

Report #2022-04

EMERGENCY MEDICAL SERVICES REVENUE RECOVERY AUDIT

NUMBER OF RECOMMENDATIONS



*City of Glendale
Internal Audit*

02.17.2022



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Acknowledgment

We would like to thank Glendale Fire and Finance & Information Technology Department personnel for the support and assistance provided to us throughout this project.

For questions regarding the contents of this report, please contact the lead auditor, Natalie Minami-Valdivia, Sr. Internal Auditor, or Jessie Zhang, Internal Audit Manager at internalaudit@glendaleca.gov.

This report is also available online at <https://www.glendaleca.gov>

A. Overview

Key Outcomes

The Glendale Fire Department (GFD) Emergency Medical Services (EMS) revenue recovery process is a multi-faceted process. When a medical call is received through the Computer Aided Dispatch (CAD) system, GFD staff is dispatched to the location to provide life support services and/or transport the patient to the hospital. An electronic patient care report (ePCR) will be completed and provided to a third-party vendor for billing. Additionally, GFD administers two EMS related programs: 1) The California Department of Health Care Services (DHCS) Ground Emergency Medical Transportation (GEMT) program that provides supplemental funding for Medi-Cal services that requires quarterly and/or annual reporting and Quality Assurance Fee (QAF) payments; 2) The Glendale Medic is a voluntary membership program that provides discounted paramedic services and emergency ambulance transportation.

Internal Audit reviewed these processes and found that the key EMS revenue recovery related responsibilities and procedures were not documented. Consequently, recent staff turnover resulted in inaccurate invoice payments to the third-party vendor, untimely submission of GEMT reports and payments, and missed online Glendale Medic membership program applications. Internal Audit also found that adequate controls are not in place to ensure 1) all billable medical calls have a completed ePCR; 2) those ePCRs are processed for billing in a complete and timely manner; 3) the Glendale Medic membership program is appropriately administered; 4) access to key systems are appropriately managed; 5) GEMT required reports and payments are submitted in an accurate and timely manner; and 6) revenues recorded are adequately supported within the City’s financial system (Munis).

Impact Dashboard¹

This table summarizes the applicable value-added categories (total 38) for the 13 recommendations based on their priority rankings.

	Value-Added Categories			
	Compliance	Cost Saving	Efficiency	Risk Reduction
Priority 1 1	1	0	1	1
Priority 2 12	10	1	12	12
Priority 3 0	0	0	0	0

¹ Each audit recommendation may have more than one value-added category. The Definitions of Priority Rankings and Value-Added Categories are located at Appendix 1.

B. Action Plan and Target Completion Dates

The action plan and target completion dates are summarized in the table below. Internal Audit will perform quarterly status follow-up to provide assurance that management is taking appropriate and timely corrective action to address audit recommendations.

Ref.	Management Action Plan	Completion Date
Priority 1		
1.	Establish and document the EMS revenue recovery related responsibilities and procedures. <i>Value added:</i> Compliance , Efficiency , Risk Reduction	05/31/2022
Priority 2		
2.	Reconcile CAD medical calls to Digital EMS ePCRs, and then to Wittman billing on a monthly basis to ensure billing completeness. <i>Value added:</i> Compliance , Efficiency , Risk Reduction	8/31/2022
3.	Review Medic ClipBoard daily to ensure that ePCRs are completed for all CAD medical calls that are logged as arriving on scene in a timely manner. <i>Value added:</i> Compliance , Efficiency , Risk Reduction	8/31/2022
4.	Bill the 41 missed ePCRs identified and establish direct communication of daily control totals of ePCRs transmitted for reconciliation purposes. <i>Value added:</i> Compliance , Efficiency , Risk Reduction	8/31/2022
5.	Work with Wittman and the Emergency Medical Services Agency of Los Angeles County to determine the completeness and accuracy of the fees included within Wittman Charge Master. <i>Value added:</i> Compliance , Efficiency , Risk Reduction	8/31/2022
6.	Attach all supporting documentation necessary in Munis to validate Wittman invoices. <i>Value added:</i> Compliance , Cost Saving , Efficiency , Risk Reduction	8/31/2022
7.	Include the Glendale Medic membership program fee within the Citywide Fee Schedule and review fee and program performance annually. <i>Value added:</i> Efficiency , Risk Reduction	8/31/2022

