

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

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**Fire/EMS Department**

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

**September 2020**



**David H. Van Dyke  
County Auditor**

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# THE PRINCE GEORGE'S COUNTY GOVERNMENT

## Office of Audits and Investigations

September 2020

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 blue ink, appearing to read "D.H. Van Dyke".

David H. Van Dyke, CPA, CIA, CFE  
County Auditor

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

Turkessa M. Green, CPA, CIA, CISA  
Deputy County Auditor

A handwritten signature in black ink, appearing to read "Deneen D. Mackall".

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## Results in Brief

The Fire/Emergency Medical Services Department (Fire/EMS Department) strives to improve the quality of life in Prince George’s County by promoting safety and providing the highest quality of fire prevention, fire protection, emergency medical services, and community outreach programs. The Fire/EMS Department supports both basic and advance life support, emergency fire and rescue services, emergency special operations services, prevention, investigation and community affairs services including arson investigation, fire inspection and public education programs. Additionally, the Department receives support from over 1,600 volunteer personnel.

Emergency transportation refers to the transportation of patients via a unit operated and staffed under the Advanced Life Support (ALS) or Basic Life Support (BLS) personnel. The Department’s Emergency Medical response capabilities are structured into two tiers of service – Basic Life Support and Advanced Life Support. The County delivers Basic Life Support (BLS) through a fleet of 47 ambulances, which are staffed and deployed in nearly all County fire/rescue stations. Advanced Life Support (ALS) is a higher level of emergency medical care delivered primarily through 12 paramedic units strategically deployed throughout the County. These units are comprised of two-person teams with enhanced medical training to deliver advanced cardiac care and intravenous medications.

As the demand for this essential service grows the cost associated with providing emergency transportation continues to increase. An increase in revenue is reflected in the Fiscal Year 2017 and 2018 amounts. Revenue amounts and total ambulance transports are itemized in *Table A* below.

**Table A**  
**Emergency Transport Fees**

<i>Fiscal Year</i>	<i>Revenue Amount</i>	<i>Total Transports</i>
2015	\$ 15,172,585	82,192
2016	12,341,137	70,570
2017	14,858,679	72,975
2018	16,242,772	74,686
2019	14,615,836	64,881

As reported in the August 2015 audit report, during FY 2014 ambulance revenue significantly decreased as the County transitioned to its current vendor ChangeHealth Care (formally McKesson Corporation) to perform collection services. Although collected revenue for the Department steadily increased between FY 2016 and FY 2018, we noted a decrease in revenue between FY 2018 and FY 2019 as a result of the decrease in the number of transports.

The following major findings are addressed in our report:

- Emergency transports data not submitted to the billing vendor and subsequently billed.  
**(Repeat finding from prior audit reports dated October 2011 and August 2015).**
- Emergency transports not billed within a reasonable timeframe (10 - day threshold).  
**(Repeat finding from prior audit reports dated October 2011 and August 2015).**
- Inadequate monitoring of the patient account balances and financial burden process.  
**(Repeat finding from prior audit reports dated October 2011 and August 2015).**
- 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 to the data in the County's financial system is not being performed by the Fire/EMS Department  
**(Repeat finding from prior audit reports dated October 2011 and August 2015).**
- Lack of adequately reviewing, and properly authorizing patient refunds submitted via the third - party vendor. Furthermore, lack of refund documentation maintained by the Fire/EMS Department.  
**(Repeat finding from prior audit report dated August 2015).**
- Inconsistent vendor report data, lack of and/or incorrect data recorded in station ambulance logbooks, and differing transport documenting methodologies among stations.  
**(Repeat finding from prior audit reports dated October 2011 and August 2015).**
- Revenue misallocated to the incorrect station or the Fire/EMS Department as a direct result of numerous discrepancies between data maintained by the Department and those maintained by the vendor.  
**(Repeat finding from prior audit report dated August 2015).**

Internal control activities are an important part of a Department'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.

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## Background

The Emergency Services Command coordinates fire fighters, paramedics, and volunteers. In addition, the Emergency Services Command oversees Fire/Rescue Operations, Advanced Emergency Medical Services, Operational Safety, and Quality Assurance. These elements provide emergency fire and rescue services, basic ambulance services, the Advanced Life Support and specialized fire and rescue functions.

