



Audit of Emergency Medical Services

Ambulance Billing

ABSTRACT

The City has contracted with a vendor to manage its EMS ambulance billing services. In general, the Fire Department has established effective controls related to EMS data entry processes and management of patient care reports. Additional data is needed to ensure EMS fees are set appropriately.

The EMS Billing Vendor appears to maintain an adequate process for billing and payment services; however, additional oversight and reporting will assist with ensuring proper management of the executed contract, as well as, management of payment plan data.

Audit Team

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Table of Contents

Audit at a Glance	3
Introduction	4
Management Responsibility.....	4
Audit Objectives, Scope, and Methodology	4
Findings & Analysis.....	6
EMS Runs Effectively Documented.....	7
Billing & Payment Process Generally Appropriate	8
More Data Needed to Ensure EMS Fees Are Appropriate; Payment Plan Promotion Needed	11
EMS Billing Vendor Paid Appropriately.....	16
Appendix A: Management Response Summary	18

Audit at a Glance

Why we did this Audit:

The City provides emergency medical services to individuals in Denton as needed. Per City ordinance, fees for these services must be charged to patients. Annually, the City has received about \$2.7 million for provided emergency medical services. This audit project was included on the City's fiscal year 2020-21 Audit Plan as approved by the City Council.

What we Recommend:

Recommendations 1 & 2

Develop a process to review PCR deletions & verify City contact information for reporting.

Recommendations 3 & 9

Coordinate with the EMS Billing Vendor to obtain annual SOC report & identify cause of billing discrepancies.

Recommendations 4, 5, & 8

Formalize procedures related to prior EMS Billing Vendor account management, EMS billing fee schedule & vendor deposit log reconciliation.

Recommendations 6 & 7

Advertise payment plan availability and require the EMS Billing Vendor to provide patient payment plan reports.

What we Found:

The City contracts with an EMS Billing Vendor to manage the EMS billing and collection functions. This audit generally evaluated all parts of the ambulance billing process including Patient Care Report – or PCR – data entry, patient billing, & account management. Our findings for each section are summarized below:

PCR Data Entry. PCR data appears to be properly managed; however, further establishment of controls and analysis of PCR data will assist with ensuring patient documentation is complete and retained.

Patient Billing. Patients appeared to be billed appropriately by the EMS Billing Vendor in accordance with the City's EMS billing fee schedule; however, inconsistencies were identified related to application of Medicare disallow amounts on patient accounts. Furthermore, it is unclear if the City's EMS billing fee schedule appropriately considers cost per transport, payer mix, and collection rates.

Additionally, the City has allowed patients to sign-up for payment plans in the past; however, it is unclear if this program is currently effective since the EMS Billing Vendor does not report on payment plans to the City. Furthermore, payment plan options are not clearly promoted on the City's website or patient bills.

Account Management. Duties appear to be appropriately segregated for the EMS billing and payment process. Specifically, all provided services are documented by the City's EMS Division, bills are prepared by the EMS Billing Vendor, and payments are processed by the City's bank. Development of formal procedures are necessary to ensure consistency related to prior EMS Billing Vendor patient accounts, and reconciliation of the EMS Billing Vendor's deposit logs.

Introduction

The Internal Audit Department is responsible for providing: (a) an independent appraisal¹ of City operations to ensure policies and procedures are in place and complied with, inclusive of purchasing and contracting; (b) information that is accurate and reliable; (c) assurance that assets are properly recorded and safeguarded; (d) assurance that risks are identified and minimized; and (e) assurance that resources are used economically and efficiently and that the City's objectives are being achieved.

The Internal Audit Department has completed a performance audit of emergency medical services – or EMS – ambulance billing processes. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Management Responsibility

City management is responsible for ensuring that resources are managed properly and used in compliance with laws and regulations; programs are achieving their objectives; and services are being provided efficiently, effectively, and economically.

Audit Objectives, Scope, and Methodology

The Internal Audit Department has completed an audit of the City's EMS ambulance billing processes, including patient care report data entry, patient billing, and account management. This report is intended to provide assurance that the City has established adequate processes and procedures to ensure emergency medical services' patient care reports and patient accounts are managed effectively and in accordance with contract terms.