Ref.	Management Action Plan	Completion Date
Priority 2		
8.	Streamline Glendale Medic membership program administration through proper segregation of duties, consistent and accurate online information, and better membership renewal and reporting. <i>Value added:</i> Compliance , Efficiency , Risk Reduction	8/31/2022
9.	Create a consolidated Glendale Medic membership listing, timely update Wittman of changes, and periodically review Glendale Medic membership program write-downs against the membership listing. <i>Value added:</i> Efficiency , Risk Reduction	8/31/2022
10.	Deactivate system user accounts for separated employees in a timely manner. <i>Value added:</i> Compliance , Efficiency , Risk Reduction	8/31/2022
11.	Submit all required GEMT reports, remittances, and annual gross receipt data submission forms in a timely manner. <i>Value added:</i> Compliance , Efficiency , Risk Reduction	8/31/2022
12.	Establish a central repository for all GEMT related documents and ensure that multiple staff receive GEMT correspondence and changes in GEMT contacts are communicated to DHCS in a timely manner. <i>Value added:</i> Compliance , Efficiency , Risk Reduction	8/31/2022
13.	Define the accounting strings for recording GEMT related revenues and expenses and attach adequate supporting documentation within Munis. <i>Value added:</i> Compliance , Efficiency , Risk Reduction	8/31/2022

C. Background

In accordance with the Fiscal Year (FY) 2021-22 annual work plan, Internal Audit has completed an EMS Revenue Recovery audit. The EMS revenue recovery processes are administered by the EMS Division, one of six divisions within the GFD.

Under the supervision of a GFD Battalion Chief, the EMS Division is responsible for providing life support services to the community. Administratively, the EMS Division is responsible for EMS training, maintenance and documentation of EMS records, management of the Ambulance Operator program, administration of the Glendale Medic membership program, interfacing with the transport billing agency, continuing education, updating personnel licensing, equipment and product research and recommendation, recruitment, and community outreach. More specifically, EMS revenue recovery related responsibilities include ensuring that ePCRs are completed and submitted for all EMS

patients and coordinating billing information between dispatch, electronic patient care report, and billing systems.

The EMS Division consists of a Battalion Chief, Fire Captain/Paramedic, Public Safety Business Assistant I, and an Ambulance Operator Coordinator. The Ambulance Operator Coordinator is responsible for approximately 40 budgeted hourly Ambulance Operator positions. Additionally, there is an EMS Nurse Specialist position and a contracted Medical Director that is responsible for medical oversight.

Process Overview

Per GFD, over 82% of GFD incidents for FY 2021 were medical in nature. When a medical call is received by Verdugo Communications Center for response by GFD, a paramedic engine is dispatched to the location and is accompanied by a Basic Life Support (BLS) ambulance to provide EMS services and/or to transport the patient to the hospital. In the event that Advanced Life Support (ALS) services are required, the two paramedics from the paramedic engine will join the ambulance operators on the ambulance to transport the patient to the hospital.

ePCR

GFD Ambulance Operators and/or Firefighter Paramedics are responsible for completing the patient's ePCR. The ePCR is an electronic record that documents all care and pertinent patient information. This information is captured using the Digital EMS Solutions Inc. (Digital EMS) Medic ClipBoard software application. Once completed, this information is uploaded to Digital EMS and distributed to the receiving hospital, GFD and Wittman Enterprises (Wittman) for patient billing.

EMS Billing

Wittman is then responsible for billing the patient and/or the patient's insurance company based upon the ePCR uploaded from Digital EMS for the services provided. Wittman must perform follow-up with the receiving hospital to obtain any missing information and determine if the patient is a Glendale Medic member for certain discounts.