The Fire/EMS Department is organized into seven battalions that provide emergency services to the local communities within the County. A breakdown of the battalions and the communities served are as follows:

<b>Battalion #(s)</b>	<b>Communities Served</b>
881	Landover, Largo, New Carrollton, and Lanham
882	Bowie and Glenn Dale
883	District Heights, Morningside, Hillcrest Heights, Suitland, Forestville, Seat Pleasant, and Capitol Heights
884	Langley Park, Chillum, Mount Rainier, College Park, Bladensburg, and Riverdale
885	Accokeek, Camp Springs, and Oxon Hill
886	Laurel, Greenbelt, Beltsville, and Berwyn Heights
887	Upper Marlboro, Clinton, and Brandywine

The Fire/EMS Department has improved production by increasing the number of Advanced Life Support first response (Paramedic Engine) units by one in FY 2018. The Fire/EMS Department's Approved FY 2019 Budget reports that the Department responded to an average of 46,392 calls for Advanced Life Support and 59,655 calls for Basic Life Support service during fiscal years 2017 through 2018.

The Fiscal Affairs Division of the Administrative Services Command is responsible for managing the Department's operational and administrative needs, including but not limited to recording, approving, and reporting of expenditures and revenues. This Division is also responsible for processing, monitoring, authorizing, and reviewing all accounts payable and receivable transactions for career and volunteer operations.

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 State of Maryland regulated. 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 ambulance transport services, in accordance with Maryland statute and regulation.

### ***Patient Data Collection and Monitoring***

When a citizen calls 9-1-1, the call is routed through a joint emergency dispatch center for police and fire. The emergency dispatcher obtains pertinent information such as the type of incident; location; number of people involved; and type of injuries from the caller. The dispatcher enters the information into the Computer Aided Dispatch system (CAD) and contacts the local Fire/EMS provider. The dispatcher documents within the CAD system the emergency type such as Advanced Life Service (ALS) or Basic Life Service (BLS). The data is sent to the responding station's EMS provider for use during the emergency call.

Upon arrival to the scene the EMS provider completes the Electronic Patient Care Report (ePCR) via a handheld device, Tough books, through Image Trend Elite. Tough books allow EMS providers to enter the patient's full name; date of birth; social security number; home address and phone number; mileage; and medical data. The ePCR has built-in 'required' fields that must be completed to assist in accurate billing of the patient. It should be noted that the Fire/EMS department began using Image Trend Elite in October 2018.

The station maintains an ambulance log that lists all emergency call runs. The station office personnel updates and maintains the log daily. Within 5 days of an ambulance transport the Fire/EMS station supervisor manually reviews the ePCR via Image Trend Elite and reconciles the ePCR to the ambulance log for accuracy as a secondary review. If errors are found the supervisor will revert the patient file to the EMS provider for correction. Otherwise, the patient file is forwarded to the third-party vendor for billing.

As set forth by Prince George's County Code, Section 11-346, the County is authorized to bill and collect for emergency transport fees and related services. The fees associated with this service are established in the Annual Budget and Appropriation Ordinance.

As of July 2019, the County's billing schedule for emergency calls resulting in an ambulance transport to a medical facility are as follows:

<b>Transport Services</b>	<b>Fee</b>
Basic Life Support Transport (BLS)	\$500
Advanced Life - 1 Support Transport (ALS 1)	\$650
Advanced Life Support - 2 Transport (ALS 2)	\$750
Transport Mileage	\$5 per mile

### ***Vendor Review and Billing Process***

The County currently contracts with a third-party vendor, Change Healthcare (formally MED3000) to handle ambulance transport fee billing. The contract agreement expired January 26, 2020. Only the authorized agent identified by the County is permitted to bill for emergency transportation fees on behalf of Prince George's County. For insured patients, any payment received from the primary payer (Medicare, Medicaid, and

Commercial Insurance) is considered payment in full. Administrative Services Command works with uninsured patients that contact the Fire/EMS Department regarding the inability to pay. In these cases, financial hardship is assumed, and the accounts are closed. If a payment is received prior to closing an account, the account should be reactivated and credited as such.

