

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

Fire/EMS Department

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

October 2011



**David H. Van Dyke
County Auditor**

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THE PRINCE GEORGE'S COUNTY GOVERNMENT
Office of Audits and Investigations

October 2011

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 handwritten signature in black ink, appearing to read "D. H. Van Dyke".

David H. Van Dyke, CPA
County Auditor

A handwritten signature in black ink, appearing to read "Turkessa A. Massiah".

Turkessa A. Massiah, CPA
Auditor-in-Charge

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. The Department has a complement of over 720 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 80 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 approximately 1,100 active 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 FY11 Operating Budget, the Department reported that it responded to an average of 44,153 calls for Advanced Life Support and 55,079 calls for Basic Life Support service during fiscal years 2008 through 2010. 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 Department collected revenue in the amount of \$4.2 million and \$10.2 million for fiscal years 2009 and 2010 respectively as a result of the revised fee structure. Approximately \$10.9 million of revenue is anticipated for FY 2011.

The following major findings are addressed in our report:

- Of the stations selected for review, 192 (11%) of their ambulance logbook entries were identified as emergency transports that had not been reported to the billing vendor.
- In addition, the ambulance logbooks maintained by the stations reviewed were not complete. We identified 115 transports (7%) 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. Bills were not generated for 39 out of the 75 transports reviewed (52%). We also noted that the billing process was not initiated in a timely manner for 27 of the 75 transports reviewed (36%).

- For 12 of the 24 batch deposits (50%) 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 posted more than 7 days after receipt was \$181,204 (31% of the total dollars reviewed).
- Emergency transport collection activity reported by the vendor 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 to the data in the County's financial system is not being performed by the Fire/EMS Department.
- The Fire/EMS Department does not have a policy in place to identify and close uncollectible accounts in the billing system. As a result, 34 out of the 75 accounts reviewed (45%) remained open more than 180 days after the billing process was initiated. Half of these accounts were open more than one year after the billing process began.

Internal control activities are an important part of an agency's planning, implementing, and reviewing. 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 three divisions – Emergency Operations Command, Administrative Services Command, and Special Operations Command. Emergency Operations 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, maintenance of apparatus, logistics and supply, and information technology. Special Operations Command is responsible for research, planning & development, risk management, Fire/EMS training, operational safety, and technical services.

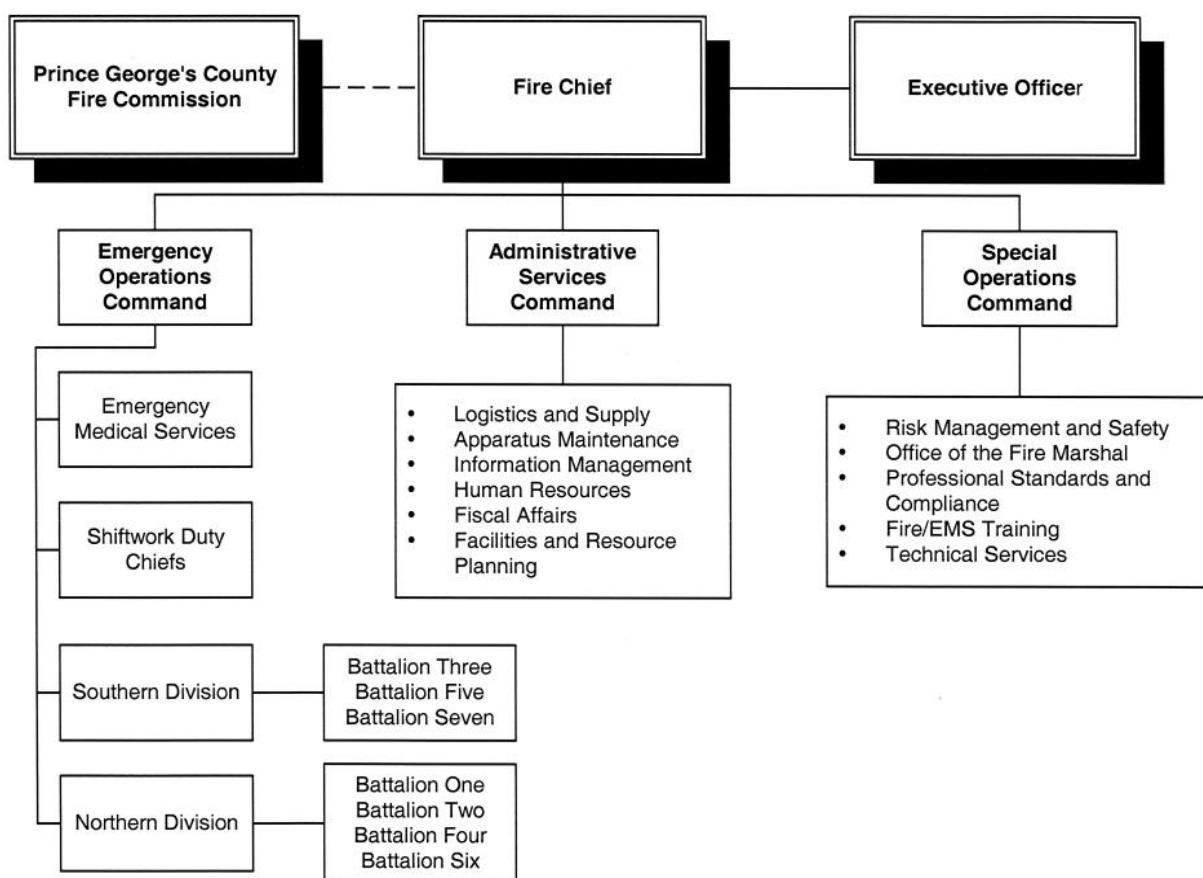
To ensure the best operational control of its resources, the Emergency Operations Command is divided into seven community response areas referred to as "battalions". Each battalion operates like a smaller fire department within the Prince George's County Fire/EMS Department, and includes up to seven fire rescue stations. This operational model provides each of the communities it serves 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 February 13, 2011.