GEMT

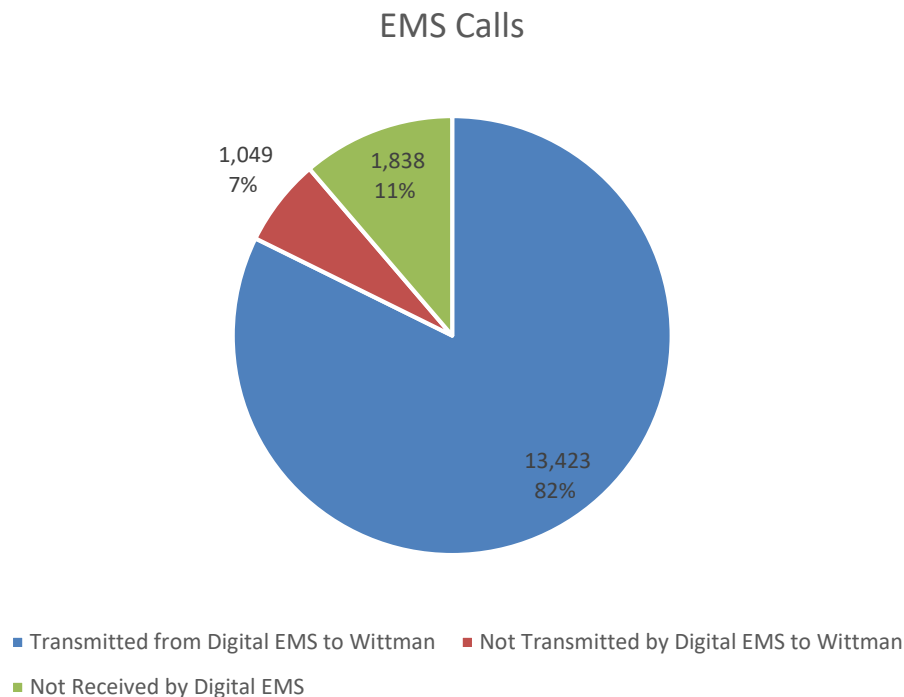
GFD also participates in the DHCS administered GEMT program and is responsible for all required report submissions and payments. The voluntary GEMT Supplemental Reimbursement and the mandatory GEMT QAF programs provide supplemental funding to eligible governmental entities that provide GEMT services to Medi-Cal beneficiaries. The GEMT Supplemental Reimbursement Program is a certified public expenditure based program that is paid based upon the annually submitted cost report that is subject to a DHCS audit within three years of submission. As this program is pending approval of State Plan Amendment 18-007, no annual cost reports have been submitted since FY 2018. The GEMT QAF program calculates an annual rate that is imposed on each emergency medical transport. This QAF is used to increase reimbursement to GEMT providers by the application of an add-on fee to the fee-for-service billing. For FY 2021,

the QAF rate was \$32.30 per ground emergency medical transport that funded the available \$220.80 add-on fee for eligible Medi-Cal beneficiaries.

Glendale Medic

GFD also offers its residents and businesses the Glendale Medic membership program. This is a low cost voluntary annual membership program for paramedic services and emergency ambulance transportation. The Glendale Medic membership program entitles members that have insurance and/or Medicare with no out-of-pocket costs to the patient. Glendale Medic members' insurance and/or Medicare will be billed and the insurance allowed reimbursement will be considered payment in full. Those Glendale Medic members without medical insurance receive a 50% discount on their EMS bill. Residents and businesses may apply for the Glendale Medic membership program online. For Glendale Water & Power (GWP) customers, the annual membership fee is included in the monthly or bi-monthly GWP utility bill. For residents and/or businesses that do not have a GWP utility account, the membership fee may be paid in lump sum by check. The Glendale Medic membership program generated \$84,405 in revenue for FY 2021.

Based on a CAD incident report provided by GFD, a total of 16,310 medical calls were received in FY 2021. Of these calls, there were 13,423 calls transmitted from Digital EMS to Wittman for billing. Of the remaining 2,887 calls, 1,049 calls were received by Digital EMS, but were categorized as not to be sent to Wittman; and 1,838 calls did not have a completed ePCR uploaded by GFD to Digital EMS.