***Revenue Sharing 4 -Way Split***

Through revenue sharing all revenue generated from the collection of emergency billing transport fees are allocated in percentages between the career and volunteer stations in a 4 – way split as noted in the table below:

<b>Revenue Sharing 4 – Way Split</b>	
<b>Criteria</b>	<b>Percentage</b>
Station Affiliation	25%
Driver Affiliation (M#)	25%
Vehicle Ownership	25%
Vehicle Maintenance	25%

Station Affiliation: 25% of the collected revenue will be distributed for the primary aid provider, to the County if a career provider, or to the volunteer corporation if a volunteer provider.

Driver Affiliation: 25% of the collected revenue will be distributed to the County if the driver is a career provider, or to the volunteer corporation if the driver is a volunteer provider.

Vehicle Ownership: 25% of the collected revenue will be distributed to the owner of the transport unit.

Vehicle Maintenance: 25% of the collected revenue will be distributed to the County for maintenance/ repairs, fuel, and insurance of the transport unit unless the volunteer corporation has planned with the Apparatus Maintenance Division (AMD) of the Department to maintain/repair, fuel, and insure the unit independently.

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**Objective, Scope, & Methodology**

The Department’s records were obtained for the audit period July 1, 2017 through June 30, 2018 (FY 2018). In planning and performing the audit we considered the Department’s internal controls over compliance (internal control) as a basis for designing our procedures, and for the purpose of assessing the Fire/EMS Department’s achievement of its goals and objectives. Specifically, we assessed: 1) if internal controls are in place within the recording, billing and collection of emergency transportation and related services fees, and are functioning as required to mitigate risks, 2) compliance with all



policies and procedures, 3) the reliability and integrity of information, and 4) the efficiency of operations. If applicable, we included any limitations/restrictions on the scope of the audit that may have been caused by the Department, issues beyond the control of the Department, or other events that did not allow the auditors to complete all aspects of the audit procedures.

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## Management's Responsibility for Internal Controls

Internal control is defined as “a process, effected by an entity’s board of directors, management, and other personnel, designed to provide reasonable assurance” regarding the achievement of the following objectives relating to operations, reporting, and compliance<sup>1</sup>:

- Effectiveness and efficiency of the entity’s operations;
- Reliability, timeliness, and transparency of financial and non-financial reporting; and
- Adherence to laws and regulations to which the entity is subject.

Management is responsible for establishing and maintaining an environment that sets a positive and supportive attitude towards internal control. When the importance of internal control 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 a Department 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.
- Tough books software has been updated to include ‘required’ fields of completion to assist in accurate patient billing.
- Electronic interface with local hospitals has been improved to assist in patient data collection.

We identified a deficiency or a combination of deficiencies in internal control. Specifically, we found deficiencies in design where if the control operated as intended, the control objective would not be met. Additionally, deficiencies found in operation of the control such that the person performing the control does not possess the necessary training to perform the control effectively.

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<sup>1</sup> *Internal Control – Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission, Copyright 2013

The deficiencies identified in the following sections we consider significant deficiencies or material weaknesses.

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## **Bills Were Not Generated for All Transports**

The Computer Aided Dispatch reports (CAD reports) were obtained for all Prince George's County emergency calls occurring during the period of July 1, 2017 through June 30, 2018. The CAD reports were condensed to detail only emergency calls that resulted in an ambulance transport. The detailed report represented a total population of 74,686 emergency transports. Of the complete population, 75 emergency transports were selected for an in-depth review.

Upon review, we noted that 13% (10 out of 75) of the total reviewed were identified as transports that were submitted to the vendor for billing and were not subsequently billed.

The Request for Proposal No. S12-109, *Scope of Work*, Section 3.3 E., dated April 2013 states in part, "... All patients transported shall be billed an emergency medical transport fee."

According to the Government Accountability Office (GAO), the 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."

Bills for transports may not have been generated as a result of inaccurate or incomplete information entered in the Electronic Patient Care Report (ePCR) by the EMS providers. The vendor relies on the accuracy of information provided by the EMS providers. As such, insufficient documentation increases the likelihood of errors thus resulting in unbilled transports. Additionally, in discussion with the volunteer EMS staff it was expressed that due to the complexities of their work schedules (inconsistent work hours/days) the 5 - day supervisory review period to verify the accuracy of the ePCRs is insufficient and has ultimately contributed to the increase of the number of unbilled transports.