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.

Emergency medical services billing is currently provided by Advanced Data Processing, Inc. (ADPI). EMS providers capture critical patient care data and patients' written consent/signature to bill insurance carriers in TripTix¹ immediately after the incident using wireless laptops. TripTix connects wirelessly to ADPI's 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

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.

¹ TripTix is a web-based patient care record application that uses wireless connectivity to allow ambulance crews to quickly and securely complete patient incident reports. The incident reports are then automatically integrated with the third-party vendor's ambulance billing system.

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 2010. For the sample items selected, we reviewed supporting documentation maintained by the vendor 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.

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 was completed by February 28, 2011.

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 achieved²:

- 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.

² 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.
- TripTix permits encrypted transmission of critical patient care data to the vendor's billing system, thereby preserving the confidentiality of sensitive patient information.
- Payment of emergency transportation fees are received in the County's lockbox and deposits are made daily to an account designated by the County.
- Monthly Management Reports are provided by the vendor detailing the billing and collection activity for the Fire/EMS Department and 11 Volunteer Fire Corporations.

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.

Some Transports Were Not Submitted for Billing/Incomplete Logbooks

The ambulance logbooks for 8 randomly selected fire/rescue stations in the County were reviewed for the months of February and June 2010. Logbook entries for approximately 1,690 emergency transports were reviewed during our visits to the selected stations. Approximately 192 entries (11%) were identified as emergency transports that had not been reported to the billing vendor by the stations selected for review. Subsequent attempts to bill and collect fees for these transports were not made.

We also noted that the ambulance logbooks maintained by the stations that we reviewed were not complete. We identified 115 transports (7%) 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.

Proper documentation is also essential to ensure the transparency, continuity, and reliability of public processes. In its publication on standards for internal controls

(GAO/AIMD-00-21.3.1) the Government Accountability Office (GAO) states that:

“Internal control and all transactions and other significant events need to be clearly documented, and the documentation should be readily available for examination.” Furthermore, “all documentation and records should be properly managed and maintained.”

GAO also states that:

“internal control should generally be designed to assure that ongoing monitoring occurs in the course of normal operations. It is performed continually and ... includes regular management and supervisory activities.”

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 TripTix. 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 or hardcopy reports of the stations’ emergency dispatch activity, have 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.

As a result, all emergency transports provided by the County may not have been 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, as previously stated, 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 effectiveness of 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:

- 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.
- Monthly reviews by career supervisors and/or volunteer chiefs of TripTix 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.
- Quarterly reviews 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.
- Where practical, in order to minimize the likelihood of errors, Management should consider automating the stations' emergency transport logbook maintenance and review processes.