Based upon testwork performed, there were 13,382 (99.7%) of the 13,423 calls received from Digital EMS billed by Wittman.

D. Objective, Scope and Methodology

The objective of the EMS Revenue Recovery Audit was to determine whether adequate controls exist to ensure that EMS related revenues are collected in a complete, accurate, and timely manner and in accordance with applicable contract terms.

The scope of this audit primarily covers the EMS services performed during the period of July 1, 2020 to June 30, 2021.

In order to accomplish the audit objective, Internal Audit performed the following:

- Reviewed the available Wittman agreements.
- Reviewed the Glendale Medic membership program related information, including the original staff report, website, brochure, and City Council approval.
- Interviewed GFD and Finance personnel regarding the EMS revenue recovery processes.
- Interviewed Wittman representatives regarding EMS billing processes.
- Interviewed Digital EMS representatives regarding ePCR completion and submission processes.
- Performed detailed testwork on EMS revenue recovery activities to determine the following:
 - Completeness and timeliness of CAD medical call incidents transmitted to Digital EMS for ePCRs;
 - Completeness of Digital EMS ePCRs transmitted to Wittman for billing;
 - Glendale Medic program membership write-downs were only granted to active members;
 - Completeness and timeliness of EMS billing;
 - Accuracy of the EMS billing fees within Wittman billing system Charge Master.
- Performed online research related to GEMT program, reviewed the available GEMT participation agreements, the most recent DHCS audit reports, and expense reports submitted to support program reimbursement and current DHCS audit.

As a result of these audit procedures performed, 13 observations were identified and are detailed in the Observations, Recommendations, and Management Responses Matrix beginning on the following page.

E. Observations, Recommendations, & Management Responses Matrix

Ref	Observation	Recommendation	Management Response
1.	EMS Revenue Recovery Responsibilities and Procedures		
Priority 1	<p>EMS revenue recovery responsibilities and detailed procedures have not been established and/or documented. Consequently, recent staff turnover resulted in inaccurate invoice payments to the third-party vendor, untimely submission of GEMT reports and payments, and missed online Glendale Medic membership program applications.</p>	<p>GFD management document the EMS revenue recovery related responsibilities, processes, procedures/workflows, expectations, and oversight. These documents should include, but not be limited to:</p> <ol style="list-style-type: none"> 1. CAD – available system information. 2. ePCRs – form completion, expected submission timeframe, contractor standard operating and system procedures, and procedures to ensure that all CAD medical calls that arrive onscene have a complete and accurate ePCR recorded within the Digital EMS database. 3. Glendale Medic membership program administration – see details at Item #8 below. 4. Ambulance Billing Contract with Wittman – monthly invoice review process and annual request and review of its standard operating and system procedures. 5. GEMT – periodic review of the DHCS GEMT website for required and/or updated reporting procedures and deadlines. <p>These procedures should be periodically reviewed and updated. Staff should also be trained, cross-trained, and evaluated based on assigned responsibilities.</p>	<p>Agree and will implement by May 31, 2022.</p>

Ref	Observation	Recommendation	Management Response
2.	Digital EMS ePCRs - Completeness		
Priority 2	<p>Based upon data received from GFD and Digital EMS, there were a total of 16,310 CAD medical calls identified by incident number. Based upon testwork performed, Internal Audit noted the following:</p> <ol style="list-style-type: none"> 1. 2,887 (18%) medical calls did not have a Digital EMS ePCR sent to Wittman for billing. <ol style="list-style-type: none"> a. 1,838 medical calls did not have a corresponding Digital EMS ePCR available to be sent to Wittman for billing. Of which, 337 included a patient transport and 30 were found within the deleted ePCRs tab within Digital EMS. b. 1,049 medical calls had a corresponding Digital EMS ePCR but were coded as not to be sent to Wittman for billing. Of which, 35 included a patient transport, but did not have a code readily available to determine the reason that the transport was not billed. <p>Additionally, there were 439 Digital EMS ePCRs sent to Wittman for billing that could not be matched to a CAD medical call by incident number.</p>	<p>GFD management work with Digital EMS and Wittman to perform the following:</p> <ol style="list-style-type: none"> 1. Reconcile CAD medical calls to Digital EMS ePCRs monthly. 2. Reconcile Digital EMS ePCRs to Wittman billing monthly. 3. Work with Digital EMS to identify the data fields/cause that result in medical calls/transport not being sent to Wittman. 4. Verify that the minimum assessment fee is charged for all calls that are logged as arriving on scene as specified in Glendale Municipal Code 2.92.010. 5. Review the 30 deleted ePCRs to determine whether a bill should be generated. 6. Generate and review deleted records within Digital EMS monthly. 	<p>Agree and will implement by August 31, 2022.</p>