Audit fieldwork was conducted during July, August, September, and October 2021. The scope of review varied depending on the procedure being performed. The following list summarizes major procedures performed during this time:

¹ The City of Denton's Internal Audit Department is considered structurally independent as defined by generally accepted government auditing standard 3.56.

- Reviewed documentation to develop criteria including the current EMS Billing Vendor contract, policies, procedures, and industry practices;
- Developed process narratives to identify current control activities in the EMS ambulance billing process, including patient care report data entry, patient billing, and account management processes that were certified by Fire Administration staff;²
- Interviewed City of Denton Fire Department staff and current EMS Billing Vendor staff;
- Inspected a statistical sample of 96 patient care reports³ including supporting documentation to ensure they were reviewed, managed, and approved in accordance with contract terms and documented policies and procedures;
- Verified patient care reports were being properly transferred between the Fire Department and EMS Billing Vendor to ensure all patient care reports were appropriately processed;
- Reconciled remaining prior EMS Billing Vendor patient accounts to ensure that collected payments were appropriately processed and reconciled, and accurately reported;
- Analyzed the City's EMS fee schedule for the past ten years and compared them to Medicare allowable amounts⁴ to evaluate cost recovery strategies;
- Examined an additional 90 patient care reports where the patient refused treatment or transport⁵ to identify any refusal patterns;
- Reviewed the department budget in relation to expenses and revenues to determine whether the budget appears to be properly prepared based on EMS billing and payments data; and
- Reviewed City payments made to the EMS Billing Vendor to ensure they were made in accordance with contract terms.

² This Process Packet was certified by City of Denton Fire Administration staff; however, the EMS Billing Vendor was unresponsive regarding Process Packet feedback and certification during the course of this audit.

³ This sample provides with 95% confidence that the true population is $\pm 10\%$ of the sample estimate.

⁴ The Medicare allowable rates prevent ambulance services from collecting on the full amount of charges for patients with Medicare.

⁵ This sample provides with 95% confidence that the true population is $\pm 10\%$ of the sample estimate.

Findings & Analysis

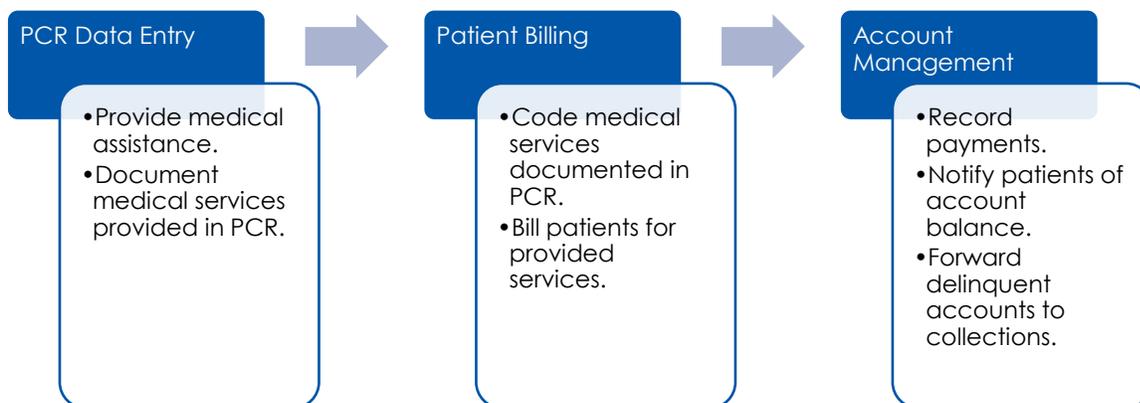
The City of Denton’s Code of Ordinances requires the Fire Department to provide emergency ambulance services within City limits at the cost of the person receiving the service. The Fire Department is required to document each ambulance run in a patient care report – or PCR. While this document is a critical record of prehospital care, it is also used to ensure patients are accurately billed for the medical services they received.