Ineffective Procedures for Monitoring Vendor Performance

During our audit, we noted that bills were not generated for 39 out of the 75 transports reviewed (52%). Furthermore, we noted that the billing process was not initiated in a timely manner for 27 of the 75 transports reviewed (36%).

Additionally, through discussions with the Fire/EMS Department we learned that the Department lacks effective monitoring procedures to measure the billing vendor's performance. As previously discussed, GAO states that internal control should be designed to assure that ongoing monitoring occurs in the course of normal operations.

According to the County's Request for Proposals (RFP)³ for emergency medical services billing, approximately 40% of billed patients have insurance. The vendor is expected to "put forth best efforts to collect payment from 100% of persons invoiced for services." Furthermore, the County has a right to review the vendor's performance if they fail "to collect payment from at least 60% of the citizens invoiced" and could subsequently terminate the contract if the vendor does not perform as expected. **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 vendor was not able to obtain valid demographic and/or insurance information for a little more than half of the transports in our audit sample, thus resulting in the lower than expected collection rate. The delays in initiating the billing process were a result of the late submission of the ambulance (eRun) records by the EMS providers.

The vendor reported that it utilizes advanced technology and processes designed to locate patient information from various sources (i.e. receiving facilities, insurance databases, transport records, skip tracing resources, etc.). We noted that this process takes an average of 15 days (based on our sample of transports). However, it appears this process results in the generation of a bill (without contacting the patient) only 39% of the time. Of the 36 bills generated in our sample, 61% were created after the vendor initiated contact with the patient through 10-day letters and/or patient invoices.

Insufficient vendor performance and a lack of oversight by the Fire/EMS Department could result in a potential loss of revenue dedicated to maintaining and enhancing emergency medical service in 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 obtains valid insurance information for the patients in a timely manner.

We recommend that the Fire Chief implement formal, written policies and procedures clearly setting forth the expectations of the EMS billing provider to ensure contracted services are performed as intended. The policies and procedures should also include ongoing monitoring by the Fire/EMS Department to ensure vendor's adherence to specified requirements.

³ The vendor agreement incorporates the RFP, by reference, as part of the overall agreement with the vendor.

Untimely Posting of Payments

For 12 of the 24 batch deposits (50%) 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 posted more than 7 days after receipt was \$181,204 (31% of the total dollars reviewed).

In one of these instances, two payments totaling \$3,679 had been received by the lockbox but had not been posted to the appropriate account in the vendor's billing system for 196 days. This appears to be an isolated incident, however without a reconciliation process in place the Fire/EMS Department cannot determine when such incidents occur or whether similar cases have gone undetected.

Minor timing differences are expected to occur, however the County's RFP (see footnote 3) requires receipts to be "recorded and reconciled no less frequently than weekly" by the vendor.

The vendor reported that it did not have the back up (remittances) to reconcile the two payments posted 196 days after receipt. (The vendor also reported that these payments were not included in the monthly payment total for the month in which it was received. However, we were not able to determine whether this receipt was included in previously billed collections. Refer to subsequent finding, *Lack of Reconciliation of Collections*, for more details.)

The Fire/EMS Department does not have procedures in place to identify and resolve differences between cash receipts and payments posted to the vendor's billing system. Hence, the exact cause of the delayed posting of the remaining deposits could not be determined.

Untimely posting of payments will result in an overstatement of accounts outstanding and could increase the likelihood of collected accounts being written off with other unpaid accounts. On the other hand, the vendor may continue collection efforts even though payment has been received.

Additionally, the absence of a reconciliation process to determine when such incidents occur may cause errors or irregularities within the billing, collection, and recording process to go undetected, thus resulting in inaccurate records, information, and reports.

We recommend that the Fire Chief 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.

Lack of Reconciliation of Collections

During our review we noted that emergency transport collection activity reported by the vendor did not agree with the revenue recorded in the County's financial system for the same period. FY 2010 revenue was overstated in the financial system by approximately \$20,039 compared to the net collections reported by the vendor.

Discussions with the Fire/EMS Department's Fiscal Affairs division revealed that 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 Prince George's County Fire/Emergency Medical Services Department General Orders – Division 5, Chapter 19 states that:

Fiscal Affairs shall prepare monthly reconciliation statements between the billing vendor and the Prince George's County Financial system.

