

**Prince George's County, Maryland
Office of Audits and Investigations**

Fire/EMS Department

**Emergency Transportation and Related Services
Billing and Collection Audit**

August 2015



**David H. Van Dyke
County Auditor**

TABLE OF CONTENTS

	<u>PAGE</u>
Letter of Transmittal	
Emergency Transport Fee Audit Report	2-29
Agency Responses.....	30-41



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

August 2015

The County Council and County Executive
of Prince George's County, Maryland

We have conducted a performance audit of the

FIRE/EMS DEPARTMENT'S EMERGENCY TRANSPORTATION AND RELATED SERVICES BILLING AND COLLECTION PROCESS

in accordance with the requirements of Article III, Section 313, of the Charter for Prince
George's County, Maryland. Our report is submitted herewith.

We have discussed the contents of this report with appropriate personnel of the Fire/EMS
Department and the Volunteer Fire and Rescue Association, and wish to express our sincere
gratitude to them for the cooperation and assistance extended to us during the course of this
engagement.

A blue ink signature of David H. Van Dyke, CPA, County Auditor.

David H. Van Dyke, CPA
County Auditor

A blue ink signature of Turkessa M. Green, CPA, Audit Manager.

Turkessa M. Green, CPA
Audit Manager

A blue ink signature of Patrick D. Pope, Auditor.

Patrick D. Pope
Auditor

Results In Brief

The Fire and Emergency Medical Services (Fire/EMS) Department provides emergency medical, fire, rescue, specialized and prevention services to Prince George's County. In FY 2014, the Department had a complement of over 790 uniformed career personnel, staffing a total of 46 community based fire and rescue stations, two administrative facilities, two support facilities and a Fire/EMS training academy, and nearly 70 non-uniformed employees who perform fire inspections, maintain our fleet, present educational programs to our community, and provide administrative support to all of its functional areas. Additionally, the Department receives support from more than 1,400 volunteer personnel.

Emergency transportation refers to the transportation of patients by a unit operated and staffed by Advanced Life Support (ALS) or Basic Life Support (BLS) personnel. In its Approved FY 2015 Operating Budget, the Department reported that it responded to an average of 42,707 calls for Advanced Life Support and 50,505 calls for Basic Life Support service during fiscal years 2013 and 2014. As the demand for this essential service grows, the cost associated with providing emergency transportation continues to increase.

To offset rising costs, the County increased fees for emergency transportation and related services, effective July 1, 2008. The fees associated with this service are established in the Annual Budget and Appropriation Ordinance. The table below provides a breakdown of revenue collected in FY 2009 through FY 2014:

Fiscal Year	Total Revenue
FY 2009	\$4,198,571
FY 2010	\$10,169,267
FY 2011	\$10,977,489
FY 2012	\$11,004,775
FY 2013	\$12,299,035
FY 2014	\$7,443,699

During FY 2014, the County contracted with a new vendor, McKesson Corporation (MED3000), to perform ambulance billing services. Prior to this transition, ambulance billing services were provided by Advanced Data Processing, Inc. (ADPI). The significant decrease in ambulance billing revenue from FY 2013 to FY 2014 may have resulted from the lapse in billing services during the transition period. Approximately \$10.7 million of revenue is

anticipated for FY 2015. As of December 31, 2014, \$6.3 million of revenue had been collected for FY 2015.

The two vendors billed a total of \$53.1 million during FY 2013 and \$33.3 million during FY 2014, but only received \$14.2 million and \$7.8 million respectively, resulting in a collection rate of about 23-27% for the two fiscal years.

Given the amount of ambulance transport revenue collected by the County, it is imperative that the related internal controls are operating effectively and efficiently.

The following major findings are addressed in our report:

Repeat Audit Findings Related to the Billing and Collection of Emergency Transport Fees – (Findings originally reported in Audit Report dated October 2011)

- Of the stations selected for review, 456 (12%) of their ambulance logbook entries were identified as emergency transports that had not been transmitted to the billing vendor.
- In addition, the ambulance logbooks maintained by the stations reviewed were not complete. We identified 134 transports (3%) in our sample that were submitted electronically to the billing vendor but were not recorded in the appropriate station ambulance logbook.
- The Fire/EMS Department lacks effective monitoring procedures to measure the billing vendor's performance. Billing was not initiated in a timely manner for 91% of the new vendor sample items. Furthermore, bills were not generated for all transports for 28% of the new vendor and 28% of the old vendor sample items.
- Although the Fire/EMS Department has a policy in place to identify and close uncollectible accounts in the billing system, we found 7 out of the 75 accounts reviewed in the old billing system (9%) and 12 out of the 32 accounts reviewed in the new billing system (38%) remained open more than 120 days (or 365 days for the previous billing vendor) after the billing process was initiated.
- Emergency transport collection activity reported by the vendor(s) did not agree with the revenue recorded in the County's financial system for the same period. Regular reconciliation of data reported by the billing vendor(s) to the data in the County's financial system is not being performed by the Fire/EMS Department.

- For 13 of the 29 batch deposits (45%) selected for review we noted that some payments were posted to the billing system more than 7 days after the deposit dates. The total amount of the deposits (per vendor check) posted more than 7 days after receipt was \$219,297.

New Audit Findings Related to the Billing and Collection of Emergency Transport Fees

- Lack of information technology controls in the system used to capture critical ambulance billing information, as well as related systems in the ambulance billing process. Discrepancies were noted in the data provided by the billing vendors (both ADPI and MED3000) and the County's Fire/EMS Department. As a result, revenues collected for FY 2013 and FY 2014 were not distributed appropriately to ALL stations within the County.
- Lack of Supervisory review of electronic Patient Care Reports (ePCRs) prior to submission to the vendor for billing.
- Inadequate collection efforts made by the billing vendor, resulting in lower than desired collection rates.
- For 16 of the 29 batch deposits (55%) selected for review, we noted that sufficient documentation was not maintained to support ambulance billing revenue collected and deposited into the County's lockbox. Supporting documentation continued to be mailed to the previous billing vendor more than one (1) year after the transition to a new billing vendor.
- The Fire/EMS Department's policy regarding the billing of County residents is not consistently applied.

Internal control activities are an important part of an agency's planning, implementing, and reviewing process. They are essential for effective and efficient operations and proper accountability of county, state, and federal resources. Hence, several recommendations for its improvement are made throughout this report.

Background

The Department is divided into four divisions – Emergency Services Command, Administrative Services Command, Support Services Command, and Volunteer Services Command. Emergency Services Command oversees Fire/EMS operations and coordinates the fire fighters, paramedics, and volunteers. Administrative Services Command coordinates support service functions for the Department including fiscal affairs, human resources, and logistics and supply. Support Services Command is responsible for risk management, information

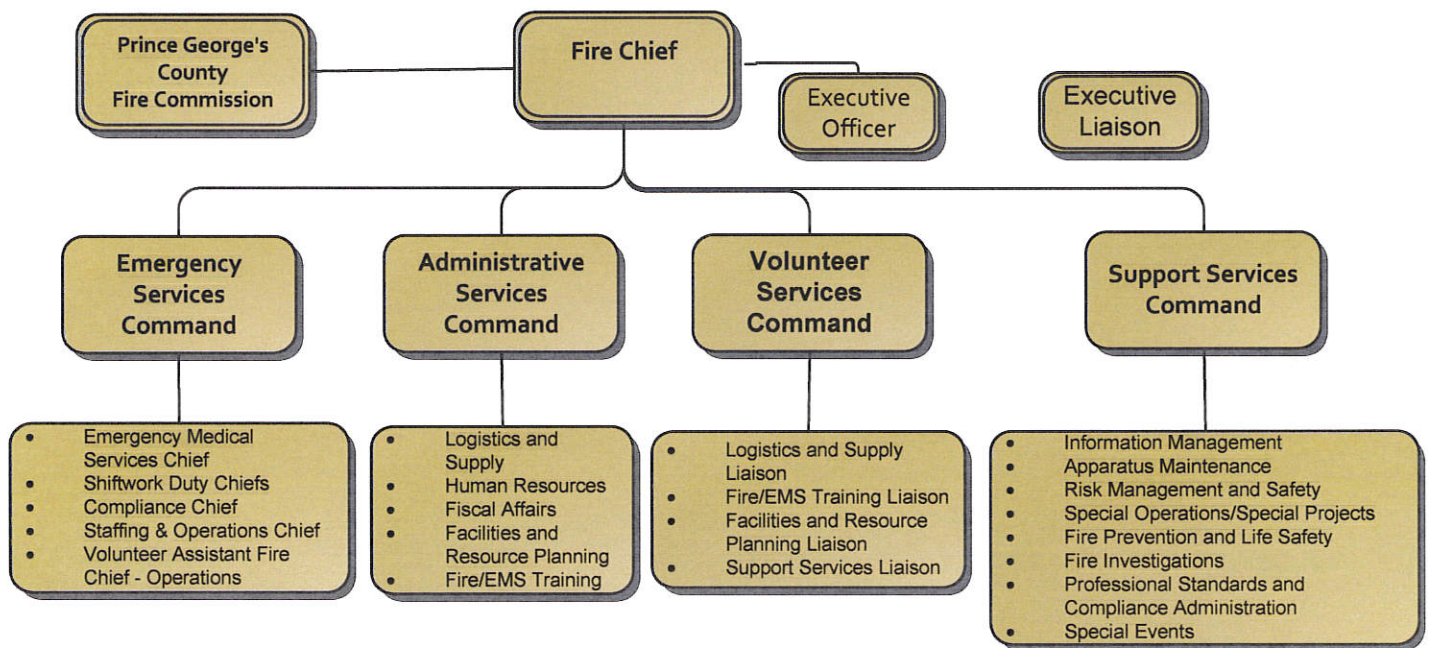
management, special operations, and special events. The Volunteer Services Command coordinates the day-to-day operations of the County's volunteer fire companies.

