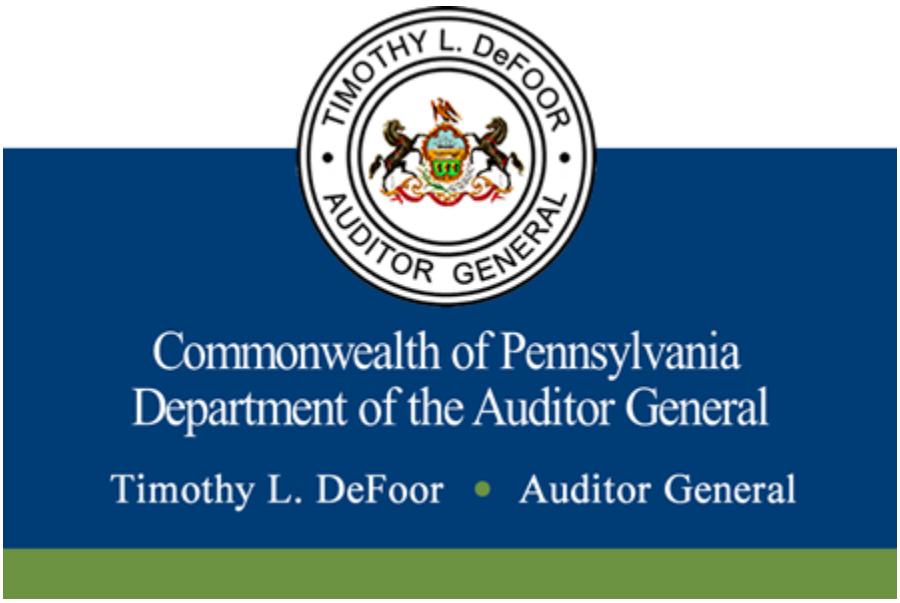
# TOBACCO SETTLEMENT PROGRAM

# Mount Nittany Medical Center

## Tobacco Settlement Payment Data
## Year 2026

October 2025



Commonwealth of Pennsylvania
Department of the Auditor General
Harrisburg, PA 17120-0018
Facebook: Pennsylvania Auditor General
Twitter: @PAAuditorGen
www.PaAuditor.gov

TIMOTHY L. DEFOOR
AUDITOR GENERAL

October 3, 2025

Mr. Bryan Roach
Chief Financial Officer
Mount Nittany Medical Center
1800 East Park Avenue
State College, PA 16803

Re: Mount Nittany Medical Center

Dear Mr. Roach:

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 Mount Nittany 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 24 potentially eligible extraordinary expense claims. The results of our procedures disclosed that seven of the 24 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 seven of the 24 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 | $214,109.54 | $0.00 | $0.00 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 2 | $171,456.86 | $171,456.86 | $0.00 | Yes | Not Applicable |
| 3 | $170,772.90 | $0.00 | $0.00 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 4 | $154,467.38 | $0.00 | $0.00 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 5 | $139,344.24 | $139,344.24 | $0.00 | Yes | Not Applicable |
| 6 | $122,129.18 | $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 |
|---|---|---|---|---|---|
| 7 | $119,793.35 | $0.00 | $0.00 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 8 | $105,685.33 | $0.00 | $0.00 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 9 | $99,697.06 | $0.00 | $0.00 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 10 | $98,116.04 | $0.00 | $0.00 | No – Paid by Patient | Claim should be removed from self-pay listing |
| 11 | $90,777.25 | $90,777.25 | $0.00 | Yes | Not Applicable |
| 12 | $88,439.68 | $0.00 | $0.00 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 13 | $86,669.69 | $86,669.69 | $0.00 | Yes | Not Applicable |
| 14 | $86,130.99 | $0.00 | $0.00 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 15 | $85,896.90 | $0.00 | $0.00 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 16 | $84,529.96 | $0.00 | $0.00 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 17 | $84,526.52 | $0.00 | $0.00 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 18 | $82,039.61 | $0.00 | $0.00 | No – Paid by Patient | Claim should be removed from self-pay listing |
| 19 | $80,147.70 | $0.00 | $0.00 | No – Paid by Insurance | Claim should be removed from self-pay listing |
| 20 | $78,966.75 | $78,966.75 | $0.00 | Yes | Not Applicable |
| 21 | $76,504.51 | $76,504.51 | $0.00 | Yes | Not Applicable |
| 22 | $76,28.37 | $0.00 | $0.00 | No – Not a Self-Pay Claim | Claim should be removed from self-pay listing |
| 23 | $75,261.45 | $75,261.45 | $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 |
|---|---|---|---|---|---|
| 24 | $74,430.53 | $0.00 | $0.00 | No – No Efforts to Collect | 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 | 47,900 | 47,924 | No Response From Provider |

