



**Auditor of State
Betty Montgomery**



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**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 State of Ohio Office of the Auditor solely to assist the users in evaluating management's assertion about the effectiveness of GLBA's control structure and policies and procedures over compliance with its contractual obligations with respect to the billing and collection of emergency medical services (EMS) fees for the period from January 1, 2003 to December 31, 2003. 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 assertion. Accordingly, we do not express such 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. However, this report is a matter of public record and its distribution is not limited.

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July 1, 2004

EXHIBIT

PROCEDURES PERFORMED

Procedure I – Perform the following testing for 60 selections during the period from January 1, 2003 to December 31, 2003:

- A. Determine an EMS run report exists for the Patient Ledger Card (invoice).
- B. Determine that each run was assigned a unique claim number by GLBA.
- C. Determine the claim was assessed the proper fee based on the respective approved Client/Provider charges.
- D. Determine an account number was assigned to each individual patient and that it is displayed I the top lefthand corner of the Patient Ledger Card.
- E. Determine that the EMS Run Report identified the provider (local government).
- F. Determine that the EMS Run Report identifies 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).
- G. Determine that the EMS Run Report information was agreed to the Patient Ledger Card (invoice) prior to submission for claim payment.
- H. Determine the EMS Run Report was signed by the paramedic that completed the report. (results may vary depending on provider)
- I. Determine that the patient name, date of service, and type of service performed are identified on the remittance notice or copy of check.
- J. Determine that the patient account number and invoice were agreed to the remittance notice or copy of check.

Procedure II – Make a representative selection of Monthly Deposit Recap Reports summarizing collections daily by check, lockbox, Medicare, or Medicaid sent to providers and determine whether were reconciled to their bank account receipts.

Procedure III – Determine whether Monthly Sales Recap Reports that summarize the provider collections and related GLBA invoice amounts were prepared and reviewed by GLBA for completeness and accuracy during 2003.

Procedure IV – Make a representative selection of client requests for discounts or write offs during 2003 and determine whether proper authorization was obtained.

Procedure V – Determine whether GLBA documented the services to be provided within a written agreement and obtained approval from applicable clients for said services through a signature on the agreement or some other fashion. Also determine whether the effective dates were appropriately documented within the agreement.

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

Procedure VII – Document whether GLBA has software and hardware support agreements from system vendors that were effective during 2003.

Procedure VIII – Attempt to make unauthorized access into GLBA's client and data files to ensure relevant client information is appropriately secured.

Procedure IX – Determine whether GLBA has obtained reasonable hardware/software insurance coverage for disaster recovery. In addition, determine whether GLBA prepared back ups of computerized client data files at least bi-weekly.

Procedure X - Perform the following testing for 20 selections during the period from January 1, 2003 to December 31, 2003:

- A. Agree/reconcile the amount billed on the GLBA invoice to the EMS Run Report and that the proper type of service was entered.
- B. Agree/reconcile the amount billed on the GLBA invoice with the provider preloaded charges/profile for the type of services provided.
- C. Examine 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.
- D. Trace the respective payment to proper posting to the system from the GLBA final invoice as of the current date.

OVERVIEW OF PROCEDURES PERFORMED

The testing completed was for services performed by GLBA during the period from January 1, 2003 through December 31, 2003.

The 60 transactions tested in Procedure I were haphazardly selected from a list of entities as agreed to by GLBA. The entities included Putnam County and the Cities of Avon, Berea, Olmsted Falls, Parma Heights, Parma and Bedford.

RESULTS OF PROCEDURES PERFORMED

Procedure I A – There were no exceptions noted in performing this procedure.

Procedure I B – There were no exceptions noted in performing this procedure.

Procedure I C – There were no exceptions noted in performing this procedure.

Procedure I D – There were no exceptions noted in performing this procedure.

Procedure I E – Of the 60 billings tested, one supporting run sheet did not include the name of the provider. Although the run sheet did not identify the provider, it did note that the patient was taken to the Bedford Medical Center. The invoice correctly listed the City of Bedford as the provider.

Procedure I F – Of the 60 billings tested, all of the information (patient name, date of service, level of service, location of call, history of present injury/illness, age, and date of birth) was documented on the run sheet. The providers did not always document the patient's social security number on the run sheet due to the confidential nature of this information.

Procedure I G – 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 reperfomed during the testing of the 60 billings. The information on the EMS Run Report was agreed to the Patient Ledger Card and no exceptions were noted.

Procedure I H – There were no exceptions noted in performing this procedure.

Procedure I I – There were no exceptions noted in performing this procedure.

Procedure I J – There were no exceptions noted in performing this procedure.

Procedure II – This procedure could not be completely tested at GLBA. We inspected Monthly Deposit Recap Reports prepared by GLBA, but 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.

Procedure III – Monthly Sales Recap Reports were prepared each month for the specified providers and documentation existed to support that they were reviewed by GLBA for accuracy.

Procedure IV – 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.

Procedure V – Inspected written agreements documenting the services to be provided to each of the specified providers. Also inspected effective dates and signatures. All applicable parties signed the respective provider agreements. Effective dates were documented in each of the agreements.

Procedure VI – Attempted to access the billing system but could not without an authorized password.

Procedure VII - 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.

Procedure VIII – Attempted to access GLBA's client and data files but could not without the proper authorization.

Procedure IX – Inspected copies of insurance coverage amounts for loss of hardware and software due to disaster recovery. Coverage amounts were \$10,000 for personal property, \$85,000 for electronic data processing endorsement, and \$1,000,000 for business catastrophe liability. Also, physically observed system back ups being made on four separate days within a two-week period and observed the back tape being taken offsite for security.

Procedure X A - There were no exceptions noted in performing this procedure.

Procedure X B - There were no exceptions noted in performing this procedure.

Procedure X C - There were no exceptions noted in performing this procedure.

Procedure X D - There were no exceptions noted in performing this procedure.



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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
AUGUST 5, 2004**