To ensure the best operational control of its resources deployed throughout the County, the Department is divided into seven community response areas referred to as "battalions". Each battalion operates like a smaller fire department within the Prince George's County Fire/EMS Department, and includes up to seven fire rescue stations. This operational model provides each of the communities we serve with a stronger level of accountability and attention to local needs and issues. Each battalion serves communities in the following areas:

- Battalion One – Capitol Heights, Landover and Largo
- Battalion Two – New Carrollton, Lanham, Bowie and Glenn Dale
- Battalion Three – District Heights, Hillcrest Heights and Forestville
- Battalion Four – Langley Park, Chillum, Brentwood, College Park and Riverdale
- Battalion Five – Accokeek, Camp Springs and Oxon Hill
- Battalion Six – Laurel, Greenbelt, Beltsville, and Berwyn Heights
- Battalion Seven – Upper Marlboro, Clinton and Baden

The busiest service areas are located within Battalions one, three and five. These areas contain the highest population densities and represent approximately sixty percent of the Department's total calls for service.

Below is the Fire/EMS Department's Organizational Chart as of July 26, 2014.



Activities of the Department are regulated by the Fire Safety Law of Prince George's County, Maryland (Subtitle 11 of the Prince George's County Code). The Fire Safety Law also regulates the fees charged by the County for emergency transportation and related services.

The County's EMS operations are also regulated by the State of Maryland. The Maryland Institute for Emergency Medical Services Systems (MIEMSS) is an independent state agency that oversees and coordinates all components of the statewide EMS system, including emergency transport services, in accordance with Maryland statute and regulation.

The Fire/EMS Department's emergency medical response capabilities are structured into two tiers of service – Basic Life Support (BLS) and Advanced Life Support (ALS). Basic Life Support is delivered by the County through a fleet of over forty ambulances, which are staffed and deployed in nearly all of the County's fire/rescue stations. Advanced Life Support is a higher level of emergency medical care delivered primarily by 12 paramedic units strategically deployed throughout the County.

When a citizen calls 9-1-1, the call is routed through a joint emergency dispatch center for police and fire. Vital information such as the type of incident, location, number of people involved, and type of injuries is obtained from the caller. The type of personnel and apparatus needed to provide aid and resolve the incident is determined from this information.

During the audit period, the County transitioned from the previously contracted Advanced Data Processing, Inc. (ADPI) to McKesson (MED3000) to provide emergency medical services billing, effective February 2014. An analysis of both processes is provided in this report.

EMS providers utilize wireless laptops to capture critical patient care data and patients' written consent/signature to bill insurance carriers. The data is then electronically submitted to the applicable billing application allowing transmission of electronic Patient Care Reports (ePCR) and ambulance signature forms to a secure website. This information is used to bill for the transport services provided. The ePCR information is also submitted electronically to the Maryland Institute for Emergency Medical Services Systems (MIEMSS) for State reporting purposes.

The fees authorized to be charged by the County for emergency transport services rendered are as follows:

Type of Transport Service Provided	Fee
Basic Life Support (BLS)	\$500
Advanced Life Support 1 (ALS1)	\$650
Advanced Life Support 2 (ALS2)	\$750
Mileage	\$5 per mile

County residents are not responsible for charges that are not covered by health insurance, Medicare, and/or Medicaid. All other patients are billed for charges not covered by insurance. This soft collection policy does create the risk that patients will choose not to pay their bills, since it is public knowledge that the County will not pursue collections.

Billing Process

Old Vendor – ADPI

The EMS providers documented critical patient care data into the Electronic Patient Care Report (ePCR) immediately after the incident. Wireless electronic tough books were distributed to the EMS providers to capture this information. Providers must also secure the patient's written consent/signature to bill the insurance carrier for transportation services. The billing vendor utilized patient information from TripTix ambulance signature forms to bill appropriately.

New Vendor – MED3000

The EMS provider is responsible for documenting the following critical patient care data into the ePCR immediately after the incident – patient's demographics, reason for service, miles driven, type of service required, and narrative to support the medical necessity of the transport. Wireless electronic tough books are given to the EMS providers to capture this information, which sends the information to a pre-hospital patient care data collection and reporting application called ImageTrend EMS Field-Bridge. The ImageTrend State-Bridge system is used to complete the ePCR and submit the reports to MIEMSS.

At the time of our audit, an interface between the Computer Aided Dispatch (CAD) system and ImageTrend did not exist, forcing the EMS providers to manually input information such as the incident number into the ePCR. Station supervisors are responsible for reviewing transport data within five days of the transport through the State-Bridge (www.mdmeds.com) site before submitting the transport data to the billing vendor.

Revenue Sharing Plan

Once transport data is transmitted to the billing vendor, insurance information is obtained and invoices are generated. Payments from insurance providers and self-pay patients are sent to the County's lockbox and deposits are made daily by Wells Fargo, who operates the lockbox on behalf of the County. Amounts due from a third-party or patient that haven't been collected after 120 days are considered uncollectable.

Effective July 1, 2013, emergency transportation revenues are collected and shared between the County and all volunteer corporations. The shared revenue funds are to supplement and enhance services. These funds are not meant to replace funds normally provided by the County for the daily operations of the volunteer component of the Department.

Collected revenue is shared between the Fire/EMS Department and the Volunteer fire stations as follows:

- Driver Affiliation: 25% of the collected revenue will be distributed to the volunteer corporation if the driver of the unit is a volunteer provider.
- Aid Provider Affiliation: 25% of the collected revenue will be distributed to the volunteer corporation if the primary aid provider is a volunteer provider.
- Unit Ownership: 25% of the collected revenue will be distributed to the owner of the transport unit (either the County or the volunteer station).
- Unit Maintenance: 25% of the collected revenue will be distributed to the volunteer corporation if arrangements have been made with the Apparatus Maintenance Division (AMD) of the Fire/EMS Department to maintain, repair, fuel, and insure the unit independently.

Objective, Scope, & Methodology

The purpose of this audit was to (1) assess the adequacy and performance of designed control activities in place to capture, bill, and collect emergency transportation and related services fees, (2) determine adherence to applicable laws, regulations, and internal policies and procedures, and (3) identify factors inhibiting satisfactory performance and recommend corrective action.

To conduct this audit, we obtained a report of EMS activity from the Computer Aided Dispatch (CAD) system and selected a sample of emergency transport services provided by the County during FY 2013 and FY 2014. For the sample items selected, we reviewed supporting documentation maintained by the

vendor(s) contracted to bill and collect EMS transport fees on behalf of the County. We also selected a sample of fire stations and reviewed logbooks maintained by these stations to ensure that transports made were reported to the billing vendor(s).

In addition, we interviewed Fire/EMS personnel and reviewed operating procedures and other records related to the billing and collection of emergency transport fees. All significant fieldwork for the previous billing vendor was completed by July 31, 2014. Significant fieldwork for the current billing vendor was completed by January 7, 2015.

Management's Responsibility for Internal Controls

Internal control is a process, effected by people at every level of the organization, designed to provide reasonable assurance that the following objectives are being achieved¹:

- Effectiveness and efficiency of operations,
- Reliability of financial reporting, and
- Compliance with applicable laws and regulations.

Management is responsible for establishing and maintaining an environment that sets a positive and supportive attitude towards internal control. When the importance of internal controls is communicated to employees, particularly through management's own actions and beliefs, the process is more likely to function effectively.

A strong internal control environment is essential in minimizing operational risks and improving accountability; this further helps an agency to achieve its mission.