The lack of transport billing may result in a potential loss of revenue reserved for maintaining and enhancing the emergency medical service in the County. Assuming a 43% collection rate, if sample results (13% unbilled transports) were to be extrapolated, based on our sample, to the entire population of transports (74,686), the total potential revenue lost would be \$2.3 million per year. Additionally, the lack of adequate reconciliation and process efficiencies may ultimately disrupt the achievement of business objectives.

**(1A) We recommend**, that the Fire Chief consider using automated billing vendor exports and other technology to improve the accuracy and completeness of Electronic Patient Care Reports (ePCRs). Procedures required to be performed by

Fire/EMS staff to complete and submit ePCRs should be included in the Department's written policies and procedures.

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## **Untimely Billing of Emergency Transports**

In review of the patient billing process we noted that emergency transports occurring during the period of July 1, 2017 through June 30, 2018 were not billed timely. Considering the 5 - day hold for supervisory review, we considered all transports ranging from 6 -10 days as a 'reasonable' threshold for billing. We noted that emergency transports were not billed within a reasonable threshold for 40% (30 of 75) of emergency transports selected for testing. On average we noted that from the physical date of transport to the posting of the transport in the billing system was 22 days.

We also noted for 8 out of 75 (11%) transports billed we were unable to determine if the patient was balance billed or received a reminder notice(s) for charges not covered by insurance.

Request for Proposal No. S12-109, *Scope of Work*, Section 3.3, dated April 2013 states that the vendor "... shall be responsible for the billing and collection of all monies owed for emergency medical transport services..." The Proposal further states that the vendor "shall create a bill, or document reasons for no bill created, for every transport within five (5) business days of the physical transport..."

All transports are subject to review as part of the County's Quality Assurance Program prior to billing. To facilitate this process the County's Fire/EMS Supervisor manually reviews each electronic patient care record and reconciles the patient care report to the ambulance logs for accuracy. It is imperative that the supervisory review is completed within five (5) days. The billing vendor only receives patient information that the system notes as 'successful' or is in a 'finished' status.

The vendor's Billing Specialist also reviews the ePCRs and compares the medical coding for accuracy. If accurate, the batch is then forwarded through the MD - 4 billing system for insurance verification. The vendor relies on the accuracy of information the EMS provider obtains therefore, multiple reviews are conducted by the vendor to verify all patient information is accurate. After the transport services are completed if an error or missing information is found on the ePCR the vendor will issue a Request For Information (RFI) notice to the patient and the Assistant Lieutenant. The vendor also has an electronic interface with the local hospitals to assist in retrieving patient insurance information. The billing process can take from 5 - 23 days for completion.

Discussions with Fire/EMS staff also revealed that there are inadequate controls in place to prevent volunteer and/or career staff from mistakenly selecting stations for which they are not affiliated, from the drop-down menu provided when completing the electronic patient care reports on the Toughbooks.

Untimely billing due to multiple input errors or lack of patient billing information may result in a loss of County revenue.

To provide reasonable assurance that the County's risks have been managed effectively and its goals and objectives will be achieved efficiently and economically we **recommend** the following:

(2A) The Fire Chief should review, and if necessary, enhance the initial and annual refresher training opportunities for volunteer and career staff. The training may include:

- Proper provider input of patient information at inception of the emergency visit;
- Reconciliation of the ePCRs to assist in accurate and timely billing (Supervisory Staff);
- Requirements of the billing data system, as well as data quality component for improving billing performance; and
- Online training opportunities

(2B) The Fire Chief should implement policies and procedures for ongoing monitoring by the Fire/EMS Department of the exception report/error reports for transports with missing insurance or patient information and ensure that the importance of reviewing these reports is emphasized.

(2C) The Fire Chief should ensure all reconciliation reports are distributed to the individual fire stations in a timely manner. For example, reports for the prior month's transports should be distributed within the first 10-15 days of the current month.

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## **Open Accounts Not Appropriately Written Off**

The Computer Aided Dispatch reports (CAD reports) obtained for all Prince George's County emergency calls occurring during the period of July 1, 2017 through June 30, 2018 were reviewed. The CAD reports were condensed to detail a total population of 74,686 calls that resulted in an emergency transport. Of the entire population 75 emergency transports were selected for detailed review.

During review, we noted that 15% (11 of 75) of the accounts resulted in balances on accounts aged over 120 days. We further noted as of 8/12/19, that these uncollectible accounts were not written off as per the County policy. Of the 11 accounts noted above, six (6) patient accounts had payments/adjustments posted by the vendor, however the remaining balance of the accounts were not written off as per policy. The remaining five (5) accounts had no activity and noted a balance due.

