needs. As such, we have classified this computer processed data as data of undetermined reliability.

The results of our procedures are as follows:

For Reported Claims:

Based on the PHC4 claims database for the fiscal year ended June 30, 2024, the facility reported 102 potentially eligible extraordinary expense claims. The results of our procedures disclosed that ten of the 102 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 your facility should make to the PHC4 Database. Since we determined that ten of the 102 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 2026 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	$670,026.63	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
2	$578,151.30	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
3	$408,302.69	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
4	$405,386.29	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
5	$306,755.47	$306,755.47	$0.00	Yes	Not Applicable

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
6	$284,314.98	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
7	$273,915.98	$273,915.98	$0.00	Yes	Not Applicable
8	$258,365.62	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
9	$251,518.36	$0.00	$0.00	No – Paid by Medical Assistance	Claim should be removed from self-pay listing
10	$250,812.79	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
11	$246,407.69	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
12	$245,992.30	$0.00	$0.00	No – Paid by the Patient	Claim should be removed from self-pay listing
13	$242,544.71	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
14	$242,264.13	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
15	$231,441.38	$0.00	$0.00	No – Paid by Medical Assistance	Claim should be removed from self-pay listing
16	$230,627.75	$0.00	$0.00	No – Not a Valid Claim	Claim should be removed from self-pay listing
17	$225,898.64	$0.00	$0.00	No – Paid by Medical Assistance	Claim should be removed from self-pay listing
18	$224,530.28	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
19	$223,675.16	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
20	$216,528.57	$0.00	$0.00	No – Still an Active Claim	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
21	$211,979.09	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
22	$207,347.96	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
23	$206,288.34	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
24	$203,911.61	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
25	$197,229.50	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
26	$196,560.89	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
27	$195,686.23	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
28	$192,608.69	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
29	$190,007.35	$0.00	$0.00	No – Paid by Medical Assistance	Claim should be removed from self-pay listing
30	$185,258.08	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
31	$183,017.11	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
32	$181,172.19	$181,172.19	$0.00	Yes	Not Applicable
33	$180,441.33	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
34	$178,378.02	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
35	$178,037.97	$0.00	$0.00	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
36	$166,225.65	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
37	$165,367.39	$0.00	$0.00	No – Paid by the Patient	Claim should be removed from self-pay listing
38	$164,680.36	$164,680.36	$0.00	Yes	Not Applicable
39	$160,647.95	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
40	$159,505.52	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
41	$155,860.54	$155,860.54	$0.00	Yes	Not Applicable
42	$155,335.95	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
43	$151,834.81	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
44	$149,503.63	$149,503.63	$0.00	Yes	Not Applicable
45	$148,532.00	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
46	$147,782.58	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
47	$147,614.24	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
48	$145,989.22	$145,270.22	$0.00	Yes	An adjustment is needed to total charges
49	$142,853.84	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
50	$140,571.19	$0.00	$0.00	No – Not a Self-Pay Claim	Claim should be removed from self-pay listing
51	$134,810.48	$0.00	$0.00	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
52	$133,786.59	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
53	$128,115.69	$0.00	$0.00	No – Not a Self-Pay Claim	Claim should be removed from self-pay listing
54	$127,705.75	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
55	$126,020.05	$126,020.05	$60.00	Yes	Not Applicable
56	$125,450.11	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
57	$125,302.63	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
58	$125,209.18	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
59	$121,970.34	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
60	$121,748.37	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
61	$121,364.50	$0.00	$0.00	No – Still an Active Claim	Claim should be removed from self-pay listing
62	$118,168.46	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
63	$117,565.78	$0.00	$0.00	No – Paid by the Patient	Claim should be removed from self-pay listing
64	$117,206.16	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
65	$116,495.09	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
66	$114,738.98	$114,738.98	$0.00	Yes	Not Applicable

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
67	$112,006.03	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
68	$111,686.80	$0.00	$0.00	No – Not a Self-Pay Claim	Claim should be removed from self-pay listing
69	$111,648.48	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
70	$110,495.79	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
71	$110,154.70	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
72	$109,205.80	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
73	$109,071.64	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
74	$108,592.48	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
75	$107,146.75	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
76	$106,235.02	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
77	$106,103.11	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
78	$105,105.58	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
79	$104,853.69	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
80	$104,431.26	$0.00	$0.00	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
81	$104,263.64	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
82	$103,680.53	$0.00	$0.00	No – Paid by Medical Assistance	Claim should be removed from self-pay listing
83	$102,770.85	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
84	$101,075.55	$0.00	$0.00	No – Not a Self-Pay Claim	Claim should be removed from self-pay listing
85	$100,706.70	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
86	$99,958.82	$0.00	$0.00	No – Paid by Medicaid	Claim should be removed from self-pay listing
87	$99,344.88	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
88	$96,533.54	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
89	$96,405.77	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
90	$96,261.55	$0.00	$0.00	No – Not a Self-Pay Claim	Claim should be removed from self-pay listing
91	$95,690.92	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
92	$93,378.45	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
93	$91,995.80	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
94	$91,466.46	$0.00	$0.00	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
95	$90,755.04	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
96	$90,742.91	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
97	$90,209.57	$0.00	$0.00	No – Paid by Medical Assistance	Claim should be removed from self-pay listing
98	$89,999.96	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
99	$89,987.90	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing
100	$89,616.28	$0.00	$0.00	No – Paid by Medical Assistance	Claim should be removed from self-pay listing
101	$89,522.41	$89,522.41	$0.00	Yes	Not Applicable
102	$89,036.92	$0.00	$0.00	No – Paid by Insurance	Claim should be removed from self-pay listing