We noted the following strengths in relation to the controls we reviewed in the Fire/EMS Department's process of billing and collecting emergency transportation fees charged by the County:

- Prince George's County Code regulates the fees charged for emergency transportation and related services.
- The State of Maryland regulates EMS operations, including emergency transportation services.
- Written policies and procedures are in place governing the completion of electronic Patient Care Reports (ePCRs) and the billing of emergency transportation fees.

¹ Internal Control – Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission, Copyright 1994

- Responders are provided wireless laptops to enter and transmit incident data and patient's consent to bill insurance carriers at the incident site.
- Payment of emergency transportation fees are received in the County's lockbox and deposits are made daily to an account designated by the County.

We also observed many control weaknesses in the process of billing and collecting emergency transportation fees that require management's attention. The following sections detail the items noted during our review.

All Transports Were Not Captured in Billing System/Incomplete Logbooks

The ambulance logbooks for 10 randomly selected fire/rescue stations in the County were reviewed for the months of October 2012, March 2013, August 2013, and November 2013. Logbook entries for approximately 3,458 emergency transports were reviewed during our visits to the selected stations. An additional 456 entries, 12% of the total reviewed, were identified as emergency transports that had not been reported to the billing vendor by the stations selected for review. Subsequently, attempts to bill and collect fees for these transports were not made.

Furthermore, we noted that the ambulance logbooks maintained by the stations reviewed were not complete. We identified 134 transports (3%) that were submitted electronically to the billing vendor but were not recorded in the corresponding station's ambulance logbook. We also noted several instances where data in the ambulance logbooks (i.e. incident number, transport location, emergency personnel, etc.) were not sufficient to identify the incident and/or how the incident was handled by the station.

According to the Fire/Emergency Medical Services Department General Orders – Division 5 (Emergency Medical Services), Chapter 19 (Emergency Transportation Fee), EMS providers are required to enter pertinent patient information into the electronic Patient Care Report (ePCR) immediately after the incident or as soon as practical. Providers must also secure written consent from the patient to bill insurance carriers for emergency transport services.

The State of Maryland (COMAR 30.03.04.04) also requires the completion of an EMS patient care report for each unit responding to a call within the State and for units providing EMS care or EMS transport.

At the time of our audit, the County utilized Intermedix to capture patient care report information. The ePCR and ambulance signature forms were then integrated into the vendor's billing system and used to bill appropriately for the transport services provided. The ePCR information is also submitted electronically to the Maryland Institute for Emergency Medical Services Systems (MIEMSS) for State reporting purposes.

Proper documentation is also essential to ensure the transparency, continuity, and reliability of public processes. In its publication on standards for internal controls (GAO-14-704G) the Government Accountability Office (GAO) states that management should clearly document *“all transactions and other significant events in a manner that allows the documentation to be readily available for examination.”* Additionally, *“the documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form”* and should be *“properly managed and maintained.”*

In addition, internal control should generally be designed to assure that ongoing monitoring, which includes *“regular management and supervisory activities, comparisons, reconciliations, and other routine actions”*, occurs in the course of normal operations and is performed continually.

Discussions with the Fire/EMS Department’s Fiscal Affairs Division and personnel at the various fire stations selected for review suggested that the non-submission of emergency transports to the vendor’s billing system may have resulted from the EMS providers’ failure to complete the corresponding patient care reports in Intermedix. There are also instances when the system is down leading to a backlog of transports, resulting in untimely entry or no entry at all. However, the exact cause of the differences noted could not be readily determined because the individual stations do not monitor ambulance run data to ensure all calls are accounted for, and subsequently processed and billed. Some of the stations have reported that the resources necessary to monitor this activity, such as online access to ambulance run data, has not been provided to the individual stations.

The lack of a comprehensive records management policy related to the completeness of ambulance logbook records may have resulted in the insufficient ambulance logbook documentation. Furthermore, capturing ambulance run data in a manual format, such as the hardcopy logbooks currently in use, can be more difficult to maintain. The absence of adequate documentation may also be attributed to the lack of management review to ensure completeness of the station ambulance logbooks.

All emergency transports provided by the County may not be reported to the State of Maryland, as required. Lack of compliance could result in a loss of funding under Public Safety Article, §8-103(b)(7), Annotated Code of Maryland, (Amoss Fund) with respect to the Maryland Ambulance Information System. Noncompliance could also result in the County’s inability to secure funding through MIEMSS grants. Additionally, attempts were not made by the vendor to bill and collect emergency transport fees for all transport services provided by the County, thus resulting in a potential loss of revenue allocated specifically for operation and capital expenses related to emergency transportation.

Insufficient documentation also increases the likelihood of errors, thus resulting in more inaccurate records, information, and reports. Sufficient documented policies and procedures for recording emergency transports and maintaining ambulance logbooks can minimize the likelihood of personnel uncertainty in process requirements, thus increasing efficiency in the State reporting process and the County's billing and collection process.

We recommend that the Fire Chief develop, approve, and implement a comprehensive records management policy that addresses the standardization of emergency transport records by establishing requirements for obtaining and retaining information pertinent to the emergency medical services provided. This policy should include:

(1A) Written operating procedures to ensure that comprehensive documentation of emergency transports (i.e. incident number, how incident was handled by the station, general patient statistics, EMS providers, etc.) is maintained by the individual stations. Use of a standard logbook/template to log emergency transport data at the individual stations should provide the County with some assurance that all required information is being captured and that it is being captured in a consistent manner.

(1B) Periodic review by career supervisors and/or volunteer chiefs of transport data (via "read only" access or use of hardcopy reports) and the station logbooks to ensure that emergency transport information is accurate, complete, consistent, and prepared according to Fire/EMS Department standards.

(1C) Periodic review by the individual stations or the Fire/EMS Department of vendor billing reports and the station emergency transport records/reports to ensure that all transport services provided by the County are being captured in the vendor's billing system.

(1D) Where practical, in order to minimize the likelihood of errors, Management should consider automating the stations' emergency transport logbook maintenance and review processes.

Inadequate or Untimely Billing of Emergency Transports

Old Vendor

During the audit of the previous billing vendor we noted that a bill was not generated, as appropriate, for 21 (or 28%) of the 75 transports reviewed for the period between July 1, 2012 and October 31, 2013. Of the 21 instances where bills were not generated, we noted the following:

- The insurance was unknown and patient request letters were sent out, stating “THIS IS NOT A BILL” for eight out of 21 (38%) transports;
- The incident number could not be found in the billing system for six out of 21 (29%) transports;
- Insurance information could not be obtained for the patient for four of the 21 (19%) transports;
- Insurance information was obtained, however an invoice was not shown in the billing system for two of the 21 (10%) transports; and
- One of the 21 (5%) transports reviewed was non-billable by the ambulance unit in our sample; however, the bill should have been generated by the ambulance unit.

Furthermore, we noted the previous vendor’s process of gathering insurance information and generating invoices was not performed in a timely manner (within 5 days of the transport date) for several transports reviewed. Specifically:

- Timely insurance auto sweeps did not occur for 25 of the 75 (33%) transports reviewed;
- Insurance information was not requested from the patient in a timely manner for 19 out of 75 (25%) of the transports reviewed; and
- Invoices were not generated in a timely manner for 23 out of 75 (31%) transports reviewed.

The average number of days for insurance auto sweeps, patient insurance requests, and invoicing for transports are 8, 24, and 20, days respectively.

Patient invoices generated by ADPI were sent out stating “THIS IS NOT A BILL”. The wording on the patient invoice was added by the vendor and was not approved by the Fire/EMS Department.

Also, ADPI was not able to obtain patient insurance information, thus resulting in a lower collection rate. The vendor has a process in place to locate insurance information through various insurance records and databases. However, we noted that this insurance gathering process takes an average of 8 days (based on our sample of transports). Requesting insurance information by patient requests takes an average of 24 days (based on our sample of transports). The high averages in the number of days to obtain insurance information increase the likelihood that bills may not be generated.

It appears that the process of generating a bill (without contacting the patient) occurred 49% of the time, for 25 out of the 51 transports reviewed. Of the 51 ADPI bills generated in our sample, 26 accounts, or 51%, were created after the

vendor initiated contact with the patient through 10-day letters and/or patient invoices.

New Vendor

During the audit of the current billing vendor we noted that a bill was not generated, as appropriate, for 11 (or 28%) of the 40 transports reviewed for the period between February 1, 2014 and August 31, 2014. Of the 11 instances where bills were not generated, we noted the following:

- The patient's name could not be found in the billing system for five of the 11 (45%) transports;
- The patient name was not listed for three of the 11 (27%) transports; and
- No bill generated and written off as an "Ambulance Write-Off Credit" for three of the 11 (27%) transports.