The City has contracted with an emergency medical services – or EMS – Billing vendor, who is generally responsible for coding PCRs to determine how much patients should be billed for the medical services provided.⁶ This vendor is also responsible for managing patient accounts including:

- Notifying patients of their account balance;
- Recording payments submitted; and
- Forwarding delinquent accounts to a collections agency.

An overview of this process is illustrated in Figure 1.

Figure 1: EMS Ambulance Billing Process Overview



This audit evaluated the City’s EMS ambulance billing administration and processes, including PCR data entry, patient billing, and account management.

⁶ Accuracy of medical coding was not included as part of this review due to lack of medical coding knowledge and expertise within the Internal Audit Department.

EMS Runs Effectively Documented

The Texas Administrative Code requires that emergency medical service – or EMS – providers accurately complete patient care reports to document medical services provided to its patients for every EMS run. PCRs are not only critical to document medical care administered, but also serve as the basis for patient billing.

What We Found

- The EMS Division maintains an EMS Protocols Handbook that details the processes related to data entry and medical assistance for staff to provide to patients during emergency medical runs. Annually, relevant staff are required to review the handbook and pass an exam covering the procedures.
 - During 2020, all individuals successfully passed the EMS Protocols exam. Updates to protocols for 2021 should be completed by November.
- Per the EMS Protocols Handbook, the Lead Paramedic on each run is responsible for completing each PCR and ensuring it is finalized by the end of their shift.
 - EMS Fire Captains verify all PCRs are appropriately finalized daily and review a sample of PCRs for quality control to ensure the EMS teams are providing care according to the Department's protocols. For fiscal year 2021, approximately 2,392 PCRs – or about 24 percent – were reviewed by the Department.
 - If a revision or edit is requested by the EMS Fire Captain based on this review, the Lead Paramedic must make a PCR Amendment which is attached to the original PCR but does not overwrite the original data.
- PCRs are created and retained in the City's EMS software. EMS Fire Captains are the only individuals with Administrator access to this software, which allows them to delete PCRs. According to Department staff, EMS Fire Captains review PCRs before deletion to ensure there is no patient data, attachments, or signatures.
 - All deleted PCRs are automatically retained in the EMS software. Based on review of this log, all deleted PCRs appeared to be deleted appropriately.
 - That being said, the Fire Department has not established a process to periodically review this record.

Why It Matters

EMS run patient care reports appear to be completed and reviewed effectively. In addition, software system controls generally appear to restrict access appropriately. Periodic review of the PCR deletion log will provide further assurance that PCRs are not deleted inappropriately.

Recommendation:

1. Develop a process to periodically review the EMS software deletion log to ensure PCRs are deleted appropriately.

Fire Department Comments: *The EMS Battalion Chief will review the deletion log quarterly and take any appropriate action.*

Billing & Payment Process Generally Appropriate

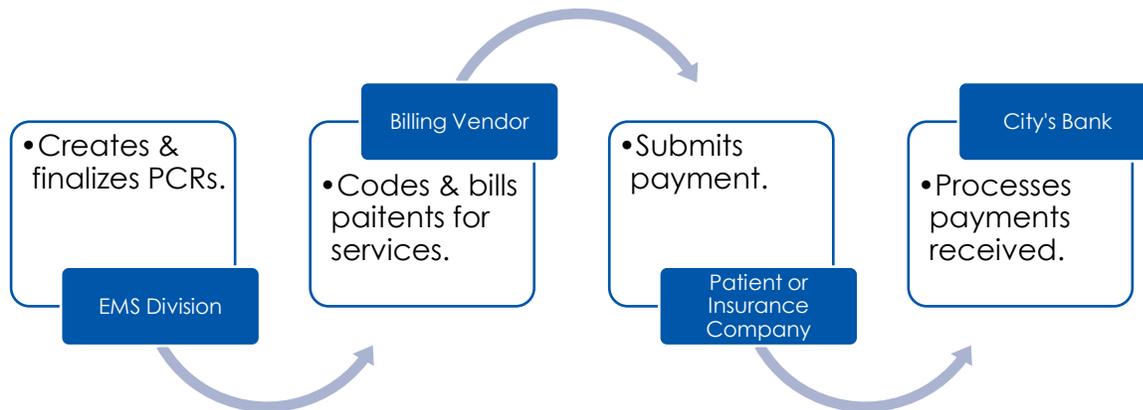
Once a patient care report (i.e. PCR) is completed and finalized it is automatically forwarded to the City's EMS Billing Vendor. This Vendor is responsible for reviewing the PCRs to ensure they are complete and to transform the narrative information into medical codes to facilitate the billing process.