For Total Inpatient Days and Total MA Days:

For the total inpatient days and total MA days for fiscal year ended June 30, 2023, our results are as follows:

For FYE 6/30/23	Originally Submitted Number of Days	Substantiated Number Based on Source Documents	Explanation of Difference
Total Inpatient Days	73,943	73,645	Reporting Error

For FYE 6/30/23	Originally Submitted Number of Days	Substantiated Number Based on Source Documents	Explanation of Difference
FFS Days	1,113	1,081	Reporting Error

For FYE 6/30/23 HMO Days	Originally Submitted Number of Days	Substantiated Number Based on Source Documents	Explanation of Difference
Aetna Better Health	308	248	Change in Payor Class

For FYE 6/30/23 HMO Days (Continued)	Originally Submitted Number of Days	Substantiated Number Based on Source Documents	Explanation of Difference
Amerihealth Caritas	197	197	Not Applicable
Amerihealth Caritas MA CHC	15	13	Change in Payor Class
Amerihealth Northeast	44	45	Change in Payor Class
Beacon Health	127	134	Change in Payor Class
Carelon Health	0	8	Change in Payor Class
Comm Behav Health – Phil	14	18	Change in Payor Class
Community Care Bh Blair County	14	14	Not Applicable
Community Cares Behavioral	614	598	Change in Payor Class
Gateway Health Plan	2	2	Not Applicable
Geisinger Health Family	293	296	Change in Payor Class
Health Partners	444	441	Change in Payor Class
Highmark Wholecare Gateway MA	1,883	1,883	Not Applicable
Keystone First	32	32	Not Applicable
Keystone First Community	1	1	Not Applicable
Magellan	2,334	2,199	Change in Payor Class
Managed Medicaid	0	2	Change in Payor Class
PA Health and Wellness MA HMO	0	1	Change in Payor Class
PA Health and Wellness MA HMO CHC	46	46	Not Applicable
Performcare	55	51	Change in Payor Class
United Healthcare – MA	428	361	Change in Payor Class
UPMC Community Health Choices	567	514	Change in Payor Class
UPMC for Kids	11	12	Change in Payor Class
UPMC for You	6,907	6,944	Change in Payor Class

For FYE 6/30/23 OOS Days	Originally Submitted Number of Days	Substantiated Number Based on Source Documents	Explanation of Difference
None	0	0	Not Applicable

PHC4 will contact you with instructions regarding entering adjustments to your facility's originally submitted claims during the self-verification process. The facility's failure to remove any claims identified as not qualifying as extraordinary expense claims from the PHC4 self-pay claims listing during the self-verification process will result in the facility's records in the PHC4 database being inaccurate and DHS concluding that the facility is ineligible for payment under the extraordinary expense method. In addition to completing adjustments in the PHC4 database, any revisions to originally submitted days data on your facility's MA-336 Cost Report should be submitted through the iPACRs system based on the results of our procedures.

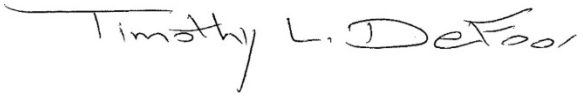
We are in the process of conducting engagements for all facilities that are potentially eligible for a 2026 Tobacco Settlement subsidy entitlement payment. After all the engagements are completed, we will prepare for DHS' use a report detailing the results of all of our engagements.

DHS will use each hospital's verified PHC4 database and revised MA-336 Cost Report to pull 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 2026 Tobacco Settlement subsidy entitlement payment. DHS establishes the date that these payments will be distributed to all eligible hospitals.

As a reminder, this facility may submit any claims coded as having Medicare, Medicaid, or any other insurance when submitted to the PHC4 for the fiscal year ended June 30, 2024, which the facility now believes qualify as self-pay claims, and which have total charges above this facility's threshold of $88,933.19. We refer to these types of claims as "additional claims" and these additional claims must be submitted to us no later than October 31, 2025. For facilities that submit additional claims, we will send the results of our procedure to each respective hospital.

We thank the staff of Conemaugh Memorial Medical Center for the cooperation extended to us during the course of our engagement. If you have any questions, please feel free to contact the Bureau of County Audits – Hospital and Tobacco Division at 717-787-1159.

Sincerely,



Timothy L. DeFoor
Auditor General

CONEMAUGH MEMORIAL MEDICAL CENTER
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2026 TOBACCO SETTLEMENT PAYMENT DATA

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HSPS
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Department of Human Services

Mr. Lynn Kennington
Chief Financial Officer
Conemaugh Memorial Medical Center

Ms. Kelly Layton
Assistant Chief Financial Officer
Conemaugh Memorial Medical Center

Ms. Karen Walker
Lead Accountant, Financial Operations
Conemaugh Memorial Medical Center

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