Furthermore, we noted the current vendor's process of gathering insurance information and generating invoices was not performed in a timely manner (within 10 days of the transport date) for 29 out of 32 (91%) of the transports reviewed. The average number of days for the billing process to be initiated for transports was 55 days from the date of transport.

The County has a 5-day hold for MED3000 to pull transports for the purpose of Supervisory review of the transports. The vendor's billing system, EMS Coding, will determine if they have an insurance interface set up with the hospital that the patient was transported to. If not, the patient will be sent a Request For Information (RFI) to obtain the necessary information. If they do have an interface, the process can be held for an additional 18 days while the system searches and attaches the insurance information.

Once 30 days has passed and no insurance is on the account, a statement will be generated for a non-County resident. If the patient is a resident and no insurance is on the account, it will be recorded as an Ambulance Resident Write-Off Credit.

The Requests for Proposal (RFPs) for both vendors state that the "*Contractor shall ascertain insurance information when such information is not provided by the County. The Contractor shall generate and submit claims and invoices to insurance companies, and/or individual payors within five business days of the date the Contactor receives documentation of the transport from the County*".

Also, the County stipulates that "*all standard correspondence (including but not limited to invoices, statements, notices and/or letters) must be pre-approved by the County prior to initial use by the Contractor*".

A lack of oversight by the Fire/EMS Department may have also contributed to bills not being generated. The Department did not appropriately oversee vendor performance or the performance of its own personnel. For example, the EMS transport providers did not always submit the ePCR reports into the billing system (See related NFR #1), which led to bills not being generated.

Inadequate or untimely billing of emergency transports could result in a potential loss of revenue dedicated to maintaining and enhancing emergency medical service in the County.

Although a request for insurance information is presented, if the patient does not have insurance, and the statement “THIS IS NOT A BILL” is included, patients may be less inclined to pay. In addition, the likelihood of collecting emergency transport fee revenue is significantly greater if the vendor authorized to collect these fees on behalf of the County obtains valid insurance information for the patients in a timely manner.

To ensure that the vendor authorized to collect emergency transport fees on behalf of the County is performing services as intended and is in compliance with the requirements outlined in the *Request for Proposals* and the *Emergency Medical Services Billing and Associated Services Agreement*, **we recommend** the following:

(2A) The Fire Chief should implement formal, written policies and procedures clearly setting forth the expectations of the billing vendor.

(2B) The policies and procedures should also include ongoing monitoring by the Fire/EMS Department to ensure vendor’s adherence to specified requirements.

(2C) The vendor should make every effort to strengthen the relationships with the local hospitals to ensure insurance interface.

(2D) The vendor should increase its efforts to obtain missing insurance information.

Inaccurate Distribution of Revenue and Discrepancies in Ambulance Billing

The Fire/EMS Department did not accurately allocate and distribute ambulance billing fee revenue to all of the fire stations in the County. A&I determined that a total of \$305,255 in distributions for FY 2013 had not been allocated to stations that did not participate in the original revenue sharing plan.

In our testing of FY 2013 collections we also noted several discrepancies in the data maintained by the previous ambulance billing vendor, ADPI, as well as data maintained by the Fire/EMS Department. The discrepancies noted are as follows:

- Identified various errors in the affiliation listing including staff with both County and Volunteer affiliations, duplicate staff names (i.e. staff with more than one Volunteer affiliation), difference in spellings for the same stations, and different IDs for same person.
- Identified three errors in the ownership listing as follows: Hyattsville (A801) and Riverdale (A807) are owned by the Station, however the County is listed as the owner of the vehicles. Bowie (A819) lists Glenn Dale as the owner of the unit.
- We identified 270 medics that performed transports in the billing system that were not properly associated with either a volunteer station or the Prince George's County Fire/EMS Department.
- The format of staff names was not consistent between the vendor's billing system and the County's affiliation listing (i.e. first and last name; first name, middle initial, last name; nickname, last name; etc.). We also noted that the vendor's billing system did not capture the middle initial of Fire/EMS staff.
- All medic fields were not complete in the vendor's billing system, thus making it difficult to determine who performed the transport and whether the revenue should be allocated to the County or a volunteer station.
- Review of monthly reconciliation reports prepared by the Fire/EMS Department revealed that collections were overstated by \$607,966 as a result of the Detailed 'Runs' report counting some payments more than once (and as much as four times).

In addition, in our testing of FY 2014 collections we noted several discrepancies in the data maintained by the current ambulance billing vendor, MED3000, as well as data maintained by the Fire/EMS Department. The discrepancies noted are as follows:

- Identified various errors in the affiliation listing including staff with both County and Volunteer affiliations, duplicate staff names (i.e. staff with more than one Volunteer affiliation), difference in spellings for the same stations, and different IDs for same person.
- Unable to identify the station performing the transports. The new billing vendor utilizes the "M Number" which is not associated with specific stations for vehicles that are owned by the County.
- We identified 19,451 transport transactions in the billing system where the medics or drivers that performed the transports were not properly associated with either a volunteer station or the Prince George's County Fire/EMS Department.

- All medic and driver fields were not complete in the vendor's billing system, thus making it difficult to determine who performed the transport and whether the revenue should be allocated to the County or a volunteer station.
- We identified 710 transport transactions that included an invalid vehicle number.
- The billing vendor reported that the residency file used to determine whether patients are County or non-County residents appeared to be incomplete or inaccurate, resulting in the inappropriate determination of patients' residency.

Furthermore, access to the underlying tables in which the transport billing data is maintained (for both billing vendors) was not provided to A&I for review. Reports with some of the information pertinent to this review had to be exported for our analysis, thus contributing to the discrepancies noted above. Pertinent information that may have been available in the underlying tables was not accessible through these reports.

According to the Fire/EMS Department General Order Number 05-19, revenue sharing is applied to emergency transportation fees collected using the Driver Affiliation, Aid Provider Affiliation, Unit Ownership, and Unit Maintenance criteria previously discussed. (See 'Background' section of this report for more information.)

Also, GAO's FISCAM states that procedures should be implemented to reasonably assure the following:

- (1) *All data input is done in a controlled manner,*
- (2) *Data input into the application is complete, accurate, and valid,*
- (3) *Any incorrect information is identified, rejected, and corrected for subsequent processing."*

Additionally, as previously discussed, proper documentation is essential to ensure the transparency, continuity, and reliability of public processes. Internal controls should generally be designed to assure that ongoing monitoring occurs in the course of normal operations.

Delays in implementing the new revenue sharing plan and inadequate input and reporting of ambulance billing data may have resulted in the improper allocation and distribution of ambulance fee revenue to all of the fire stations within the County.

Additionally, the lack of a comprehensive records management policy and lack of training on data collection procedures related to the completeness of electronic Patient Care Reports (ePCRs) may have resulted in the discrepancies noted in the ambulance billing data. The discrepancies in ambulance billing data may also be

attributed to the lack of a quality assurance review to ensure completeness and accuracy of ePCRs.

Furthermore, a data transfer interface between the CAD system (where the transport is initiated) and the Electronic Patient Care reporting system does not exist, requiring critical emergency transport data to be manually entered into the system for State reporting requirements and billing purposes.

As a result, County fire stations are not receiving their share of ambulance billing revenue in a timely manner, which is necessary to supplement or enhance emergency medical services through recruitment and retention support, as well as the purchase/replacement of apparatus and equipment.

The County has minimal assurance that all required information related to emergency medical transports is being captured and that it is being captured in a consistent manner. The increased likelihood of errors has resulted in more inaccurate records, information, and reports. Sufficient documented policies and procedures for recording emergency transports can minimize the likelihood of personnel uncertainty in process requirements, thus increasing efficiency in the County's billing and collection process.

We recommend that the Fire Chief develop and implement a comprehensive records management policy that addresses the standardization of emergency transport records by establishing requirements for obtaining and retaining information pertinent to the emergency medical services provided. This policy should include:

(3A) Written operating procedures to ensure that comprehensive documentation of emergency transports (i.e. incident number, how incident was handled by the station, general patient statistics, EMS providers, etc.) is input into the electronic patient care reports and maintained by all emergency medical personnel.

(3B) Periodic review by career supervisors and/or volunteer chiefs of electronic patient care reports and the station logbooks to ensure that emergency transport information is accurate, complete, consistent, and prepared according to Fire/EMS Department standards.

(3C) Periodic review by the individual stations or the Fire/EMS Department of vendor billing reports and the station emergency transport records/reports to ensure that all transport services provided by the County are being captured in the vendor's billing system.