| For FYE 6/30/23 | Originally Submitted Number of Days | Substantiated Number Based on Source Documents | Explanation of Difference |
|---|---|---|---|
| FFS Days | 812 | 872 | No Response From Provider |

| For FYE 6/30/23 HMO Days | Originally Submitted Number of Days | Substantiated Number Based on Source Documents | Explanation of Difference |
|---|---|---|---|
| Aetna Better Health | 162 | 132 | No Response From Provider |
| AmeriHealth Caritas | 915 | 929 | No Response From Provider |
| AmeriHealth Northeast | 57 | 57 | Not Applicable |
| Gateway Health Plan | 64 | 64 | Not Applicable |
| Geisinger Health Plan Family | 2,170 | 2,141 | No Response From Provider |
| Keystone First | 32 | 32 | Not Applicable |
| Community Care Behavhlth | 484 | 522 | No Response From Provider |
| United Health Community Plan | 28 | 28 | Not Applicable |
| UPMC for You | 514 | 523 | No Response From Provider |

| For FYE 6/30/23 HMO Days (Continued) | Originally Submitted Number of Days | Substantiated Number Based on Source Documents | Explanation of Difference |
|---|---|---|---|
| Health Partner | 117 | 122 | No Response From Provider |
| PA Health & Wellness | 102 | 102 | Not Applicable |
| UPMC Community Health Choices | 87 | 87 | Not Applicable |
| AmeriHealth Caritas PA CHC | 135 | 135 | Not Applicable |
| Kids Partners | 3 | 3 | Not Applicable |
| Highmark | 0 | 4 | No Response From Provider |

| For FYE 6/30/23 OOS Days | Originally Submitted Number of Days | Substantiated Number Based on Source Documents | Explanation of Difference |
|---|---|---|---|
| Maryland | 1 | 1 | Not Applicable |
| New York | 25 | 15 | No Response From Provider |
| California | 16 | 13 | No Response From Provider |
| Kentucky | 12 | 0 | No Response From Provider |
| Washington | 15 | 5 | No Response From Provider |
| Indiana | 8 | 0 | No Response From Provider |
| Colorado | 0 | 5 | No Response From Provider |
| Florida | 0 | 7 | No Response From Provider |
| Iowa | 0 | 4 | No Response From Provider |
| Missouri | 0 | 10 | No Response From Provider |
| North Carolina | 0 | 5 | No Response From Provider |
| South Carolina | 0 | 3 | No Response From Provider |
| Wisconsin | 0 | 4 | No Response From Provider |

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 $74,162.24. 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 Mount Nittany 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

Timothy L. DeFoor
Auditor General

**MOUNT NITTANY MEDICAL CENTER**
**REPORT DISTRIBUTION**
**2026 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

**Mr. Bryan Roach**
Chief Financial Officer
Mount Nittany Medical Center

**Ms. Brianna Van Ness**
Director of Financial Systems
Mount Nittany Medical Center

**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

**Ms. Jayne Nelson**
Director of Revenue Cycle
Mount Nittany Medical Center

This report is a matter of public record and is available online at www.PaAuditor.gov. Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 231 Finance Building, Harrisburg, PA 17120; via email to: news@PaAuditor.gov.