



**GREAT LAKES BILLING ASSOCIATES  
CUYAHOGA COUNTY**

**SAS 70  
AGREED UPON PROCEDURES REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2007**



**Mary Taylor, CPA**  
Auditor of State





# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Great Lakes Billing Associates  
P.O. Box 21727  
850 Brainard Road  
Highland Heights, Ohio 44143

We have performed the procedures enumerated below, which were agreed to by Great Lakes Billing Associates (GLBA) and the Auditor of State of Ohio solely to assist the users in evaluating management's assertions about the effectiveness of GLBA's internal controls over billing and collecting emergency medical services (EMS) fees for the period from January 1, 2007 to December 31, 2007. This agreed upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures performed and the related findings are included in the attached exhibit.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the State of Ohio Office of the Auditor and management of GLBA and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

June 20, 2008

## EXHIBIT

### **PROCEDURES PERFORMED**

**Procedure I** – Performed the following testing for 74 selections during the period from January 1, 2007 to December 31, 2007:

- A. Vouched that an EMS run report existed for each Patient Ledger Card (invoice) tested.

Results: There were no exceptions noted in performing this procedure.

- B. Inspected the Patient Ledger Card (invoice) and vouched that each run was assigned a unique claim number by GLBA.

Results: There were no exceptions noted in performing this procedure.

- C. Inspected the Patient Ledger Card (invoice) and vouched that the claim was assessed the proper fee based on the respective approved Client/Provider (i.e. local government) charges.

Results: There were no exceptions noted in performing this procedure.

- D. Inspected the Patient Ledger Card (invoice) and vouched that an account number was assigned to each individual patient and that it was displayed in the top left hand corner.

Results: There were no exceptions noted in performing this procedure.

- E. Inspected the EMS Run Report to vouch that it identified the provider (local government).

Results: There were no exceptions noted in performing this procedure.

- F. Inspected the EMS Run Report to vouch that it identified the patient name, date of service, level of service, location of call, history of present injury/illness, age, date of birth, and social security number, as applicable based on the provider.

Results: There were no exceptions noted in performing this procedure.

- G. Vouched that the EMS Run Report information was agreed to the Patient Ledger Card (invoice) by a GLBA representative prior to submission for claim payment.

Results: There was no physical evidence that GLBA staff agreed the information per the EMS Run Report to the Patient Ledger Card prior to submission for claim payment, but per discussion with GLBA this procedure is performed. This control was re-performed during the testing of the 74 billings. We agreed the information on the EMS Run Report to the Patient Ledger Card and no exceptions were noted.

- H. Inspected the EMS Run Report for signature by the paramedic that completed the report, as applicable based on the provider.

Results: For all providers that submit hand written run reports to GLBA, signatures were noted with no exceptions. For other providers, who only submit computer generated run reports, it was noted that the name of the paramedic submitting the report was included on the run report without exception.

- I. Inspected the remittance notice or copy of check and vouched that the patient name, date of service, and type of service performed were identified.

Results: There were no exceptions noted in performing this procedure.

- J. Vouched that the patient account number and invoice were agreed to the remittance notice or copy of check by a GLBA representative.

Results: There were no exceptions noted in performing this procedure.

**Procedure II** – Inspected 12 Monthly Deposit Recap Reports summarizing collections daily by check, lockbox, Medicare, or Medicaid during 2007 sent to providers and vouched they were reconciled to their bank account receipts by a GLBA representative.

Results: This procedure could not be completely tested at GLBA. We inspected Monthly Deposit Recap Reports prepared by GLBA for each provider and agreed it to the Monthly Payment/Adjustment report. There were no exceptions noted when performing this procedure.

We could not verify that the provider reconciled the amounts to their corresponding bank statements. This procedure will need to be determined at the specified user providers. See *User Control Considerations* at the end of this report. Auditors of users of GLBA services should consider testing this at the user organization.

**Procedure III** – Inspected 12 Monthly Sales Recap Reports that summarize the provider collections during 2007 and vouched the related GLBA invoice amounts were prepared and reviewed by GLBA for completeness and accuracy during 2007.

Results: There were no exceptions noted in performing this procedure.

**Procedure IV** – Inspected one client requested discount or write off for each provider during 2007 and confirmed that authorization was obtained from a GLBA representative.

Results: Two of the providers (Lafayette Jackson Township and Richland Township) did not have any client requested discounts or write offs. Any write-offs noted were due to bankruptcy, Medicaid, Medicare or other insurance adjustments. These types of adjustments are authorized to be made by GLBA. A list of these adjustments is provided to each of the specified providers monthly. For the other seven providers, a client requested discount or write off was selected from the Bankruptcy and Internal Adjustment Report. All items selected had supporting documentation on file to show that the adjustment was approved by the provider.

