
PENNSYLVANIA DEPARTMENT OF THE AUDITOR GENERAL

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News for Immediate Release

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Performance Audit of UPMC’s Community HealthChoices Contract Finds Reporting Delays Cost Taxpayers More Than \$120,000 in 2022

HARRISBURG – On behalf of Auditor General Timothy L. DeFoor, Deputy Auditor General for Audits Gordon Denlinger today released the findings of a performance audit of UPMC’s Community HealthChoices contract with the Pennsylvania Department of Human Services (DHS) that found UPMC failed to update participant information, which cost taxpayers more than \$350,000 in 2022-- \$120,000 of which DHS was unable to recover.

“UPMC is required to report to DHS whether a person has died, went to jail or is no longer eligible to be part of the program,” Denlinger said. “DHS uses this as part of the data to set the rate it pays UPMC to provide care to people on Community HealthChoices. UPMC needs to make sure there is greater accountability in its management structure to ensure the required assessments are happening on time and regularly.”

The audit found that UPMC failed to adequately perform all its required participant assessments and did not notify DHS of changes to participants’ program eligibility status. It also found UPMC did not consistently provide Community HealthChoices participant eligibility information to DHS. This resulted in DHS overpaying UPMC by \$357,048 in 2022. DHS was unable to recover \$120,977 because of limits in the contract.

The audit also found that UPMC needs to have additional procedures in place in its payment reconciliation process and in its Medicare eligibility outreach to participants.

Denlinger said that the auditors also recommend UPMC follows the agreements in the contract it signed to make sure DHS is informed of any changes in a participant’s status weekly, as required.

“We have some specific recommendations for DHS as well,” Denlinger said. “DHS can make sure Pennsylvanians get back all the money owed to them when they overpay for services by changing the contract language to close this loophole. And it can update its contracts to make sure UPMC contacts all participants at least once a year to make sure their status hasn’t changed.”

The HealthChoices program consists of three segments: physical care, behavioral care, and community care, and is paid for with federal and state tax dollars.

The Department of the Auditor General's audit focused on the community care segment of the HealthChoices program, called the Community HealthChoices program. This program covers physical health services, home and community-based services, and nursing facility services for more than 450,000 Pennsylvanians.

According to DHS, Community HealthChoices is a health insurance program for Pennsylvanians 21 and older who receive long-term supports through Medicaid and Medicare or who receive long-term supports through Medicaid because they need help with everyday personal tasks.

The program coordinates health care coverage for those individuals to improve their health care experience - serving more people out in their communities rather than in facilities, which gives them the opportunity to work, spend more time with their families, and experience a better overall quality of life.

UPMC is a managed care organization that coordinates care for these services across the Commonwealth. It served more than 140,000 people in 2022 and received almost \$360 million in payments from the state.

Auditor General DeFoor recused himself from this audit to prevent any conflict of interest. At one point in his career, Auditor General DeFoor was an auditor and fraud investigator for UPMC.

To view the full audit, visit the Department of the Auditor General online at www.PaAuditor.gov.

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