We also recommend that the Fire Chief consider implementing, where practical, additional information technology controls in the existing systems to ensure the Department's data is properly safeguarded, and that processing of this data is

complete, accurate, properly authorized, and valid. Information technology controls should be strengthened to include:

(3D) Data Exchange/CAD Interface to minimize manual input of critical emergency transport data to the electronic patient reporting system from which the billing vendor downloads information.

(3E) Data validation controls to ensure the accuracy, completeness, and consistency of data that are input and maintained.

Lack of Supervisory Review of Transports

During the review, we discovered that the Supervisors of the Fire/EMS Department did not review the electronic Patient Care Reports (ePCR) within the 5 day review period for 7 of the 8 (88%) transports reviewed. Note, only eight out of our sample of 40 transports were eligible for review since training for supervisory access to the State-Bridge website did not begin until July 2014.

Many errors were noted on these reports, including:

- Misspelled patient names;
- Invalid incident numbers;
- Medic name and/or number was not listed; and
- No patient name listed.

According to the Government Accountability Office (GAO), its publication on standards for internal controls (GAO-14-704G) states that ongoing monitoring should be performed continually and includes “*regular management and supervisory activities, comparisons, reconciliations, and other routine actions.*”

Also, an Inter-Office Memorandum, “Supervisor Expectations on reviewing eMEDS Reports”, which is provided to staff during training on patient care reporting, outlines the information Supervisors need to review to achieve the goal of 100% compliance on completed reports.

In July 2014, the Fire/EMS Department began training their station supervisors to grant them special access to the State-Bridge website where they are able to review the ePCR from their respective stations in a five day window. This process is to ensure accuracy, make corrections, and expedite the billing process. All stations (volunteer and career) were afforded the opportunity to attend this training and as of 2/11/15, all but three supervisors have completed the necessary training to review the reports.

Although the Fire/EMS Department has written procedures that detail the Supervisor’s responsibilities pertaining to transports being reviewed prior to

submittal to the State-Bridge website, the written procedures do not state that reports should be reviewed within a specified time frame (5-days). Additionally, no discipline is attached to not completing the review task or properly reviewing the correct fields.

The ePCR is the foundation of the billing process and accurate data is the key to a smooth, fast billing procedure. If a transport begins with inaccurate data, the likelihood of receiving payment is reduced. An ePCR that is inaccurate or incomplete can lead to the following:

- Non-payment to the County;
- A decrease in revenue;
- Erroneous data in the system;
- Inaccurate revenue split; and
- Inability to recognize trends and track accurate data/statistics.

(4) We recommend that the Fire Chief develop and implement a written policy or set of guidelines making it mandatory for ALL transports to be reviewed by the Supervisors at each station within the 5-day review window. The policy should include:

- A standard checklist identifying the fields on the ePCR that should be verified for accuracy prior to submittal to the State-Bridge;
- Requirements for prompt resolution of errors identified in the review process; and
- Guidelines that clearly state the disciplinary action for Supervisors that fail to properly review their station's transports and personnel with a consistent pattern of violating documentation requirements.

Inadequate Collection Efforts

During our testing of ambulance billing data provided by the billing vendors we noted that the County received only 27% (\$14.2 million) and 23% (\$7.8 million) of transport fees billed for FY 2013 and FY 2014 respectively. Furthermore, we noted a significant decrease, \$4.9 million or 40%, in total revenue for FY 2014 compared to FY 2013. Our detailed testing of a sample of transports for each fiscal year revealed the following:

Old Vendor

For 39%, or 20 of the 51 transports in our sample where a bill was generated by the vendor, no payment was provided to the County.

Of the accounts where payments were not received, we noted the following:

- Claims were rejected by the insurance company for nine of the 51, or 18%, of the transports reviewed; and
- The patient did not pay or sign the insurance claim form, as necessary, authorizing the Fire/EMS Department to bill for the claim, for eleven out of 51, or 22%, of the transports reviewed.

We noted also that the vendor does not appear to be consistent with sending out reminder letters to patients and/or insurance companies to ensure amounts due are collected. For the 20 accounts identified without payment, reminder letters were sent as follows:

- Reminder letters were not sent for 5 of the unpaid accounts (25%);
- One 10-Day Letter Requesting Insurance Info was sent for 12 of the unpaid accounts (60%)
- Two 10-Day Letters Requesting Insurance Info were sent for 2 unpaid accounts (10%); and
- Three 10-Day Letters were sent for the remaining 2 unpaid accounts (5%).

The vendor cannot be accountable for the claims that may be rejected by the insurance company, nor can they control whether the patient responds as needed by paying the bill or completing the necessary documents for payments to be paid by the insurance company. However, when claims were rejected or the patient didn't pay or sign necessary insurance claim forms, there were instances when either invoices or reminders were not sent to the patient. The notices should have been sent on a monthly basis as the RFP requires for the collection of unpaid balances. For the accounts with unknown insurance, once the vendor was aware that insurance could not be determined, a patient invoice was never sent, resulting in unpaid transports.

Additionally, the notable amount of accounts that were left unpaid may be due the lack of approval from the County in regards to the wording stated on Patient invoices/10-day letters. The cover page states "THIS IS NOT A BILL". Also, the end of the invoice reads "If you have insurance, please complete and sign the back of this form, and return to us". Although the opportunity to submit insurance information is presented, if the patient does not have insurance the patient is less likely to make a payment for the transport which occurred if it appears that they are not being billed.

New Vendor

For 63%, or 25 of the 40 transports in our sample, NO payment was provided to the County. Of the accounts where payments were not received, we noted the following:

- Insurance information was not obtained for 44%, or 11 of the 25 patients;

- Patient name was not found in the system for 20%, or 5 of the 25 patients; and
- No name listed to search occurred for 12%, or 3 of the 25 transports.

As previously discussed, we noted that the current vendor did not generate bills in a timely manner (See related finding ‘Inadequate or Untimely Billing of Emergency Transports’). Given that the current vendor does not pursue insurance after 30 days and the lack of insurance interfaces with local hospitals, the likelihood of receiving payments decreases.

The lack of an interface between the Computer Aided Dispatch (CAD) and the new billing vendor resulted in the manual input of electronic Patient Care Reports (ePCRs) (See related finding ‘Inaccurate Distribution of Revenue and Discrepancies in Ambulance Billing’) and an increased chance of errors on the report. We were unable to locate eight transports in our audit sample as a result of this issue. An interface with CAD would eliminate this issue and more transports will make it to the billing system.

According to the County’s Request for Proposals (RFP) for emergency medical services billing and associated services, the “*contractor shall be responsible for the billing... for emergency services rendered to patients using the established County fee schedule*”. The contractor is expected to “*put forth the efforts to collect payments from 100% of persons invoiced for services rendered*”. However, the vendor agreement does not indicate the expected rate of billing with respect to the number of transports provided by the County (or the amount of revenue to be collected with respect to the amount billed).

The RFP also states “*the contractor shall issue reminder notices on any accounts with an unpaid balance aged at 30, 60, 90 and 120 calendar days after the date of initial action, unless specifically directed otherwise by the County’s Authorized Representative in writing*”. Also “*all standard correspondence (including but not limited to invoices, statements, notices and/or letters) must be pre-approved by the County prior to initial use by Contractor*”.

Montgomery County’s collection rate, in comparison, was approximately 60% for FY 2014. The EMS Reimbursement Manager for Montgomery County reported revenue collections of approximately \$22.8 million for FY 2014, the first full fiscal year of ambulance billing for that County.

Inadequate vendor performance and the lack of approval from the County for an appropriate invoice used may have resulted in the loss of revenue dedicated to maintaining and enhancing emergency medical service to the County.

The likelihood of collecting emergency transport fee revenue is significantly greater if the vendor authorized to collect these fees on behalf of the County bills

for all emergency transports that occur and sends monthly reminder notices, as required by the RFP, for accounts with unpaid balances.

Also, the County is more likely to receive collections if a more appropriate bill and reminder notice is prepared, approved, and utilized when collections are being pursued for each account.

To ensure that the vendor contracted to collect emergency transport fees on behalf of the County is performing services as intended and is in compliance with the requirements outlined in the Request for Proposal, **we recommend** the following:

(5A) The Fire Chief should implement formal, written policies and procedures clearly setting forth the expectations of the vendor's collection efforts, including the minimum acceptable collection rate.

(5B) The policies and procedures should also include ongoing monitoring by the Fire/EMS Department to ensure the vendor's adherence to specified requirements.

(5C) Along with monitoring, the Fire Chief should ensure approval of all documents utilized by the vendor for collections during the emergency billing process.

Open Accounts Not Appropriately Written Off

Old Vendor

During our audit we identified 9 out of the 75 accounts reviewed (12%) remained open (were not written off) more than 365 days after the billing process was initiated. (Note: Account status was determined as of February 25, 2014).