In addition, the Government Accountability Office (GAO) in its publication on standards for internal controls (GAO/AIMD-00-21.3.1) states that:

Internal control should generally be designed to assure that ongoing monitoring occurs in the course of normal operations. It is performed continually and ... includes regular management and supervisory activities, comparisons, reconciliations, etc.

Some of the differences noted may be attributed to the timing of refunds issued and the recording of those refunds in the financial system. However, the exact cause of the differences noted could not be readily determined since documentation to support the vendor's invoices was not provided during our review. Furthermore, 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.

We recommend that the Fire Chief enforce the General Orders in place regarding reconciliation of billing vendor statements to the County's financial system. See recommendation for previous finding, *Untimely Posting of Payments*, for details.

Inadequate Policy For Closing Uncollectible Accounts

During our audit we identified 34 out of the 75 accounts reviewed (45%) remained open more than 180 days after the billing process was initiated. As of the last day of our field work, February 28, 2011, half of these accounts were open more than one year after the billing process began. Of the 34 open accounts identified, 21 accounts (62%) have no insurance information on file, reducing the chances for collection.

Furthermore, 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 34 open accounts identified above, reminder letters were sent as follows:

- Reminder letters were not sent for 15 of the open accounts (44%);
- One *10-Day Letter Requesting Insurance Info* was sent for 4 of the open accounts (12%); and
- Two 10-Day letters were sent for the remaining 15 open accounts (44%).

Although the RFP (see footnote 3) 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, at the time of our audit the Fire/EMS Department had not provided the vendor a policy for writing off uncollectible accounts. We were not able to determine the reason the vendor did not consistently apply the reminder notice requirements outlined in the RFP for accounts with unpaid balances.

Detailed procedures governing the closing of accounts in the billing system are important to ensure that the vendor appropriately handles accounts deemed uncollectible by the County without forsaking potential revenue. The Department has since provided the vendor authority to close accounts after the patient has received an initial bill and three follow up statements. However, the timing of the follow up statements was not specified in the new policy.

The total amount of outstanding ambulance transport fees may not be accurately reported if a significant number of uncollectible accounts remain open and collection efforts may be spent pursuing accounts that are not likely to be

collected.

Also, without detailed written procedures, the application of the County's criteria for the closing of uncollected ambulance transport fees may not be consistently applied on all accounts.

We recommend that the Fire Chief implement formal, written policies and procedures clearly establishing the criteria for handling uncollectible accounts, including:

- An established timeline for sending reminders to patients and insurance companies (i.e. 30, 60, 90, and 120 calendar days) and
- The maximum time accounts should remain open before being deemed uncollectible and subsequently closed in the vendor's billing system.



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Fire/EMS Department Headquarters

Office of the Fire Chief



August 8, 2011

TO: David H. Van Dyke
County Auditor

FROM: Marc S. Bashoor *[Signature]*
Fire Chief

RE: Notification of Findings and Reconciliation - Agency Response

Included is the Prince George's County Fire/Emergency Medical Services (EMS) Department's review and response to the Notification of Findings and Recommendations - Audit of Emergency Transport Fees Billing and Collection Process. The Department appreciates the Office of Audits and Investigation's time and efforts with this matter.

If you have any questions or concerns, feel free to contact Lieutenant Colonel Benjamin Barksdale, Administrative Services Command, at 301-883-5240.

/MSB/bmb/fgk

Attachments

Copy to: Benjamin Barksdale, Lieutenant Colonel, Administrative Services Command

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Finding #1

Condition:

Of the stations selected for review, 192 (11%) of their ambulance logbook entries were identified as emergency transports that had not been reported to the billing vendor.

In addition, the ambulance logbooks maintained by the stations reviewed were not complete. We identified 115 transports (7%) that were submitted electronically to the billing vendor but were not recorded in the appropriate station ambulance logbook.

Recommendation:

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:

- 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.
- Monthly reviews by career supervisors and/or volunteer chiefs of TripTix 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.
- Quarterly reviews 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.
- Where practical, in order to minimize the likelihood of errors, Management should consider automating the stations' emergency transport logbook maintenance and review processes.

Agency's Response:

The Department recognizes that this is a serious concern and has worked with the billing vendor in an attempt to remedy the issue. However, the Triptix software does not have the technical capability of providing station level reconciliation options. Per the vendor, if station level access were granted to do manual reviews of transports it would create a "stoppage" in their process and would freeze billing activities throughout the system. This issue with station level accountability was foreseen, but not addressed by the vendor. Department wide reconciliation without an IT solution would require the

effort of approximately 2 FTE's using existing systems. As a result the Department is reviewing a variety of options including the State of Maryland's EPCR solution "EMEDS" which is expected to be available in the coming months. With the state solution station level reconciliation is built into the system.