**Procedure V** – Inspected written agreements in effect during 2007 between GLBA and each provider to vouch the services to be provided were documented and approval was obtained from applicable clients for said services through a signature on the agreement or some other fashion. Also confirmed that the effective dates were documented within the agreement.

Results: Inspected written agreements documenting the services to be provided to each of the specified providers, except Lafayette Jackson Township, Allen County, which included the effective dates and signatures. All applicable parties signed the respective provider agreements. Effective dates were documented in each of the agreements inspected. GLB did not have a signed agreement with Lafayette Jackson Township on file. GLB is currently obtaining a signed contract for their services with Lafayette Jackson Township.

**Procedure VI** – Attempted to make unauthorized access onto the billing system as a test of security over the billing system. In addition, observed evidence that GLBA uses a firewall to secure internet access.

Results: We could not access the billing system without an authorized password.

**Procedure VII** – Confirmed GLBA has software and hardware support agreements from system vendors that were effective during 2007 by inspecting the terms of the agreements on file with GLBA.

Results: Obtained copies of the software system support agreement. There is no actual hardware support agreement as the computers were purchased directly from Dell. As a result, Dell provides hardware support as needed. There were no exceptions noted in performing this procedure.

**Procedure VIII** – Attempted to make unauthorized access into GLBA's client and data files as a test of security over relevant client information.

Results: Attempted access to GLBA's client and data files failed due to lack of proper authorization.

**Procedure IX** – Inspected insurance policies for 2007 to vouch GLBA has obtained hardware/software insurance coverage for disaster recovery. In addition, we attempted to confirm that GLBA prepared back ups of computerized client data files at least bi-weekly during 2007 by inspecting the back up tapes.

Results: Inspected copies of insurance coverage amounts for loss of hardware and software due to disaster recovery. Coverage amounts were \$10,000 for personal property, \$95,000 for electronic data processing endorsement, and \$1,000,000 for business catastrophe liability. Effective May 29, 2007, GLB began performing automatic backups each weeknight to an offsite storage site. Inspected electronic backup log files noting complete backups performed on a nightly basis. Prior to May 29, 2007, GLBA indicated they did prepare back ups of computerized client data files bi-weekly however, no documentation of these back ups were maintained by GLB.

**Procedure X** - Performed the following testing for 31 selections during the period from January 1, 2007 to December 31, 2007:

- A. Vouched that the amount billed on the GLBA invoice agreed to the EMS Run Report and that the proper type of service was entered.

Results: There were no exceptions noted in performing this procedure.

- B. Vouched that the amount billed on the GLBA invoice agreed with the preloaded charges/profile for each provider for the type of services provided.

Results: There were no exceptions noted in performing this procedures except for Lafayette Jackson Township, Allen County. GLB did not have supportive documentation for the rates applied for Lafayette Township (ALS \$450; BLS \$300; mileage \$5) and the Township was unable to locate a copy of the Board approved resolution for the rates charged. The Township Fiscal Officer is obtaining approval from the Board of Trustees for the rates charged.

- C. Inspected a copy of the check for payment, if private payment, or a copy of the medical insurance billing to support that a payment was made.

Results: There were no exceptions noted in performing this procedure.

- D. Vouched the respective payment was properly posted to the system by tracing the payment to the month end payment/adjustment report.

Results: There were no exceptions noted in performing this procedure.

- E. Vouched the respective payment made to the client by GLBA for the claim agreed to the remittance advice (less any applicable GLBA fees).

Results: There were no exceptions noted in performing this procedure.

F. Vouched whether GLB properly “allocates” it billings to the proper responsible party.

Results: There were no exceptions noted in performing this procedure.

#### **OVERVIEW OF PROCEDURES PERFORMED**

The testing completed was for services performed by GLBA during the period from January 1, 2007 through December 31, 2007.

The 74 transactions tested in Procedure I were haphazardly selected from a list of entities as agreed to by GLBA. The entities included Allen Clay Joint Fire District (Ottawa County), Jackson Forest Ambulance District (Hardin County), Lafayette Jackson Township (Allen County), Harris Township (Ottawa County), Richland Township (Defiance County), City of Avon (Lorain County), City of Beachwood (Cuyahoga County), City of Strongsville (Cuyahoga County) and Putnam County EMS.

#### **USER CONTROL CONSIDERATIONS**

Determine the amounts on the Monthly Deposit Recap Reports, which summarizes collections daily by check, lockbox, Medicare, or Medicaid sent to providers, agrees to the corresponding bank statement receipts.





**Mary Taylor, CPA**  
Auditor of State

**GREAT LAKES BILLING ASSOCIATION**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 8, 2008**