Ref	Observation	Recommendation	Management Response
3.	Digital EMS ePCRs – Timely Submissions		
Priority 2	<p>Based upon a calculation of the days elapsed between the date of the EMS call and the date that the ePCR was uploaded to Digital EMS, Internal Audit noted that 204 of 13,862 (1.5%) ePCRs were not completed within the required 24 hours of the incident.</p>	<p>GFD management perform the following:</p> <ol style="list-style-type: none"> 1. Review Digital EMS Medic ClipBoard daily to ensure that ePCRs are completed for all CAD medical calls that are logged as arriving on scene in a timely manner. 2. Establish and generate a management monitoring report to identify days elapsed between the date of the EMS call and the date that the ePCR was uploaded to Digital EMS and take appropriate and timely action. 	<p>Agree and will implement by August 31, 2022.</p>

Ref	Observation	Recommendation	Management Response
4.	EMS Billing - Completeness		
Priority 2	<p>Based upon detailed testwork performed, Internal Audit noted that 41 ePCRs included within the Digital EMS system could not be located within the Wittman billing system.</p> <p>Based upon discussions with Digital EMS, Wittman, and GFD management, it was noted that GFD was receiving an email from Digital EMS containing the number of ePCRs uploaded; however, as a result of an incorrect email address, GFD was not receiving the emails from Wittman containing the number of ePCRs received for reconciliation purposes.</p>	<p>GFD perform the following:</p> <ol style="list-style-type: none"> 1. Work with Digital EMS and Wittman to process the 41 ePCRs. 2. Work with Digital EMS and Wittman to establish direct communication of control totals to ensure the completeness of daily ePCR uploads. 3. Request that Wittman correct the email address for the Battalion Chief and add the Public Safety Business Assistant I to the distribution list. 	<p>Agree and will implement by August 31, 2022.</p> <ol style="list-style-type: none"> 1. (Completed) Wittman has invoiced 40 ePCRs for services provided from October 31 and November 1 totaling \$63,404. One ePCR was determined to be a cancelled call.

Ref	Observation	Recommendation	Management Response
5.	EMS Billing - Wittman Charge Master		
Priority 2	<p>Based upon a review of Charge Master information provided by Wittman, Internal Audit noted that 25 fees established by GFD for medications and supplies have not been updated since November 2012².</p> <p>Additionally, based upon a review of the LA County Emergency Medical Services Agency’s General Ambulance rates, it was noted that there are fees that are not included within the Wittman Charge Master that may be applicable to GFD.</p>	<p>GFD management perform the following:</p> <ol style="list-style-type: none"> 1. Request, review, and update the Charge Master, including medication and supplies costs, on an annual basis. 2. Confirm that the LA County Emergency Medical Services Agency’s General Ambulance rates excluded from the Wittman Charge Master are not applicable to GFD and/or request Wittman to include all fees within the charge master unless explicitly instructed to be excluded, on an annual basis. 	<p>Agree and will implement by August 31, 2022.</p>

² One of the 25 fees was updated in August 2013.