Lack of adequate documentation can also be attributed to provider development, as addressed in the recently implemented BLS internship. Supervisory development and accountability for employee performance in both the career and volunteer ranks is also a factor. Compliance with Logbook General Orders are ignored by volunteer leadership, as it is misinterpreted a "career" general order. There are multiple logbooks in each station for career, volunteer, and even ALS units. The Department agrees that there should be an electronic station logbook operated through an effective RMS system. To that end, the Fire Chief has a workgroup in place that is charged with addressing deficiencies in the department's records management system. The outcome of this workgroup should provide the Department with a template on how to address not only this issue, but a host of others that will make for a much more functional and effective records management system.

Finding #2

Condition:

The Fire/EMS Department lacks effective monitoring procedures to measure the billing vendor's performance. Bills were not generated for 39 out of the 75 transports reviewed (52%). We also noted that the billing process was not initiated in a timely manner for 27 of the 75 transports reviewed (36%).

Recommendation:

We recommend that the Fire Chief implement formal, written policies and procedures clearly setting forth the expectations of the EMS billing provider to ensure contracted services are performed as intended. The policies and procedures should also include ongoing monitoring by the Fire/EMS Department to ensure vendor's adherence to specified requirements.

Agency's Response:

With respect to accountability and reporting, the Department has struggled with ensuring that reports are completed in a timely and complete nature; although there are general orders in place which address both areas of concern. Historically this has been an issue and continues to be one for both career and volunteer segments. With respect to vendor performance, the department concedes that the lack of reporting reconciliation options leaves only a manual review option, which is time consuming and requires greater resources than the department has available. The Fire/EMS Department's solution is to consider alternative electronic patient care systems that can address the stated concerns.

Finding #3

Condition:

For 12 of the 24 batch deposits (50%) 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 posted more than 7 days after receipt was \$181,204 (31% of the total dollars reviewed).

Recommendation:

We recommend that the Fire Chief 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.

Agency's Response:

In the long term, the Department anticipates adjusting the current invoice structure from a tiered rate adjustable structure to a fixed rate system. This adjustment will allow the Department to compare bank deposits to invoice statements directly. In the near term the Fire/EMS Department has taken immediate steps to address invoice reconciliations. Working with the vendor, we have identified a report that couples current deposits with their date of service (DOS). This report allows the Department to tally deposits by DOS and reconcile that list with the invoice. In terms of refunds reported to the financial system, they are identical to the refunds reported by the vendor. There is no difference in what is reported to the financial system and what the vendor requests to be processed. The vendor initiates the refunds through our office and is subsequently processed and paid by the office of finance, ultimately being posted onto the financial system.

Finding #4

Condition:

Emergency transport collection activity reported by the vendor 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 to the data in the County's financial system is not being performed by the Fire/EMS Department.

Recommendation:

We recommend that the Fire Chief enforce the General Orders in place regarding reconciliation of billing vendor statements to the County's financial system. See recommendation for previous finding, Untimely Posting of Payments, for details.

Agency's Response:

The Department agrees with this assessment and will work to improve coordination between the fiscal affairs (accounts payable) and the billing program in order to improve reconciliation efforts. We also believe that the new procedures referred to in Finding #3 for reviewing vendor invoices will assist in addressing this issue.

Finding #5

Condition:

The Fire/EMS Department does not have a policy in place to identify and close uncollectible accounts in the billing system. As a result, 34 out of the 75 accounts reviewed (45%) remained open more than 180 days after the billing process was initiated. Half of these accounts were open more than one year after the billing process began.

Recommendation:

We recommend that the Fire Chief implement formal, written policies and procedures clearly establishing the criteria for handling uncollectible accounts, including:

- An established timeline for sending reminders to patients and insurance companies (i.e. 30, 60, 90, and 120 calendar days) and
- The maximum time accounts should remain open before being deemed uncollectible and subsequently closed in the vendor's billing system.

Agency's Response

The Department is working closely with the vendor to clarify the write off policy and expectations and agrees completely that the procedures should be in writing, in addition to what's already expressed in the contract. Currently the detailed write off policy is in draft form and should be formalized shortly.