Once coded, the Vendor creates a bill for each patient using the City's adopted fee schedule and applies any medical disallows or adjustments.⁷ If a patient has available insurance information, the bill is originally sent to their insurance company. If the insurance company does not pay balance in full, the patient is responsible for the remainder.

All payments are sent directly to the City's bank for processing either electronically or to a physical lockbox. While the EMS Billing Vendor updates patient account balances, they do not process payments. Payments are then reconciled to patient accounts by the EMS Billing Vendor based on reports received from the City. This process is illustrated in Figure 2.

⁷ A disallowed amount is the difference between a hospital charge and the amount an insurance company approves that cannot be billed to the patient.

Figure 2: Billing & Payment Process



What We Found

- Duties appear to be appropriately segregated for the EMS billing and payment process. Specifically, all provided services are documented by the City's EMS Division, bills are prepared by the EMS Billing Vendor, and payments are processed by the City's bank.
- All PCRs finalized by the Fire Department appeared to have been forwarded to the EMS Billing Vendor. Based on a comparison of PCRs to bills, about 11 percent of PCRs did not result in a bill.
 - About 93 percent of these unbilled PCRs were due to a patient not receiving care. The remaining PCRs could not be billed due to Medicare's standards of medical necessity.
 - In addition, at the beginning of the audit, the EMS Billing Vendor noted that about 90 PCRs had been returned to the City for review due to missing information such as patient name. These runs had occurred between February 2019 and June 2021 and had not been resolved by the City as the report on this information was not being received by City staff. During the audit new contact information was provided to the Vendor to resolve this issue.
- Based on review of a statistical sample of 96 PCRs and related payments, Patient EMS charges generally appeared to be billed in accordance with the City of Denton's approved EMS fee schedule.
 - Four accounts did not have the Medicare disallow amount applied appropriately before being sent to collections as shown in Table 1.⁸

⁸ The EMS Billing Vendor has not provided an explanation on the cause of these missing adjustments.

Based on discussion with the EMS Billing Vendor, the collections agency has been notified of the balance issue on these accounts.

Table 1: Accounts Inappropriately Sent to Collections

Incident	Account Balance	
	Without Disallow Amount	With Disallow Amount
1	\$258.00	\$0.00
2	\$250.00	\$0.00
3	\$1,337.84	\$0.00
4	\$728.15	\$210.15
Total:	\$2,573.99	\$210.15

- Payments made on patient accounts appeared to be processed appropriately through the Vendor's billing application and deposit logs, and the City of Denton's monthly reconciliation logs.
- There appears to be an adequate process to send patients three account balance statements at 30, 60, and 90 days prior to any unpaid balances being sent to the collections agency.
 - Monthly, the Vendor provides a 'Bad Address Report' to the City of accounts at risk of being sent to the collections agency. Fire Administration staff review this list to determine whether any updated patient contact details are available. If new information cannot be found, the outstanding patient balances are sent to the collections agency and written off by the EMS Billing Vendor.
- Prior to February 2019, the City had contracted with a different EMS Billing Vendor.
 - As of September 2021, there were eight accounts originally billed by this previous vendor with outstanding balances totaling approximately \$2,336. The payoff timelines for these balance range from 2 months to almost 14 years.
 - These accounts appear to be managed properly by Fire Administration personnel; however, there are currently no documented processes detailing how to manage, reconcile, and apply patient payments appropriately to their accounts.

Why It Matters

Patient invoices need to be prepared and billed accurately to ensure compliance with contract terms and Medicare billing regulations. Inaccurate billing can result in under or overpayment by patients or insurance companies and can cause inappropriate balances to be sent to collections, negatively affecting the patient's credit.

