



**GREAT LAKES BILLING ASSOCIATES
CUYAHOGA COUNTY**

**SAS 70
AGREED UPON PROCEDURES REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2006



Mary Taylor, CPA
Auditor of State



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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's office, solely to assist you in evaluating GLBA's compliance with its contractual obligations regarding billing and collecting emergency medical services (EMS) fees for the period from January 1, 2006 to December 31, 2006. 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 compliance with its contractual obligations with respect to the billing and collection of emergency medical services (EMS) fees. 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 25, 2007

EXHIBIT

PROCEDURES PERFORMED

Procedure I – Inspected written agreements in effect during 2006 between GLBA and each provider and vouched that the agreements documented the services to be provided, as well as, to determine if an approval was obtained from applicable clients for these services through a signature on the agreement or some other fashion. We also noted the agreements documented the effective dates.

Results: The agreements between GLBA and each provider and documented the services to be provided, contained effective dates and were signed by all applicable parties.

Procedure II – Performed the following testing for 65 billing transactions during the period from January 1, 2006 to December 31, 2006:

- A. Determined that an EMS run report existed for the Patient Ledger Card, which is a subsidiary ledger detailing ambulance run activity for each patient.

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

- B. Inspected the Patient Ledger Card and determined 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 and determined that that the claim was assessed a fee based on the respective approved Client/Provider charges.

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

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

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

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

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

- F. Inspected the EMS Run Report to determine 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 (results may vary depending on provider).

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

- G. Inspected the EMS Run Report for the signature of the paramedic who completed the report.

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

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

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

- I. Vouched 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 III – We inspected one Monthly Deposit Recap Report prepared by GLBA for each provider and agreed it to the Monthly Payment/Adjustment report.

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

Procedure IV – Inspected 13 Monthly Sales Recap Reports summarizing the provider collections during 2006 and vouched the amounts on the related invoices prepared by GLBA to the monthly recap reports. We also reviewed the invoices for evidence GLBA reviewed the invoices for completeness and accuracy during 2006.

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

Procedure V – Inspected one client requested discount or write off for each provider during 2006. Confirmed the discount or write off contained a GLBA representative authorization.

Results: Three of the providers (Allen Clay Joint Fire District, Columbia Township & the City of Pepper Pike) did not have any client requested discounts or write offs. Any write-offs noted were due to patient bankruptcy, Medicaid, Medicare or other insurance adjustments. The providers authorized GLBA to adjust the accounts. GLBA provided to each specified provider a list of these adjustments monthly. For the other 10 providers, we selected a client requested discount or write off from the Bankruptcy and Internal Adjustment Report. All items selected had supporting documentation on file to show the provider approved the adjustment.

Procedure VI – We 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 – We read GLBA's software and hardware support agreements with system vendors effective during 2006.

Results: No written hardware support agreement existed, as GLBA purchased the computers directly from Dell. As a result, Dell provides hardware support as needed. GLBA software is owned by a Co-op named American Freedom Enterprises, of which Great Lakes is a partial owner. This Co-op provides support for this software.

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

Results: We were unable to access GLBA's client and data files without the proper authorization.

Procedure IX – We inspected insurance policies for 2006 to determine whether GLBA obtained hardware/software insurance coverage for disaster recovery. We noted that GLBA prepared back ups of computerized client data files at least bi-weekly during 2006 by inspecting the back up tapes.

Results: The insurance policies contain hardware/software disaster recovery coverage. Coverage amounts were \$10,000 for personal property, \$95,000 for electronic data processing endorsement, and

\$1,000,000 for business catastrophe liability. We observed system back ups made and observed the back tape taken offsite for security.

Procedure X - Performed the following testing for 26 billing transactions during the period from January 1, 2006 to December 31, 2006:

- A. Vouched that the amount billed and type of service on GLBA Patient Ledger Card agreed to the EMS Run Report.

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

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

Results:

We noted two instances in which the number of miles billed did not agree to the run sheet:

1. Columbia Township - 9 miles should have been billed, but 11 miles were billed which resulted in an over billing of \$12.
2. Putnam County - 123 miles should have been billed, but 125 miles were billed which resulted in an over billing of \$13.

In addition to the exceptions noted above, we also noted five instances the provider did not document mileage on the run sheet:

1. City of Pepper Pike – There was no mileage documented on the run sheet. A GLBA representative used map quest to determine the mileage. 11 miles were billed while map quest showed that the distance was 6 miles which resulted in an over billing of \$30.
2. Harris Township – Provider did not document mileage, therefore, GLBA billed for the minimum allowed (1 mile).
3. City of Brooklyn Heights – Provider did not document mileage, therefore, GLBA billed for the minimum allowed (1 mile).
4. City of Pepper Pike – Provider did not document mileage, therefore, GLBA used map quest to determine the mileage. Miles billed agreed to map quest.
5. City of Seven Hills – Provider did not document mileage, therefore, GLBA used map quest to determine the mileage. Miles billed agreed to map quest.

- C. Inspected a copy of the private payment check or a copy of the medical insurance billing for the 26 billing transactions selected noted above to support a payment was received for the services billed.

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

- D. Vouched the respective payment described in Procedure X, item C, was properly posted to the American Freedom Enterprises system by tracing the payment to the month end payment/adjustment report.

Results: There were no exceptions noted in performing this procedure. Of the transactions tested, GLBA received and posted one payment May 2007. The month end reports were not prepared at the time we performed the procedures; however, we were able to trace the payment to the amounts posted in the computer system.

OTHER INFORMATION

The testing completed was for services performed by GLBA during the period from January 1, 2006 through December 31, 2006.

The 65 transactions tested in Procedure I were haphazardly selected from a list of entities as agreed to by GLBA. The entities included Putnam County, Allen Clay Joint Fire District, Harris, Columbia and Providence Townships, Village of Brooklyn Heights and the Cities of Avon, Beachwood, Pepper Pike, Parma Heights, Parma, Seven Hills and Strongsville.

USER CONTROL CONSIDERATION

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



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Auditor of State

GREAT LAKES BILLING ASSOCIATES

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
SEPTEMBER 4, 2007**