In some instances reminder notices were sent by the previous billing vendor or a payment was received from a primary insurance company, with the balance billed to a secondary insurance company.

Detailed write-off procedures are important to ensure that the vendor appropriately writes-off accounts deemed uncollectible by the County without forsaking potential revenue. The Fire/EMS' write-off policy states that "any account written off as uncollectible should be off 'the books' and/or A/R list no longer than the standard submission time offered by Medicare". According to The Official U.S. Government Site for Medicare, the standard submission time for filing a claim is "no later than 12 months (or 1 full calendar year) after the date when the services were provided".

The Request for Proposal (RFP) requires the vendor to send reminder notices for all accounts with unpaid balances aged at 30, 60, 90, and 120 calendar days after

the incident. The Fire/EMS Department also has a write-off policy in place for uncollectible accounts which states, “the billing vendor is to make three written attempts at collecting a balance before writing off an account as uncollectible”.

The Fire/EMS Department provided the vendor with a written policy outlining the criteria that should be used when accounts should be written off; however, the timing of write-offs of uncollectible accounts is not specified in the written policy. Additionally, the timing of the three written statements (as a follow up/reminder after the initial bill) attempting to collect the balance is not specified in the policy. Also, the Fire/EMS Department commented that some accounts may remain open more than 365 days if involved in litigation.

We were not able to determine the reason the old billing vendor did not consistently apply the reminder notice requirements outlined in the RFP for accounts with unpaid balances.

New Vendor

During our audit, we identified 12 out of the 32 accounts reviewed (38%) remained open (were not written off) more than 120 days after the billing process was initiated or after a payment was made. (Note: Account status was determined as of January 7, 2015).

Payments were not collected for 9 of the 12 accounts identified as not written-off. Of these, multiple statements were sent to each patient or an insurance claim was filed.

According to the contract between the County and Med3000, “Amounts due from a third-party or patient, that have not been collected... and that have aged greater than 120 days, will be considered uncollectable. Contractor will provide pertinent demographic and transactional detail to the County identifying uncollectable accounts monthly. Unless otherwise instructed by the client, Contractor will write-off the identified accounts as bad debt and will cease collection efforts associated with those accounts”.

According to the billing vendor, the write-offs were not “turned on” in the billing system until December 2014 to allow sufficient time for the hospitals to set up their insurance interfacing with the billing vendor. The billing vendor reported that the write-off policy is now in place and currently running at the end of every month.

However, A&I noted three sample transports in our testing that were “written-off” using the Ambulance Write-Off credit prior to December 2014. The write off testing was performed as of 1/7/15; additional testing was not performed after this date, therefore A&I was not able to verify that this system is in place and currently working as reported by the billing vendor.

If the billing vendors do not adhere to the County's write off policy and a significant number of uncollectible accounts remain open, the total amount of outstanding ambulance transports fees may not be accurately reported. Furthermore, when reminder notices are not sent out as required in the RFP, accounts over the number of days outlined in the County's write off policy are seemingly eligible to remain open and are not written off. Additionally, collection efforts may be spent pursuing accounts that are not likely to be collected.

Without specific written procedures, the application of the County's criteria for the write off of uncollected ambulance transport fees may not be consistently applied on all accounts.

To ensure that vendor efforts are focused on pursuing accounts that are more likely to be collected, **we recommend** that the Fire Chief approve and implement formal, written policies and procedures clearly establishing the criteria for writing-off uncollectible accounts, including:

- (6A) An established timeline for sending reminders to patients and insurance companies (i.e. 30, 60, 90, and 120 calendar days);
- (6B) The maximum time accounts should remain open before being deemed uncollectible and written off as bad debt; and
- (6C) Ongoing monitoring by the Fire/EMS Department to ensure vendor's adherence to specified requirements.

Lack of Reconciliation of Collections

During our review we noted that emergency transport collection activity reported by the previous vendor did not agree with the revenue recorded in the County's financial system for the same period. FY 2013 revenue was understated in the financial system by approximately \$788,943.93 compared to the net collections reported by the vendor. FY 2014 revenue was overstated in the financial system by approximately \$71,370.68 compared to the net collections reported by the vendor.

We also noted that emergency transport collection activity reported by the current vendor did not agree with the revenue recorded in the County's financial system for the same period. FY 2015 (first quarter) revenue was overstated in the financial system by approximately \$53,815.07 compared to the net collections reported by the ambulance billing vendors.

Regular reconciliation of data reported by the billing vendor to the data in the County's financial system is not being performed by the agency.

The Government Accountability Office (GAO) in its publication on standards for internal controls (GAO-14-704G) states that ongoing monitoring should be performed continually and includes "regular management and supervisory activities, comparisons, reconciliations, and other routine actions."

Some of the difference noted may be attributed to the timing of refunds issued and the recording of those refunds in the financial system. Fiscal Affairs mentioned that revenues (EFT) from other agencies were being deposited into their account. However, the exact cause of the differences noted could not be readily determined since supporting documentation to support the vendor's invoices was not provided during our review and reconciliation of the vendor's revenue data to the amount recorded in the County's financial system is not performed by the Fire/EMS Department.

Lack of periodic reconciliation of the emergency transport fees reported by the billing vendor to the amount of emergency transport revenue recorded in the County's financial system may cause errors or irregularities within the billing, collection, and recording process to go undetected, thus resulting in inaccurate records, information, and reports.

Additionally, if inaccurate reports are generated by the vendor and/or the County's financial system, the quality of management decisions made using these reports will be affected.

(7) To ensure that emergency transport fee collection activity reported by the billing vendor is accurate, **we recommend** that the Fire/EMS Department enforce the General Orders in place regarding reconciliation of billing vendor statements to the County's financial system including:

- Reconciliation of collections reported by the billing vendor on its invoices to the amount deposited with the bank (and subsequently recorded in the financial system);
- Reconciliation of refund activity reported by the billing vendor on its invoices to the refund activity recorded in the County's financial system; and
- Prompt review and resolution of variances identified during the reconciliation process.

Inadequate Documentation and Untimely Posting of Payments to the Ambulance Billing System

Old Vendor

During our audit testing, we noted supporting documentation for 12 deposits did not agree to the deposits posted in the County's bank account. The total amount recorded in the County's Financial System is \$2,064,557 more than total amount recorded per the vendor documentation provided.

Additionally, there were five payments made to the vendor that were not posted in the vendor's billing system in a timely manner. The total amount of check payments that were not posted in a timely manner (within 7 days of receipt) was \$110,893.

New Vendor

During our audit testing, we noted supporting documentation for four deposits (per vendor checks) did not agree to the deposits posted in the County's bank account. The total amount recorded in the County's Financial System is \$11,188 more than the total amount recorded per the vendor documentation provided.

Additionally, there were eight payments made to the vendor that were not posted in the vendor's billing system in a timely manner. The total amount of check payments that were not posted in a timely manner (within 7 days of receipt) was \$108,394.

Furthermore, payments that were received by MED3000 for invoices processed by the previous billing vendor could not be properly posted and allocated by the Fire/EMS Department.

The payment and deposit amounts did not agree because adequate documentation to support the bank deposits was not provided by the vendors. The vendors did not provide all check payments made for each date selected for testing. Furthermore, while supporting documents are scanned and available to the new billing vendor (MED3000) online, A&I was informed by a Wells Fargo representative that hardcopies of all supporting documentation continued to be mailed to the old billing vendor (ADPI).

Additionally, there was a lack of oversight by the Fire/EMS Department since it did not provide the vendors with a written policy regarding the timeliness in which payments must be posted in the billing system.

Adequate documentation and records are used in supporting general business transactions. The Government Accountability Office (GAO) states in its

publication for internal controls (GAO-14-704G) that Management should clearly document:

“internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals and may be in paper or electronic form.” Furthermore, documentation and records should be properly managed and maintained.

All payments made should be recorded and posted in the billing system in a timely manner. The County’s Request for Proposal (RFP) requires “receipts to be recorded and reconciled not less frequently than weekly” by the vendor.

Insufficient documentation decreases the level of accountability and increases the likelihood of errors, thus resulting in inaccurate records, information, and reports. Lack of documentation can also decrease the amount of evidence available if a question or dispute arises about specific receipt transactions.

Untimely posting of payments may result in an over statement of accounts outstanding and the vendor may continue collection efforts even if payments have already been received. Sufficient documented policies related to the timeliness of posting payments into the vendor’s billing system can minimize the likelihood of employee uncertainty in process requirements, thus increasing efficiency in the overall process.

To ensure that emergency transport fee payment and deposit activity reported by the billing vendor is accurate, **we recommend** the following:

(8A) The Fire Chief should ensure adequate supporting documentation for all transactions, including deposits received and processed by the vendor, is maintained.