Additionally, ensuring all City-received reports have the correct contact information assists with reporting and compliance with contract terms. Annual verification of contact information could mitigate the risk of unreceived reporting and outstanding vendor inquiries.

In addition, documented policies and procedures help an organization retain institutional knowledge, navigate emergency situations, and facilitate consistency to ensure the remaining vendor accounts are processed and managed appropriately until fully resolved.

Recommendations:

2. Develop a process to annually verify the EMS Billing Vendor's City contact information for all City-received reports.

Fire Department Comments: *This process will be executed in tandem with the annual SOC report review. An SOP is in progress.*

3. Coordinate with the EMS Billing Vendor to determine the cause of the improper patient balances.

Fire Department Comments: *Fire Admin will continue to coordinate with the EMS Billing Vendor as billing discrepancies arise. Additionally, Fire Admin will develop a protocol with the EMS Billing Vendor to review account balances and check for any errors before they are sent to collections.*

4. Document the process to manage outstanding accounts originally billed by the City's previous EMS Billing Vendor.

Fire Department Comments: *Fire Admin is already in the process of documenting this protocol. A formal policy will be written and established through departmental policy software.*

More Data Needed to Ensure EMS Fees Are Appropriate; Payment Plan Promotion Needed

The City of Denton's Code of Ordinances requires the City to charge fees for emergency ambulance services provided in response to a call received by the Fire Department requesting such services. The person receiving emergency ambulance service is responsible for paying these fees. The Code of Ordinance also requires the City Manager to adopt and administer an ambulance charity care assistance policy.

The National Fire Prevention Association Standard 450 *Guide for Emergency Medical Services and Systems* recommends that an EMS system ensure that there are methods in place to evaluate collection processes and to ensure that those processes are consistent with community expectations. Specifically, EMS systems are advised to recognize the uniqueness of their collections process including billing mix (i.e. what services are billed) and payer mix (i.e. who is billed).

According to the Kaiser Foundation, 67 percent of Americans are either very worried or somewhat worried about unexpected medical bills (compared to 41 percent who are very or somewhat worried about paying their rent or mortgage).⁹ Anxiety about unexpected medical bills can lead individuals to refuse care or transport by ambulance services, potentially impacting quality of life.

What We Found

- The City of Denton's fees for ambulance services are higher than the Medicare allowable rate as shown in Table 2:

Table 2: Ambulance Service Fee Rate Comparison

Ambulance Service	Denton Fee 2010-Present	Medicare Allowable Amount		
		2021	2020	2019
Basic Life Support	\$787.00	\$367.39	\$364.55	\$358.93
Advanced Life Support 1	\$855.00	\$436.28	\$432.90	\$426.23
Advanced Life Support 2	\$900.00	\$631.46	\$626.56	\$616.91
Transport Charge per Mile	\$15.00	\$7.63	\$7.62	\$7.55

- There are currently no documented procedures for establishing the EMS billing fee schedule. According to Fire Department staff, the fee schedule is generally revised by calculating the average cost of each item plus nine percent; however, based on review of the last three EMS billing fee schedules the majority of rates have remained consistent since 2010.
 - In addition, ambulance service fees were not readily available on the Fire Department's website during the audit.
- On average, the City of Denton receives about \$300 per transport, with about 84 percent of payment value remitted being paid by insurance companies including Medicare and Medicaid.

⁹ The Kaiser Family Foundation is a nonprofit organization focused on national health issues, as well as the United States' role in global health policy.

- Based on a review of the EMS Program budget, the Fire Department spends about \$173,000 annually on equipment, medical supplies, and training; however, this budget does not include costs for EMS staff labor or vehicles. These costs are budgeted separately in the City's financial system. Furthermore, the Department does not appear to calculate its cost per transport, preventing comparison with collections per transport.
- The City of Denton balance bills its patients, meaning the patient is charged for any amount that exceeds what is reimbursed by Medicare or the patient's insurance company.
 - Based on review of a statistical sample of 96 PCRs, of the Denton Fire Department's ambulance patients about a third each were either uninsured, had Medicare or Medicaid (i.e. public insurance), or had private insurance. Table 3 shows how much each payer group in the sample remitted:

Table 3: Ambulance Billing & Payments By Payer Group

	Patient Payer Group			Percent of Total
	Public Insurance ¹⁰	Private Insurance	Uninsured	
Amount Charged	\$34,860	\$36,040	\$21,910	\$92,810
Charges Disallowed	\$16,930	\$12,590	\$0	32%
Public Ins. Payments	\$9,070	\$0	\$0	10%
Private Ins. Payments	\$1,990	\$12,480	\$0	16%
Charity Payments	\$990	\$0	\$1,430	3%
Patient Payments	\$1,500	\$620	\$0	2%
Sent to Collections	\$2,640	\$5,560	\$9,400	19%

- Of this statistical sample, seven of the reviewed PCRs were not billed either because transport was not provided or transport was considered a courtesy. Of the remaining 89 PCRs, patients were charged an average of \$1,031. After adjustments and any insurance payments were applied, about 70 percent of patients had a balance remaining on their ambulance bill which averaged about \$645.
 - For 46 percent of patients who were balance billed, the entire balance was sent to a collection agency. Based on review of data from cities of similar size and demographics, the City's rate for patient account balances sent to collections appears similar.
- According to the EMS Billing Vendor, none of the 96 patients included in the statistical sample had requested a payment plan. That being said, the

¹⁰ Includes both patients with Medicare or Medicaid insurance plans.

Vendor stated that they do not currently have a process to identify or report on patients with payment plans.

- The City does not formally require the EMS Billing Vendor to offer payment plans to the City's patients; however, both EMS Billing Vendor and Fire Department staff stated that a patient could be placed on a payment plan if it was requested.
 - Based on observation of patient bills and the City's website, there does not appear to be any clear information on payment plan options for Denton EMS patients.
 - Based on review of the previous EMS Billing Vendor's outstanding accounts, the City has allowed these patients to establish payment plans with monthly payments of as low as \$5. These patient's accounts are not sent to the collections agency as long as payments are made on time.
- Similarly, the City has adopted a Charity Care Policy. This program is run through the City's EMS Billing Vendor.
 - About six percent of ambulance runs result in a patient refusing care and transport. This refusal rate appears to be low based on industry research. The Department has established a process to review at least 10 percent of PCRs with a patient refusal disposition as part of their PCR quality control procedures.

Why It Matters

Per the National Fire Prevention Associations guidelines, EMS providers should identify ongoing costs of delivering EMS services and analyze these along with revenues to establish EMS system priorities. Establishment of a formal process to prepare the City's EMS billing fee schedule will ensure consistency in the development of the fee schedule and in the event of staff turnover, as well as, provide justification for the rates and rate increases if necessary. This process should include analysis of costs and payments including an understanding of how those revenues are received.

Based on reviewed patient care reports, only about 2 percent of remitted ambulance fee payments are self-pay. Furthermore, if a patient is uninsured, it is likely that their entire ambulance bill balance will be sent to a collections agency. The City has tried to assist these individuals by providing payment plan options in the past; however, it is unclear if this program is effective with the current EMS Billing Vendor.

Payment plans provide flexibility and convenience for customers to make payments that fit their budget as well as helping to avoid negative credit impacts. Increased visibility of payment plan options will help ensure patients receive the benefits of the City's payment plan program. Furthermore, periodic reporting on the City's patient payment plan details will allow opportunities for management to review data and determine whether payment plans are an effective option for patients.

Recommendations:

5. Develop formal procedures to document the process utilized to establish the City's EMS billing fee schedule. Consider establishing recoupment goals for the EMS program-based cost per transport, collection rates, payor mix, etc. as part of this process.

Fire Department Comments: *Fire Administration will assess EMS costs and establish recoupment goals while developing a standardized process for creating an annual EMS Fee schedule. A formal policy will be written and established through departmental policy software. Also, since the initial draft of this audit, the current EMS Fees have been posted to the City Webpage and will go live on November 3rd.*

6. Ensure information about payment plan options are available to City of Denton patients. Consider updating the Fire Department website and coordinating with the EMS Billing Vendor to include information on billing statements.