Ref	Observation	Recommendation	Management Response
6.	Wittman Invoice – Supporting Documentation		
Priority 2	<p>Based upon testwork performed on the 12 monthly invoices for the period of July 1, 2020 through June 30, 2021, Internal Audit noted the following:</p> <ol style="list-style-type: none"> 1. Supporting documentation could not be located for the following: <ol style="list-style-type: none"> a. 4 (33%) invoices had gross collections that could not be agreed to the revenues received due to the duplicate entry of a single receipt, unsupported reversal, missing credit card deposit, and a returned check. b. 12 (100%) invoices did not have "Refunds" supporting documentation. c. 12 (100%) invoices did not have "Collections" supporting documentation. 2. Three mutual aid payments totaling \$254,420 were erroneously recorded as EMS revenue. 	<p>GFD management perform the following:</p> <ol style="list-style-type: none"> 1. Attach all supporting documentation necessary to validate invoices in Munis and request reimbursement for the fees charged based on the duplicated revenue receipt. 2. Confirm \$254,420 in payments received are for mutual aid reimbursement and reclass to the appropriate revenue account (object 31260). 	<p>Agree and will implement by August 31, 2022.</p> <ol style="list-style-type: none"> 1. (Partially Completed) GFD management has worked with Wittman and received a \$4,186 adjustment that resulted in a \$157 invoice credit in its November 2021 invoice.

Ref	Observation	Recommendation	Management Response
7.	Glendale Medic Membership Program – Fee		
Priority 2	<p>Glendale Medic membership program fee (\$60 per year for residents or based upon number of employees for businesses) is not included within the Citywide Fee Schedule and the fee amount has not been reviewed or adjusted since its inception in 2003.</p>	<p>GFD management perform the following:</p> <ol style="list-style-type: none"> 1. Work with Finance to include the Glendale Medic membership program fee within the Citywide Fee Schedule and the Citywide Fee Study to be performed this year. 2. Re-evaluate Glendale Medic membership program fees on an annual basis. 	<p>Agree and will implement by August 31, 2022.</p>

Ref	Observation	Recommendation	Management Response
8.	Glendale Medic Membership Program - Administration		
<p style="text-align: center; color: orange;">Priority 2</p>	<p>Based upon a review of the Glendale Medic membership program, Internal Audit noted the following:</p> <ol style="list-style-type: none"> 1. An individual performs the incompatible duties of collecting payments, depositing lump-sum membership payments, compiling the membership listing, and providing the membership benefits authorization listing to Wittman. 2. Inconsistencies in the renewal process. Membership paid in lump-sum – renewal notice to be mailed six weeks prior to membership is due to expire; memberships paid via GWP utility billing – continue until termination request by member. 3. Inconsistencies in the lump-sum check payments. The GFD website instructs applicants to make checks payable to the "City of Glendale"; however, the Glendale Medic membership program brochure for residents and businesses incorrectly instructs applicants to make checks payable to the "Glendale Fire Department". 4. Due to staff turnover, 8 out of 10 online applications were not being forwarded to any City staff to be processed. 	<p>GFD management perform the following:</p> <ol style="list-style-type: none"> 1. Properly segregate the duties of the physical possession of lump-sum membership checks received, maintaining the membership listing, and authorizing membership benefits. 2. Determine the feasibility of generating renewal notices for membership paid in lump-sum. 3. Correct the Glendale Medic membership program brochure to instruct payments to be made payable to the "City of Glendale". 4. Work with IT to ensure that all online applications are routed to GFD for processing within a pre-determined timeframe. 5. Create a Glendale Medic membership program dashboard and/or 12-month rolling report to identify statistical information such as: <ol style="list-style-type: none"> a. Memberships paid through GWP utility bills. b. Lump-sum Memberships c. New Memberships d. Terminated Memberships e. Online Applications Processed f. Lump-sum Renewals g. Membership Revenue h. Membership Billing Write-downs 	<p>Agree and will implement by August 31, 2022.</p> <ol style="list-style-type: none"> 3. (Completed) The Glendale Medic membership program brochure has been updated to instruct payments to be made to the "City of Glendale".