(8B) The Fire Chief should establish, approve, and implement formal, written requirements regarding the timeliness in which payments must be posted into the vendor’s billing system.

(8C) The Fire Chief should maintain oversight of all formal and written requirements and policies established.

County Residents Improperly Billed

The current ambulance billing vendor, MED3000 wrongfully billed County residents in 5 of 18 (28%) of the refunds tested in our audit. These County residents were mailed statements/bills even though their insurance companies received claims filed on their behalf and/or a payment was made.

Although most of these patients were refunded in full, three County patients were refunded an amount less than the amount they initially paid. Hence, these patients were held responsible for a portion of the transport fee.

According to the Prince George's County Fire/Emergency Medical Services Department General Orders- Division 5, Chapter 19 states that "*any insurance payment received from a County resident will be considered payment in full.*" Patients who reside outside the County are billed for charges not recovered by insurance.

Formal written guidelines that outline the policy of billing County patients do not appear to be applied consistently. In addition, the vendor reported that the residency file obtained from the County to determine residency on patients appears to be incomplete or inaccurate. If the patient's address is not included in the file the patient will be marked as a non-resident.

Lack of formal written guidelines could result in inconsistencies in billing to County residents.

(9) We recommend that the Fire Chief establish written policies and procedures related to the billing of County residents, communicate the procedures to the billing vendor, and ensure that the data files provided to the vendor to determine County residency is accurate and complete.



THE PRINCE GEORGE'S COUNTY GOVERNMENT

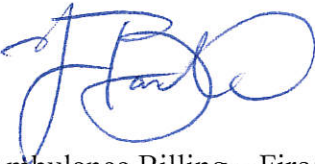
Fire/EMS Department Headquarters

Office of the Fire Chief



July 17, 2015

TO: David H. Van Dyke
County Auditor

FROM: Marc S. Bashoor 
Fire Chief

RE: Audit Report – Ambulance Billing – Fire/EMS Department

I have reviewed the draft of your final audit report on the Fire/EMS Department's Ambulance Billing and Collection Process.

Attached you will find responses to the recommendations identified in your report which outline what actions the Department has taken to date and what actions the Department plans to take, along with an associated timeframe.

If you have any questions or need additional information, please do not hesitate to contact me.

MSB/JEM/vlw

2015.07.17 Memo to DHVanDyke County Auditor – Audit Report Ambulance Billing

Attachment

Copy to: Nicholas A. Majett, Chief Administrative Officer
Barry L. Stanton, Deputy Chief Administrative Officer, Public Safety
Turkeesa Green, Audit Manager, Office of Audits and Investigations
James E. McClelland, Sr., Deputy Fire Chief, Volunteer Services Command
Corey A. Smedley, Deputy Fire Chief, Administrative Services Command
Julian R. Tucker, Chairman, Prince George's County Fire Commission
Charles W. Walker, President, Prince George's County Volunteer Fire
and Rescue Association



RESPONSES TO RECOMMENDATIONS

RECOMMENDATIONS

We recommend that the Fire Chief develop, approve, and implement a comprehensive records management policy that addresses the standardization of emergency transport records by establishing requirements for obtaining and retaining information pertinent to the emergency medical services provided. This policy should include:

(1A) Written procedures to ensure that comprehensive documentation of emergency transports (i.e. incident number, how incident was handled by the station, general patient statistics, EMS providers, etc.) is maintained by the individual stations. Use of a standard logbook/template to log emergency transport data at the individual stations should provide the County with some assurance that all required information is being captured and that it is being captured in a consistent manner.

(1B) Periodic review by career supervisors and/or volunteer chiefs of transport data (via “read only” access or use of hardcopy reports) and the station logbooks to ensure that emergency transport information is accurate, complete, consistent, and prepared according to Fire/EMS Department standards.

(1C) Periodic review by the individual stations or the Fire/EMS Department of vendor billing reports and the station emergency transport records/reports to ensure that all transport services provided by the County are being captured in the vendor’s billing system.

RESPONSES

(1A) *General Order 03-15: Electronic Patient Care Reporting* provides guidelines and indications to initiate Electronic Patient Care Reports (ePCRs) for all EMS related responses, as required by COMAR 30.03.04.04.

General Order 05-01: Emergency Medical Service Operations, identifies 13 phases of an EMS response. Phase 12 – Documentation/Data Collection, designates each provider with the responsibility to ensure an ePCR is completed with oversight responsibilities designated to Station Officers and Volunteer Chiefs.

These requirements are already in place and are now being monitored and strictly enforced. The Fire Chief issued a letter dated 02/25/15 reinforcing the need for compliance and announcing a zero-tolerance policy.

(1B) Mass training of career supervisors has been completed and steps have been established to train new supervisors at/around the time of promotion/acting assignment. The training encompasses supervisory surveillance of ePCRs and allows additional accesses that the general provider is not generally privy to.

All employees and members have been placed on notice that failure to complete ePCRs will result in an enhanced disciplinary intervention, to include disciplinary measures for

RECOMMENDATIONS

(1D) Where practical, in order to minimize the likelihood of errors, Management should consider automating the stations' emergency transport logbook maintenance and review processes.

RESPONSES

supervisors who fail to ensure compliance. Steps are currently in place to add compliance criteria to each individual's job description which will allow poor performance to be addressed in each provider's performance appraisals.

An additional surveillance tool, First Watch, is now in place which offers supervisors and managers the ability to detect when an ePCR has not been completed after the emergency incident has been closed out for a period of greater than one hour. All supervisors have been given access and a tutorial for First Watch.

Finally, extra steps have been taken to provide both Career and Volunteer management daily, bi-weekly and monthly reports of outstanding ePCRs. The reports are used to focus on the reports missing due to poor data input along with those missing because of provider failure to initiate.

(1C) The Fire/EMS Department is currently exploring the feasibility of allowing individual stations to review the billing reports. Determining the feasibility of this recommendation is expected to be completed in 2015.

(1D) There are no current plans to move forward with any type of automation of each station's emergency transport log book. First Watch surveillance activities have been successful in reducing the number of missing ePCRs by approximately 80%. The cost to research, test, and purchase a new software system that could be used Department-wide is cost prohibitive at this time. However, the department is working with the Public Safety Technology Workgroup through our Information Management Division (IMD) to explore future opportunities.

RECOMMENDATIONS

To ensure that the vendor authorized to collect emergency transport fees on behalf of the County is performing services as intended and is in compliance with the requirements outlined in the *Request for Proposals* and the *Emergency Medical Services Billing and Associated Services Agreement*, **we recommend** the following:

(2A) The Fire Chief should implement formal, written policies and procedures clearly setting forth the expectations of the billing vendor.

(2B) The policies and procedures should also include ongoing monitoring by the Fire/EMS Department to ensure vendor's adherence to specified requirements.

(2C) The vendor should make every effort to strengthen the relationships with the local hospitals to ensure insurance interface.

(2D) The vendor should increase its efforts to obtain missing insurance information.

RESPONSES

(2A) The billing vendor's responsibilities are outlined within the current Billing and Associated Services Agreement signed by the Deputy Chief Administrative Officer for Public Safety on 02-19-15. Attachment A of the Agreement, entitled 'Scope of Work/Operational Policies' outlines the contractually agreed upon duties of the vendor.

(2B) Steps are underway to provide better oversight of the billing contract. The Fire/EMS Department plans to move the responsibility for the monitoring of the vendor's contract compliance from the Emergency Services Command to the Administrative Services Command within the next 30 days.

(2C) (2D) The vendor has increased their efforts to strengthen relationships with local hospitals and increase missing insurance information. Unfortunately, issues beyond the vendor's control (i.e. resistant from hospital administrators, hospital budget constraints, etc.) have made obtaining interfaces and information difficult and sometimes causes delays. To date, the vendor has established approximately 80% of the primary hospital's interface. It is anticipated that within the next six months, the remaining hospital's interface will be accomplished. Until all interfaces have been established, the department will experience minor delays with information sharing.

RECOMMENDATIONS

We recommend that the Fire Chief develop and implement a comprehensive records management policy that addresses the standardization of emergency transport records by establishing requirements for obtaining and retaining information pertinent to the emergency medical services provided. This policy should include:

(3A) Written operating procedures to ensure that comprehensive documentation of emergency transports (i.e. incident number, how incident was handled by the station, general patient statistics, EMS providers, etc.) is input into the electronic patient care reports and maintained by all emergency medical personnel.

(3B) Periodic review by career supervisors and/or volunteer chiefs of electronic patient care reports and the station logbooks to ensure that emergency transport information is accurate, complete, consistent, and prepared according to Fire/EMS Department standards.