Per the Request for Proposal (RFP) No. S12 - 109, *Exhibit A - Scope of Work/Operating Policies*, Section: Collection Responsibilities, dated February 2014 states in part...

“Amounts due from a third – party or patient, that have not been collected after the activities described above and that have been aged greater than 120 days, will be considered uncollectible.” The RFP further conditions “... Contractor will write - off the identified accounts as bad debts and will cease collection efforts associated with those accounts.”

The root cause of the untimely write offs appears to be inadequate monitoring of the ‘balance billed’ and financial burden process. As of 11/2019, the Department has expressed that accounts aged over 120 days remaining in the system have been reviewed, approved by the Chief for accuracy and written off as per the Department policy.

With the increase of self - pay patients it is the responsibility of management to thoroughly review the accounts that has aged over 120 days as per the policy. Disregarding outstanding accounts may result in balances becoming too old and therefore more difficult to recover. The prompt and full collection of monies owed is vital to ensure that the Fire/EMS Department has the necessary revenue to operate effectively.

To ensure adequate procedures and processes over the emergency transport billing process, and to improve performance **we recommend** the following:

- (3A) The vendor should submit current performance reports related to revenue collection on a monthly basis to include, but not limited to, delinquent accounts and maximize the average collection per transport for continuous monitoring of write offs.
- (3B) The vendor should continue to provide pertinent patient information and transactional detail to the County identifying collectible accounts on a monthly basis. Ideally, these reports should be requested, reviewed, and analyzed by the Fire/EMS Department on an ongoing basis.
- (3C) The Fire/EMS Department should maintain regular communication with the vendor to identify potential issues and unrecoverable balances.

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## **Lack of Reconciliation of Collections and Vendor Invoices**

During the review we noted that emergency transport fee revenue recorded in the County’s financial system understated by \$266,762.03 in comparison to the vendor’s net collection during the month of August 2017.

We also noted that revenue recorded in the County’s financial system were overstated by \$157,779.00 and \$65,167.32 (November and December 2017 respectively) in comparison to recorded revenue from the bank lockbox deposits.

Although the vendor provides revenue reports to the Department for review and reconciliation to the County’s financial system it has been determined that the Department is not performing routine reconciliations to verify the accuracy of the reports provided.

We reviewed service invoices submitted to the Department for payment during the months of September 2017 through February 2018 and noted an overpayment of service fees in the amount of \$9,194.03. The disparity was identified when reviewing the fee amount the vendor charged to the County without consideration of refunds issued during the current/prior months. For the months of July & August 2017, we were unable to recalculate the service fees due to purged refund data within vendor's billing system. During the audit the County had not received vendor service fee invoices for the concluding months (March 2018 - June 2018) of FY 2018. Consequently, those months were not examined.

Per General Order Division 5, Chapter 19 *Emergency Transportation Fee*, states "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, Standards for Internal Control, Section 16.05, published September 2014, states in part "... Ongoing monitoring includes regular management and supervisory activities, comparisons, reconciliations, and other routine actions."

Request for Proposal No. S12 - 109, *Section 4. Compensation, (b)(i)*, dated February 2014 states... "[The] Contractor shall provide the County with a monthly invoice indicating the total amounts collected and paid into the County's depository account in the previous month and the amount of service fees due to [the vendor] based on the actual amounts collected. County shall pay the service fee to [the vendor] within thirty (30) days from the date of receipt of the invoice.

Request for Proposal No. S12 - 109, *Section 4. Compensation, (b)(ii)*, dated February 2014 also states... "The County agrees to notify the Contractor of any disagreement with respect to billing within thirty (30) days of receiving the monthly invoice."

Differences 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 deposited in the Emergency Transport Fee account. We were able to corroborate additional revenue appearing in the financial system, however, without supporting documentation to validate whether the additional revenue was accurate. It should be noted that the variances found during our review did not include revenue recorded from other agencies.

Regarding the possible overpayment of vendor fees, we were unable to determine if the Department reviewed the invoices for disparities prior to issuing payment to the vendor.

The absence of periodic reconciliation of the emergency transport fees reported by the Department 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.

