



**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, 2004 to December 31, 2004. 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 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.

A handwritten signature in cursive script that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

June 30, 2005

EXHIBIT

PROCEDURES PERFORMED

Procedure I – Perform the following testing for 60 selections during the period from January 1, 2004 to December 31, 2004:

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

Procedure II – Inspect 12 Monthly Deposit Recap Reports summarizing collections daily by check, lockbox, Medicare, or Medicaid during 2004 sent to providers and vouch that they were reconciled to their bank account receipts by a GLBA representative.

Procedure III – Inspect 12 Monthly Sales Recap Reports that summarize the provider collections during 2004 and vouch that the related GLBA invoice amounts were prepared and reviewed by GLBA for completeness and accuracy during 2004.

Procedure IV – Inspect one client requested discount or write off for each provider during 2004 and confirm that authorization was obtained from a GLBA representative.

Procedure V – Inspect written agreements in effect during 2004 between GLBA and each provider to vouch the services to be provided are documented and approval was obtained from applicable clients for said services through a signature on the agreement or some other fashion. Also confirm that the effective dates were 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 – Confirm whether GLBA has software and hardware support agreements from system vendors that were effective during 2004 by inspecting the terms of the agreements on file with GLBA.

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

Procedure IX – Inspect insurance policies for 2004 to vouch GLBA has obtained hardware/software insurance coverage for disaster recovery. In addition, confirm that GLBA prepared back ups of computerized client data files at least bi-weekly during 2004 by inspecting the back up tapes.

Procedure X - Perform the following testing for 20 selections during the period from January 1, 2004 to December 31, 2004:

- A. Vouch that the amount billed on the GLBA invoice agreed to the EMS Run Report and that the proper type of service was entered.
- B. Vouch that the amount billed on the GLBA invoice agreed with the preloaded charges/profile for each provider for the type of services provided.
- C. Inspect 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. Vouch the respective payment was properly posted to the system by tracing the payment to the month end payment/adjustment report.

OVERVIEW OF PROCEDURES PERFORMED

The testing completed was for services performed by GLBA during the period from January 1, 2004 through December 31, 2004.

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, Allen Clay Joint Fire District, Bath Township, and the Cities of Avon, Bedford, Berea, Olmsted Falls, Parma Heights, and Parma.

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 – There were no exceptions noted in performing this procedure.

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

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 re-performed 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 – Seven of the sixty run sheets examined were not signed by the paramedic completing the report. In all seven cases, the run sheet was a computer prepared sheet and not the manual sheet that is completed at the time of the run. The computerized run sheets are prepared after the fact by entering the information per the manual sheets into the computer. The manual sheets were not forwarded to GLBA by the provider, only the computerized run sheets were.

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 12 Monthly Deposit Recap Reports prepared by GLBA and agreed them to the Monthly Payment/Adjustment report. In June of 2004, the monthly collections per the Payment/Adjustment report were \$30.50 higher than the monthly deposit report for Allen Clay Joint Fire District. The variance was due to a receipt of another provider being improperly posted to Allen Clay's Payment/Adjustment report although the money was deposited into the correct bank account. The error resulted in an over billing of \$2.44 to Allen Clay by GLBA for its fee for the monthly collections. The amount was credited to Allen Clay on the following invoice.

We could not verify that the provider reconciled the amounts to its corresponding bank statements. This procedure will need to be determined at the specified user providers.

Procedure III – Inspected 12 Monthly Sales Recap Reports and agreed the totals to the related GLBA Invoice. There were no exceptions noted in performing this procedure.

Procedure IV – Three of the providers 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 six 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 documenting the services to be provided to each of the specified providers which included the 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. Physically observed system back ups being made and observed the back up 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 4, 2005**