Fire Department Comments: *Fire Admin will work with the EMS Billing Vendor to develop language explaining payment plan information and post to the City's EMS Billing web page. A formal policy will be written and established through departmental policy software. Since the initial draft of this audit, Fire Admin and the EMS Billing Vendor have begun reviewing wording options.*

7. Require the EMS Billing Vendor to establish patient payment plan reporting that includes patient balances, payment plan amounts, and estimated payoff timelines. Consider updating the City's contract with the EMS Billing Vendor to establish patient payment plan contract terms, detailing reporting requirements and the minimum patient payment plan amount.

Fire Department Comments: *Fire Admin will work with the EMS Billing Vendor to develop a reporting protocol. If necessary, contract amendments will be made to reflect the added reporting.*

EMS Billing Vendor Paid Appropriately

In accordance with contract terms, the EMS Billing Vendor receives 3.75 percent of EMS fees collected as payment. In addition to the service fee percentage, other items invoiced to the City as included within contract terms were:

- EMS software licensing fees; and
- Tablets for the City's EMS staff.

The current EMS Billing Vendor is also contracted with the City to provide Texas Ambulance Supplemental Payment Program – or TASPP – services.¹¹

Monthly, the EMS Billing Vendor invoices the City detailing collected revenue data and payment amount due for services. The EMS Billing Vendor also prepares a monthly deposit log detailing payments received and processed during the period utilized to calculate the monthly City invoice and is provided to the City.

What We Found

- Based on review of payments made to the EMS Billing Vendor between February 2019 and July 2021, the City has paid an approximately \$551,000, as detailed in Table 4.

Table 4: EMS Billing Vendor Payments

Payment Type	Payment Totals	Contract Limit
EMS Billing Contract	\$371,774	\$950,000
TASPP Supplemental Payments Contract	\$179,202	\$430,000
Total:	\$550,976	\$1,380,000

- All payments reviewed appeared to be made appropriately and in compliance with contract terms based on review of the EMS Billing Vendor deposit logs and City reconciliation logs; however, according to Fire Department staff, the department has not established a formal documented process to reconcile the EMS Billing Vendor's payment reports other than by method of manual observation.
- Annually, the EMS Billing Vendor undergoes a System and Organizational Controls – or SOC – audit, which reviews and evaluates the organization's internal controls and the effectiveness of related controls.

¹¹ TASPP is a separate contract not associated with the EMS Billing Vendor contract. Payments for this program were reviewed during the course of this audit for appropriateness but the TASPP contract was not formally reviewed as part of this audit.

- Fire Department staff do not currently have a process to request or review the results of this audit.
- Based on review of the results of the 2020 SOC audit, some control weaknesses were identified in the Vendor's operations that could potentially result in security threats to City data if left unresolved. Management responses indicated the deficiencies were in the process of being resolved to address the remediation of all vulnerabilities at the time of report issuance; however, the Vendor did not provide an update on the status of these deficiencies over the course of this audit.

Why It Matters

Payments appear to be made to the City's EMS Billing Vendor in accordance with contract terms; however, development of a formal, documented process to reconcile the EMS Billing Vendor's deposit logs to the City's monthly reconciliation reports will provide assurance City payments are being made appropriately to the EMS Billing Vendor for provided services, and ensure consistency of departmental practices related to contract management.

In addition, the City does not currently have a process to review the Vendor's System and Organizational Controls Audit report. The City's EMS Billing Vendor is responsible for ensuring City data is protected and reduce the risks related to potential security concerns. Obtaining a copy of this issued report annually will provide the City an opportunity to review results and assist with mitigating potential identified risks to ensure City data remains safeguarded and in compliance with Health Insurance Portability and Accountability Act requirements.

Recommendations:

8. Develop formal procedures to document the process utilized to reconcile the EMS Billing Vendor deposit logs to the City's payment reconciliation logs.

Fire Department Comments: *The Fire Admin Manager will collaborate with the EMS Billing Vendor and the City's Treasury Department to develop an efficient and accurate reconciliation process. A formal policy will be written and established through departmental policy software.*

9. Coordinate with the EMS Billing Vendor to develop a process to obtain and review a copy of the EMS Billing Vendor's annual SOC report.