Furthermore, refunds issued to patients/insurance can occur during the month which may alter revenue reported to the County. The lack of tracking the monthly emergency transport revenue, tracking of corresponding refunds paid by the County, and the reconciliation of the vendor invoicing prior to payment may result in an overpayment of service fees to the vendor. We noted that no adjustments were made to the vendor's service fees to reflect any changes in refunds issued.

To certify 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:

- (4A) Reconciliation of collections reported by the billing vendor on its invoices to the amount deposited with the bank (and subsequently reported in the financial system);
- (4B) Reconciliation of refund activity reported by the billing vendor on its invoices to the refund activity recorded in the County's financial system; and
- (4C) Prompt review and resolution of variances identified during the reconciliation process.
- (4D) Develop and implement policies and procedures for review of vendor invoices to ensure that vendor service fees to the department are not overstated and subsequently overpaid.

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## County Residents Improperly Billed

Refund requests were reviewed for the period July 1, 2017 through June 30, 2018. Upon review we noted that for 7 of the 20 (35%) refunds reviewed County residents were billed erroneously for balances on their account following a payment received from the insurance provider. For 45% of the refunds we reviewed we were unable to determine whether the refunds were properly authorized due to the lack of documentation. Also, we noted one (1) instance where the resident was refunded less than what was paid. As such, we have determined that the Department is not adequately reviewing, and properly authorizing refunds submitted via the third-party vendor.

Per General Order Division 5, Chapter 19, *Emergency Transport Fee*, Section II. Fee Schedule, dated January 2016, states "Any insurance payment received from a County resident will be considered payment in full. The County does not "balance bill" for additional co-payments or deductible."

The cause of improper billing appears to be attributed to the lack of monitoring of patient accounts. The written policies previously established continue to be misapplied consistently across accounts. Moreover, lack of refund documentation maintained by the Fire/EMS Department causes difficulty when determining whether refunds are

appropriately authorized. The Fire/EMS Department has expressed that the changes in the GIS system relating to resident jurisdictions has posed issues with determining whether the patient is a County resident for billing purposes.

Lack of implementing and/or enforcing formal written guidelines could result in inconsistencies in billing to County residents and ultimately reporting inaccurate accounting records.

**(5A) We recommend** that the Fire Chief reinforce the importance of the established written policies and procedures related to the billing of County residents, continue to communicate the procedures to the billing vendor, and verify that the data files provided to the vendor to determine County residency are accurate and complete.

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## **Lack of Transport Billing Reconciliation**

Emergency ambulance transport logs and the corresponding vendor billing reports for ten (10) volunteer stations were reviewed for the sample months of May and November 2018. The stations were judgmentally selected based on high revenue/ high volume stations. A total of 2,419 transport transactions were examined in their entirety. Upon review we noted numerous unbilled transports. Specifically, 23% or 565 of the total transports were documented on the station logs as transports completed; however, those same transports were not billed by the vendor.

Likewise, 6% of transports were identified as billed per the vendor report but were not recorded on the station logs. Additionally, 82 (3%) of the total transports recorded in the station logs were not located on the CAD report or the vendor billing report.

The General Order Division 5, Chapter 19, *Section III. Billing Documentation*, dated January 2016 states "...Several critical patient data elements should be documented by EMS providers to ensure the best possible billing performance." Guidance further states "...data elements must be entered into the ePCR immediately after the incident, or as soon as practical.

In addition, the General Order Division 5, Chapter 19, *Section VIII. Billing Vendor* dated January 2016 also states in part "...The billing vendor will provide necessary reports to ensure proper performance of the billing process. Each of these reports will be generated monthly and provided by the volunteer corporations, including the Report reconciliation - a comparison between CAD response data and ePCR/RMS reports."

Discussion with the Fire/EMS Department and the person(s) of authority within the selected volunteer stations suggested that the exceptions noted are mostly due to incomplete ePCR data recorded by the EMS providers at the inception of the emergency visit, and the lack of Department oversight to ensure that reconciliation reports provided by the vendor are accurate. As of 11/2019, the Department reported that nine (9) reviewers have been assigned to various stations to assist in verifying the accuracy of the ePCRs prior to billing.