Ref	Observation	Recommendation	Management Response
9. Glendale Medic Membership Program - Write-downs			
Priority 2	<p>Based upon testwork performed, Internal Audit noted the following:</p> <ol style="list-style-type: none"> 1. The Glendale Medic membership listing used to identify a customer's participation in the Glendale Medic membership program is only provided by GFD to Wittman every 6-12 months. 2. Glendale Medic membership program discounts were applied to 15 non-Glendale Medic members with write-downs totaling \$2,351. 	<p>GFD management perform the following:</p> <ol style="list-style-type: none"> 1. Create a consolidated Glendale Medic membership listing to include those billed through GWP utility bills and through annual lump-sum payments for non-GWP customers. The consolidated listing should incorporate the following: <ol style="list-style-type: none"> a. Information obtained from the GWP monthly reports identifying the new and terminated Glendale Medic members. b. Timely update of the lump-sum payment memberships. 2. Ensure that all membership changes, including additions and cancellations, are forwarded to Wittman upon receipt. 3. Periodically generate a listing of Glendale Medic membership program write-downs and agree it to the Glendale Medic membership listing. 4. Work with GWP Utility Business System Support to obtain view only access to confirm cancellation requests submitted by Glendale Medic members. 	<p>Agree and will implement by August 31, 2022.</p>

Ref	Observation	Recommendation	Management Response
10. User Access Control			
Priority 2	<p>Based upon inquires and user access controls testwork performed, Internal Audit noted the following:</p> <ol style="list-style-type: none"> Active Digital EMS and CAD accounts exist for separated employees. Further testwork determined that there were no unauthorized access attempts by these user accounts. There is not currently a process in place to communicate separated employees to GFD system administrators for the deactivation of user accounts. 	<p>GFD management perform the following:</p> <ol style="list-style-type: none"> Immediately revoke access for the identified separated employee user accounts. Establish a procedure to notify system administrators of separated employees so that they can be timely made inactive to reduce the risk of unauthorized access. For example, request system administrators to be added to the separation notification list distributed by Human Resources. 	<p>Agree and will implement by August 31, 2022.</p> <ol style="list-style-type: none"> (Completed) Users identified as no longer requiring access have been deactivated.

Ref	Observation	Recommendation	Management Response
11. GEMT - Reports and Payments			
Priority 2	<p>Based upon interviews and detailed testwork performed, Internal Audit noted the following:</p> <ol style="list-style-type: none"> 1. The following GEMT-QAF reports and/or payments were not submitted in a timely manner: <ol style="list-style-type: none"> a. Payment for the quarter ending March 31, 2021 was not submitted by the October 1, 2021 deadline. b. Report for the quarter ending June 30, 2021 was not submitted by the August 14, 2021 deadline. c. Payment for the quarter ending June 30, 2021 was not submitted by the November 1, 2021 deadline. d. Gross Receipt Data Submission for ground emergency medical transports between July 1, 2020 through June 30, 2021 was not submitted by the August 14, 2021 deadline. 2. Detailed procedures to administer the GEMT Supplemental Reimbursement and QAF programs are not documented. 	<p>GFD management perform the following:</p> <ol style="list-style-type: none"> 1. Submit delinquent GEMT-QAF and Gross Receipt Data Submission payments and reports. 2. Document the GEMT Supplemental Reimbursement Program and GEMT QAF requirements including, but not limited to, the following: <ol style="list-style-type: none"> a. Participation agreements b. Required reporting and submission deadlines c. Payment calculations methodology d. Review process e. Sources of required information f. Contact list for all GEMT related processes including: <ul style="list-style-type: none"> • DHCS Audit contact • Sacramento Metropolitan Fire District contact for remitting Administrative Share payment 	<p>Agree and will implement by August 31, 2022.</p> <ol style="list-style-type: none"> 1. (Partially Completed) GFD management has completed the following: <ol style="list-style-type: none"> b. The report for the quarter ending June 30, 2021 was submitted on November 18, 2021. c. Payment for the quarter ending June 30, 2021 was made on January 11, 2022. d. Gross Receipt Data Submission reports was submitted on November 18, 2021.