Fire Department Comments: *The Fire Administration Manager will team up with the EMS Billing Vendor to establish an annual date of receipt as well as a robust annual review of the SOC report. A formal policy will be written and established through departmental policy software.*

Appendix A: Management Response Summary

The following summarizes the recommendations issued throughout this report. The auditors found that staff and the Department were receptive and willing to make improvements to controls where needed. Management has provided their response to each recommendation.

1	<i>Develop a process to periodically review the EMS software deletion log to ensure PCR's are deleted appropriately.</i>	Concur	Expected Completion: 12/31/21
Fire Department Comments: The EMS Battalion Chief will review the deletion log quarterly and take any appropriate action.			Responsibility: EMS Battalion Chief
2	<i>Develop a process to annually verify the EMS Billing Vendor's City contact information for all City-received reports.</i>	Concur	Expected Completion: 12/31/21
Fire Department Comments: This process will be executed in tandem with the annual SOC report review. An SOP is in progress.			Responsibility: Admin Manager
3	<i>Coordinate with the EMS Billing Vendor to determine the cause of the improper patient balances.</i>	Concur	Expected Completion: 3/31/2022
Fire Department Comments: Fire Admin will continue to coordinate with the EMS Billing Vendor as billing discrepancies arise. Additionally, Fire Admin will develop a protocol with the EMS Billing Vendor to review account balances and check for any errors before they are sent to collections.			Responsibility: Admin Manager
4	<i>Document the process to manage outstanding accounts originally billed by the City's previous EMS Billing Vendor.</i>	Concur	Expected Completion: 12/31/21
Fire Department Comments: Fire Admin is already in the process of documenting this protocol. A formal policy will be written and established through departmental policy software.			Responsibility: Fire Admin.
5	<i>Develop formal procedures to document the process utilized to establish the City's EMS billing fee schedule.</i>	Partially Concur	Expected Completion: 04/30/22
Fire Department Comments: Fire Administration will assess EMS costs and establish recoupment goals while developing a standardized process for creating an annual EMS Fee schedule. A formal policy will be written and established through departmental policy software. Also, since the initial draft of this			Responsibility: EMS Battalion Chief & Admin Manager

audit, the current EMS Fees have been posted to the City Webpage and will go live on November 3rd.

6	<i>Ensure information about payment plan options is available to City of Denton patients.</i>	Concur	Expected Completion: 12/31/2021
Fire Administration Comments: Fire Admin will work with the EMS Billing Vendor to develop language explaining payment plan information and post to the City's EMS Billing web page. A formal policy will be written and established though departmental policy software. Since the initial draft of this audit, Fire Admin and the EMS Billing Vendor have begun reviewing wording options.			Responsibility: Admin Manager
7	<i>Require the EMS Billing Vendor to establish patient payment plan reporting that includes patient balances, payment plan amounts, and estimated payoff timelines.</i>	Concur	Expected Completion: 05/31/2022
Fire Department Comments: Fire Admin will work with the EMS Billing Vendor to develop a reporting protocol. If necessary, contract amendments will be made to reflect the added reporting.			Responsibility: Fire Admin Manager
8	<i>Develop formal procedures to document the process utilized to reconcile the EMS Billing Vendor deposit logs to the City's payment reconciliation logs.</i>	Concur	Expected Completion: 03/31/22
Fire Department Comments: The Fire Admin Manager will collaborate with the EMS Billing Vendor and the City's Treasury Department to develop an efficient and accurate reconciliation process. A formal policy will be written and established though departmental policy software.			Responsibility: Fire Admin Manager
9	<i>Coordinate with the EMS Billing Vendor to develop a process to obtain and review a copy of the EMS Billing Vendor's annual SOC report.</i>	Concur	Expected Completion: 12/31/21
Fire Department Comments: The Fire Administration Manager will team up with the EMS Billing Vendor to establish an annual date of receipt as well as a robust annual review of the SOC report. A formal policy will be written and established though departmental policy software.			Responsibility: Fire Administration Manager