Additionally, the volunteer stations have expressed there is no requirement for the volunteer stations to maintain or complete reconciliation data for their stations. In addition, reconciliation reports are not provided by the Department within the first or second week of the month. Typically, the reports are not received until the end of the month causing difficulty for the stations to reconcile their transports timely. However, due to the decrease in revenue many of the stations currently perform accuracy reviews of their completed transports as a best practice; although consistently performing this task has been a continual challenge due to limited staff.

While, these perspectives are a considerable cause of concern; the root cause of the discrepancies could not be concluded due to inconsistent vendor report data, lack of and/or incorrect data recorded in station ambulance logbooks, and differing transport documenting methodologies among stations (e.g. use of manual logbooks, automated software not in connection with the CAD system).

All emergency transports provided by the County may not be reported to the State of Maryland, as required. Lack of compliance could result in loss of funding under the 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 acquire future funding through MIEMSS grants. Moreover, missed billing efforts to collect transport fees for all transports may result in potential loss of revenue allocated to sustain operating costs as it relates to emergency transportation.

- (6A) We recommend**, that the Fire Chief update the General Order to ensure it is consistent with the ePCR system, as it relates to maintaining comprehensive records of emergency medical services incidents.
- (6B) We also recommend**, the Department implement the use of automation as a means to record, monitor, and reconcile emergency transport data at the individual stations. Automated record management would provide the County with some assurance that all required information is being captured and that it is being captured in a consistent manner.
- (6C)** The Department should work with the ePCR Compliance Officers (ECO), Volunteer Chiefs and Career Station Officers to improve the ePCR review process.
- (6D)** Where practical, to enhance accountability in the billing process, the Department should communicate with the EMS office and facilitate monthly engagements to include Fiscal Affairs, and the billing vendor.
- (6E)** To facilitate adequate tracking of transports and accurate calculation of revenue by each station, **we recommend** the timely distribution of reconciliation reports (i.e. split fee and run reconciliation reports) to the stations.

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## **Inaccurate Allocation of Ambulance Revenue & Report Discrepancies Between the Vendor and the Department**

We reviewed the revenue sharing report prepared by the vendor for the sample months of May 2018 and November 2018. The combined revenue sharing report, the associated split calculations for all stations within the County totaled 18,576 transports for the months tested. We noted that the Department did not accurately allocate the ambulance billing fee revenue. Performing a recalculation of revenue and allocating the revenue to the appropriate stations using the Department's existing revenue sharing plan methodology (25% split), we determined that **\$348,380** and **\$304,196** of collected revenue appears to be allocated to the incorrect station(s).

The misallocation may be directly related to the numerous discrepancies noted between the data (Driver, Provider, and Owner/Maintained Affiliation Listings) maintained by the Department and those maintained by the vendor.

The specific discrepancies are noted as follows:

- Various errors in the affiliation listing to include **31** out of 188 EMS staff appeared to have more than one volunteer affiliation. **15** out of the 188 staff listed were affiliated with both the County and a Volunteer station. As such, the EMS staff also appeared in the listing with duplicate names and provider IDs.
- Dissimilar spellings to identify the same Fire/EMS station.
- We identified **693** out of 18,576 transports using the driver affiliation IDs recorded on the vendor's split fee report for May and November 2018 did not agree to driver affiliation listing maintained by the Fire/EMS Department.
- We identified **1,217** out of 18,576 transports using the provider affiliations IDs recorded on the vendor's split fee report for May and November 2018 did not agree to provider affiliation listing maintained by the Fire/EMS Department.
- We also examined the Department's vehicle listing which detailed vehicle ownership. We identified **525** out of 18,576 transports using the station's assigned vehicle number as the criteria for ownership did not agree to the vendor's split fee report.
- We identified **503** out of 18,576 transports using the station's assigned vehicle number as the criteria for maintenance did not agree to the vendor's split fee report.

The General Order Division 5, Chapter 19, *Section VI. Revenue Sharing Plan*, dated January 2016, states in part "... Revenue sharing will be applied to collected emergency transportation fees using the following conditions:

- Driver Affiliation - 25% of the collected revenue will be distributed to the County if a career provider, or to the volunteer corporation if a volunteer provider.

- Aid Provider Affiliation - 25% of the collected revenue will be distributed for the primary aid provider, to the County if a career provider, or to the volunteer corporation if a volunteer provider.
- Unit Ownership - 25% of the collected revenue will be distributed to the owner of the transport unit.
- Unit Maintenance - 25% of the collected revenue will be distributed to the County for maintenance/repairs, fuel, and insurance of the transport unit unless the volunteer corporation has arrangements with the Apparatus Maintenance Division (AMD) of the Department to maintain/repair, fuel, and insure the unit independently.