Ref	Observation	Recommendation	Management Response
12. GEMT - Program Administration			
Priority 2	<p>During the course of the audit, the DHCS was in the process of auditing the FY 2018 GEMT Supplemental Reimbursement Program Cost Report Submission. Based upon documents reviewed and interviews conducted, Internal Audit noted the following:</p> <ol style="list-style-type: none"> 1. GFD did not have copies of its annual GEMT cost report submissions or supporting documents. 2. GFD did not provide DHCS with an updated contact information. As a result, GFD did not receive correspondence and was unable to respond to the DHCS auditor requests in a timely manner. 3. GEMT cost report revenues and expenses did not agree to the City's Audited Annual Comprehensive Financial Report. 4. Prior DHCS audit findings and recommendations were not corrected in subsequent reports. 	<p>GFD management perform the following:</p> <ol style="list-style-type: none"> 1. Establish and maintain a centralized repository for all GEMT related documents with sub-folders for each fiscal year. 2. Require a minimum of two individuals be listed on the DHCS contact/correspondence list (i.e. the responsible party, back-up staff member, and their supervisor). Ensure that changes in GFD contacts are appropriately communicated to DHCS in a timely manner. 3. Ensure that the GEMT cost report agrees to the City's Audited Annual Comprehensive Financial Report. 4. Update the GEMT procedures to incorporate new information and/or any information learned through the audit report adjustments/recommendations process (i.e. Wittman billing service costs are ineligible because the invoice is based upon a percentage of collections). 	<p>Agree and will implement by August 31, 2022.</p>

Ref	Observation	Recommendation	Management Response
13. GEMT - Revenues and Expenses Recording			
Priority 2	<p>Based upon staff interviews and detailed testwork, Internal Audit noted the following:</p> <ol style="list-style-type: none"> 1. GEMT revenue and expense recording has not been defined. 2. The GEMT request for payment review process does not include verifying the cost center, task, and object code. 3. The GEMT cash receipt batching process does not include scanning the check, remittance advice, and/or reports to support the revenue received. 	<p>GFD management perform the following:</p> <ol style="list-style-type: none"> 1. Document in the GEMT related procedures the accounting strings to be used to record revenues and expenses. For example, the accounting string should include Emergency Medical Services for the Cost Center, GEMT for the Task, and object code. 2. The GEMT invoice and cash receipt batching approval workflow should include supervisory review of the designated accounting strings. 3. The GEMT cash receipt batching process should require that the check, remittance advice, and/or reports be attached as supporting documentation. 	<p>Agree and will implement by August 31, 2022.</p>

Appendix 1: Definitions of Priority Rankings and Value-Added Categories

Definitions of Priority Rankings

The priority rankings are assigned by internal auditors based on their professional judgment. They are also agreed to by management based on their evaluation of the alignment with the strategic goals, priorities and available resources. A timeline has been established based on each priority ranking:

- a. **PRIORITY 1** - Critical control weakness that exposes the City to a high degree of combined risks. Priority 1 recommendations should be implemented within **3 months** from the first day of the month following report issuance or sooner if so directed.
- b. **PRIORITY 2** - Less than critical control weakness that exposes the City to a moderate degree of combined risks. Priority 2 recommendations should be implemented within **6 months** from the first day of the month following the report issuance or sooner if so directed.
- c. **PRIORITY 3** - Opportunity for good or better practice for improved efficiency or reduce exposure to combined risks. Priority 3 recommendations should be implemented within **9 months** from the first day of the month following the report issuance or sooner if so directed.

Definitions of Value-Added Categories

The four value-added impact categories are defined based on their impact from the audit recommendations:

- a. **COMPLIANCE** - adherence to laws, regulations, policies, procedures, contracts, or other requirements.
- b. **COST SAVING** - lower the costs related to conducting City business.
- c. **EFFICIENCY** - ability to avoid wasting resources (money or time) in achieving goals.
- d. **RISK REDUCTION** - lower the risks related to strategic, financial, operations and compliance.