(3C) Periodic review by the individual stations or the Fire/EMS Department of vendor billing reports and the station emergency transport records/reports to ensure that all transport services provided by the County are being captured in the vendor's billing system.

RESPONSES

(3A) As stated in response (1A), procedures are already in place to ensure standardized operating procedures are being followed regarding documentation of patient care.

Documentation of patient care into the eMEDs system allows management to run various reports and queries which would increase the ability to bill and improve overall quality assurance.

(3B) As stated in response (1B) periodic review is currently in place by supervisors and managers utilizing First Watch as a surveillance tool to facilitate this oversight. Supervisors also have supervisory access to eMEDs which allows additional surveillance via specific filters and specific search criteria entry.

(3C) As stated in response (1C), the Fire/EMS Department is currently exploring the feasibility of allowing individual stations to review the billing reports.

RECOMMENDATIONS

We also recommend that the Fire Chief consider implementing, where practical, additional information technology controls in the existing systems to ensure the Department's data is properly safeguarded, and that processing of this data is complete, accurate, properly authorized, and valid. Information technology controls should be strengthened to include:

(3D) Data Exchange/CAD Interface to minimize manual input of critical emergency transport data to the electronic patient reporting system from which the billing vendor downloads information.

(3E) Data validation controls to ensure the accuracy, completeness, and consistency of data that are input and maintained.

RESPONSES

(3D) The Fire/EMS Department is close to achieving CAD interface. It is anticipated that CAD interface will be achieved in fiscal year 2016, when the new CAD system comes online.

(3E) Additional steps are in progress in developing additional surveillance criteria within First Watch which will allow a quick quality assurance review which will allow supervisors to quickly address reports which fail to meet appropriate documentation criteria, which may affect billing. Currently, four Quality Assurance personnel review ePCRs and address inadequate documentation by providers. Due to the volume of ePCRs generated by the Department, all ePCRs cannot be reviewed. Additional surveillance criteria by First Watch would allow more management personnel to ensure data validation control, thus increasing the ability to bill.

RECOMMENDATIONS

(4) **We recommend** that the Fire Chief develop and implement a written policy or set of guidelines making it mandatory for ALL transports to be reviewed by the Supervisors at each station within the 5-day review window. The policy should include:

- A standard checklist identifying the fields on the ePCR that should be verified for accuracy prior to submittal to the State-Bridge;
- Requirements for prompt resolution of errors identified in the review process; and
- Guidelines that clearly state the disciplinary action for Supervisors that fail to properly review their station's transports and personnel with a consistent pattern of violating documentation requirements.

RESPONSES

(4) Requiring all supervisors to review ePCR reports for accuracy is now in place. Currently, First Watch generates a report each morning listing missing or incomplete ePCR reports. Supervisors have until their next shift (4 days) to resolve them. Within the next 30 days, we hope to be able to produce this report in 8 hour intervals to allow reports to be resolved before the end of the shift. The Department is currently Beta testing this in First Watch.

General Order 5-19: Emergency Transport Fee clearly establishes specific fields on the ePCR that must be completed to facilitate billing. These fields include:

- Patient Name
- Date of Birth
- Social Security Number
- Home Address
- Home Phone

Employees and members are required to accurately obtain this information or be subject to disciplinary action.

A standard checklist is not required as *General Order 5-19* clearly identifies the fields on the ePCR that must be completed by the providers and can be used by both the providers and the supervisors reviewing the ePCRs.

Guidelines for disciplinary action are already in place. The current Departmental Disciplinary Matrix has designated disciplinary action for failure to complete ePCRs. Additional guidelines were established by the Fire Chief placing enhanced responsibilities on supervisors and managers and which outline disciplinary intervention aimed towards the supervisors for failure to ensure ePCRs are completed within the required time frames.

RECOMMENDATIONS

To ensure that the vendor contracted to collect emergency fees on behalf of the County is performing services as intended and as in compliance with the requirements outlined in the Request for Proposal, **we recommend** the following:

(5A) The Fire Chief should implement formal, written policies and procedures clearly setting forth the expectations of the vendor's collection efforts, including the minimum acceptable collection rate.

(5B) The policies and procedures should also include ongoing monitoring by the Fire/EMS Department to ensure the vendor's adherence to specified requirements.

(5C) Along with monitoring, the Fire Chief should ensure approval of all documents utilized by the vendor for collections during the emergency billing process.

RESPONSES

(5A) The billing vendor's responsibilities are outlined within the current Billing and Associated Services Agreement signed by the Deputy Chief Administrative Officer for Public Safety on 02-19-15. Collection rates are not guaranteed; thus setting a minimum acceptable collection rate is not possible. One major factor which prohibits the vendor's ability to collect includes the large number of uninsured patients that the Department encounters. However, with increased monitoring/enforcement of ePCR compliance and oversight of the billing vendor, the Fire/EMS Department will be able to maximize collections to the extent possible.

(5B) (5C) Steps are under development to provide ongoing monitoring by the Fire/EMS Department to ensure the vendor adheres to specific requirements as outlined in the Scope of Work/Operational Policies. As part of these steps, a review of current documents used by the vendor will be performed.

RECOMMENDATIONS

To ensure that vendor efforts are focused on pursuing accounts that are more likely to be collected, **we recommend** that the Fire Chief approve and implement formal, written policies and procedures clearly establishing the criteria for writing-off uncollectible accounts, including:

(6A) An established timeline for sending reminders to patients and insurance companies (i.e. 30, 60, 90 and 120 calendar days);

(6B) The maximum time accounts should remain open before being deemed uncollectible and written off as bad debt; and

(6C) Ongoing monitoring by the Fire/EMS Department to ensure vendor's adherence to specified requirements.

RESPONSES

(6A)(6B)(6C) Steps are under development to provide ongoing monitoring by the Fire/EMS Department to ensure the vendor adheres to specific requirements as outlined in the Scope of Work/Operational Policies. As part of these steps, a review of established time frames and the current write off policy performed by the vendor will be reviewed within 30 to 60 days.

RECOMMENDATIONS

(7) To ensure that emergency transport fee collection activity reported by the billing vendor is accurate, **we recommend** that the Fire/EMS Department enforce the General Orders in place regarding reconciliation of billing vendor statements to the County's financial system including:

- Reconciliation of collections reported by the billing vendor on its invoices to the amount deposited with the bank (and subsequently recorded in the financial system);
- Reconciliation of the refund activity reported by the billing vendor on its invoices to the refund activity recorded in the County's financial system; and
- Prompt review and resolution of variances identified during the reconciliation process.

RESPONSES

(7) Reconciliation of collections reported by the billing vendor on its invoices to the amount deposited with the bank (and subsequently recorded in the financial system) will require full access to the Wells Fargo lockbox records by the Department's Fiscal Affairs unit. Staff will then be able to compare payments on each active vendor account with deposit logs on the Wells Fargo bank statements.

Reconciliation of the refund activity reported by the billing vendor on its invoices to the refund activity recorded in the County's financial system will require Fiscal Affairs staff to compare the account records located in the billing vendor's database. Fiscal Affairs has some access to the vendor's database.

Prompt reviews and resolutions are attainable if the requirements above are met. However, this may be impacted by current staffing levels.

RECOMMENDATIONS

To ensure that emergency transport fee payment and deposit activity reported by the billing vendor is accurate, **we recommend** the following:

- (8A)** The Fire Chief should ensure adequate supporting documentation for all transactions, including deposits received and processed by the vendor, is maintained.
- (8B)** The Fire Chief should establish, approve, and implement formal, written requirements regarding the timelines in which payments must be posted into the vendor's billing system.
- (8C)** The Fire Chief should maintain oversight of all formal and written requirements and policies established.

RESPONSES

(8A) (8B) (8C) All major policy decisions and General Orders are currently distributed under the Fire Chief's signature.

General Order 5-19: Emergency Transportation Fee identifies the policy for billing County residents. Any insurance payment received from a County resident is considered payment in full. The County does not "balance bill" for additional co-payments or deductibles.

The Fire/EMS Department will reinforce all requirements in a letter to the billing vendor within 30 days.

RECOMMENDATIONS

(9) **We recommend** that the Fire Chief establish written policies and procedures related to the billing of County residents, communicate the procedures to the billing vendor, and ensure that the data files provided to the vendor to determine County residency is accurate and complete.

RESPONSES

(9) Currently all policies and procedures related to ambulance billing are covered in various General Orders and in the Billing and Associated Services Agreement signed by the Deputy Chief Administrative Officer for Public Safety on 02/09/15.

However, the Fire/EMS Department will reinforce the requirements in a letter to the billing vendor within 30 days.