Additionally, the Government Accountability Office, Standards for Internal Control, Section 11.05, published September 2014, states "... Management also evaluates information processing objectives to meet the defined information requirements. Information processing objectives include the following:

- Completeness – Transactions that occur are recorded and not understated.
- Accuracy – Transactions are recorded at the correct amount in the right account (and on a timely basis) at each stage of processing.
- Validity – Recorded transactions represent economic events that occurred and were executed according to prescribed procedures.

The lack of consistent, timely and ‘user friendly’ reports may attribute to the difficulty stations have in reconciling transport services provided on a monthly basis. Currently, the stations use multiple reports from various data sources to complete monthly reconciliations. In addition, 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 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, in discussion with the volunteer stations it has been reported that revenue adjustments are not executed in a timely manner, often taking months for resolution. Additionally, when resolutions are made, updated reports are not communicated to the stations confirming that the adjustments were completed.

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. Adequately 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.

In addition, financial support is essential to enhance emergency medical services through recruitment and retention support, as well as the purchase/replacement of apparatus and equipment. Delays in allocating billing revenue and providing current reports to the

individual stations, may affect the station's ability to adequately allocate budget resources for current/future station needs.

**(7A) We recommend,** the Department update policies and procedures as they relate to the completion, review, and correction of ePCRs to improve the lack of transport billing reconciliation.

**(7B) We recommend,** the Fire Chief require periodic review of web-based software programs/systems (i.e. First Watch, Public Safety Communications (PSC), Computer Aided Dispatch system, and Elite) by career supervisors, volunteer chiefs, and ePCR compliance officers to ensure that emergency transport information is accurate, complete, consistent, and captured in the vendor' billing system according to Fire/EMS Department standards.

**(7C) We also recommend** that the Fire Chief consider implementing, where practical, additional information technology controls in the existing systems (i.e. secure login to tough books assigned to each EMS unit) to ensure the Department's data is properly safeguarded, and that processing of this data is complete, accurate, properly authorized, and valid.

**Prince George's County Fire/EMS  
Department Audit Response – August 7, 2020**

**Response 1A** – Agree with recommendation and we have implemented this recommendation.

**Response 2A** – Agree with recommendation. We will work with the Billing vendor to address the training concerns.

**Response 2B** – Agree with recommendation. This concern is being addressed by supervisory reviews and the volunteer ePCR Compliance Officer (ECO) Program.

**Response 2C** – Agree with recommendation. The EMS Office Billing Coordinator and Fiscal Affairs Billing Accountant are meeting on a monthly basis to reconcile all issues. The monthly reports are sent via email to the Volunteer Services Deputy Fire Chief for distribution to the Volunteer Corporations.

**Response 3A-3C** – Agree with recommendations. The EMS Office and Fiscal Affairs Office are meeting on a monthly basis to ensure these recommendations occur.

**Response 4A** – Agree with recommendation. The Fiscal Affairs Office will reconcile all collections reported by the billing vendor to the County's financial system on a monthly basis.

**Response 4B** – Agree with recommendation. The Fiscal Affairs Office will request that the vendor create an additional column for refunds on the monthly report. Fiscal will reconcile all refund activity by the billing vendor to the County's financial system on a monthly basis. This reconciliation will be sent to management for approval.

**Response 4C** – Agree with recommendation. All variances will be reviewed and resolved each month and sent to management for approval.

**Response 4D** – Agree with recommendation. A policy and procedure will be developed regarding vendor service fees that state all service fees will be reviewed and approved for accuracy by a senior staff person. Upon review and reconciliation of the vendor invoice, Fiscal Affairs will email the Deputy Fire Chief of the Emergency Services Command (or his designee) that the payment is approved and will be processed.

**Response 5A** – Agree with recommendation. We will work with the vendor to ensure only out of County transports are billed. We will work with the vendor to increase the reliability of not billing in County residents by working with the billing vendor to utilize GIS data to make the billing information more accurate.

**Response 6A-6E** – Agree with recommendations. We are working to implement the recommendations.

**Response 7A-7C** – Agree with recommendations. We are working to implement the recommendations.