

TOBACCO SETTLEMENT PROGRAM

Penn Highlands Mon Valley Tobacco Settlement Payment Data Year 2025

December 2024



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



**Commonwealth of Pennsylvania
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**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

December 4, 2024

Ms. Kimberley Ashcraft
Financial Coordinator, General Accounting
Penn Highlands Mon Valley
1163 Country Club Road
Monongahela, PA 15063

Re: Penn Highlands Mon Valley

Dear Ms. Ashcraft:

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 attempted to obtain records from Penn Highlands Mon Valley (facility) and attempted to perform 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, 2023 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 could not perform the planned procedures as described below.

For Reported Claims:

Based on the PHC4 claims database for the fiscal year ended June 30, 2023, the facility reported one potentially eligible extraordinary expense claim, totaling \$83,882.37. We attempted to conduct procedures for the one reported claim, however, we could not determine whether this extraordinary expense claim met the criteria to qualify as an extraordinary expense claim because the provider failed to provide documentation for our review. Since the facility did not provide any documentation, the facility should not be eligible for payment under the extraordinary expense calculation method

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	\$83,882.37	\$0.00	\$0.00	No – Failed to Provide Documentation	Claim should be removed from self-pay listing

For Total Inpatient Days and Total MA Days:

We attempted to review the total inpatient days and total MA days for the fiscal year ended June 30, 2022, however, we could not substantiate the originally submitted number of days because the provider failed to provide documentation for our review.

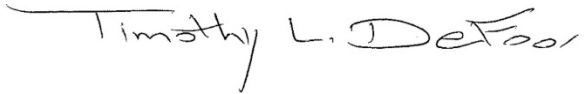
Since Penn Highlands Mon Valley did not respond to our requests for documentation, the facility should not be eligible to receive a subsidy entitlement under either the extraordinary expense or the uncompensated care methods.

Our office is currently reviewing all facilities that are potentially eligible for a 2025 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.

Since this facility failed to provide any documentation, 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 the PHC4 for the fiscal year ended June 30, 2023, which the facility believed would have qualified as self-pay claims, and which had total charges above Penn Highlands Mon Valley’s threshold of \$66,728.11.

If you have any questions, please feel free to contact the Bureau of County Audits – Hospital and Tobacco Division at 717-787-1159.

Sincerely,

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive style with a long horizontal line extending to the left of the first letter.

Timothy L. DeFoor
Auditor General

**PENN HIGHLANDS MON VALLEY
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2025 TOBACCO SETTLEMENT PAYMENT DATA**

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Ms. Kimberly Ashcraft
Financial Coordinator, General Accounting
Penn Highlands Mon Valley

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, 229 Finance Building, Harrisburg, PA 17120; via email to: news@PaAuditor.gov.