

**State of Delaware  
Office of Auditor of Accounts**

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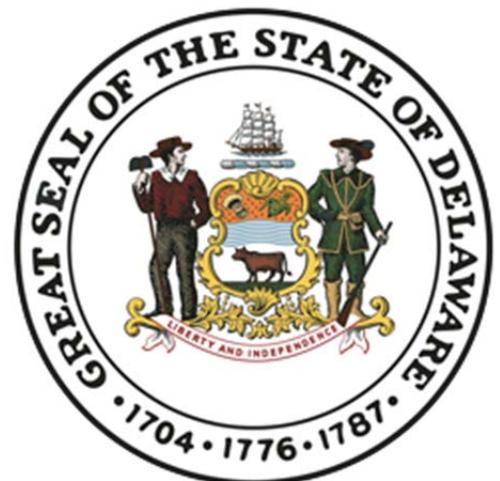
**Paramedic Reimbursements  
Agreed-Upon Procedures Report**

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**Fiscal Years Ended  
June 30, 2011 and 2012**

**Fieldwork End Date: January 15, 2014  
Issuance Date: February 20, 2014**

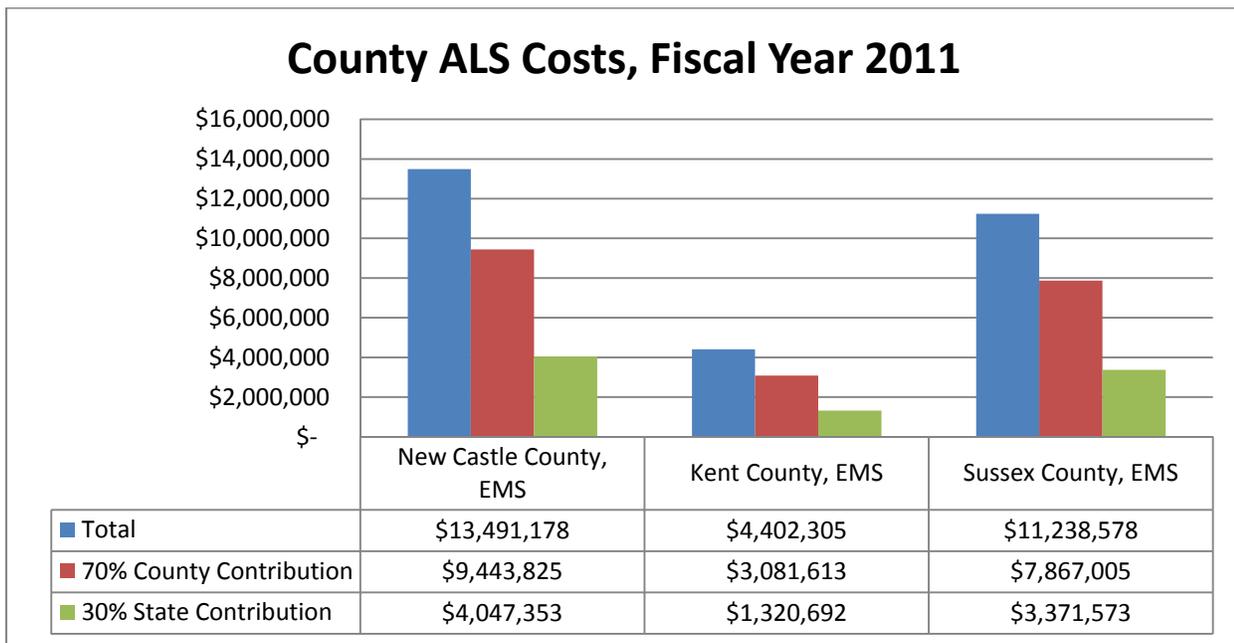
R. Thomas Wagner, Jr., CFE, CGFM, CICA  
Auditor of Accounts



## Background

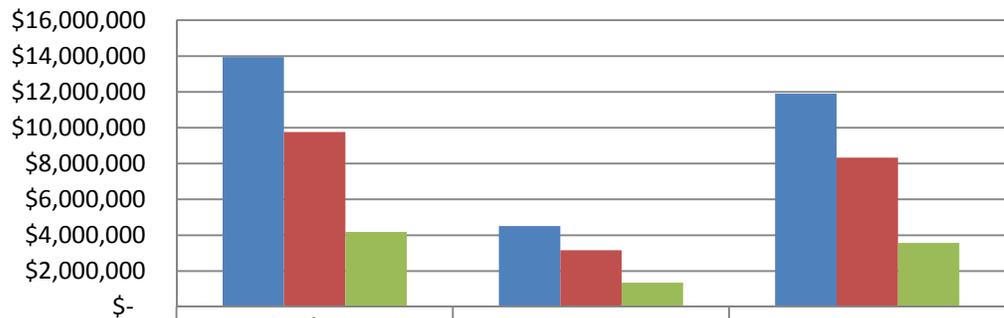
Paramedic units provide Advanced Life Support (ALS) services for ill and/or trauma patients, medical support at large events such as the Delaware State Fair, NASCAR races, etc., community outreach and educational programs, emergency and disaster preparedness, and medical support to law enforcement activities. According to the 2011 and 2012 Delaware Emergency Medical Services Oversight Council (DEMSOC) annual reports, approximately 260 paramedics responded to 67,586 and 70,506 incidents in 2011 and 2012, respectively.

Although Paramedic units are a part of county government in Delaware, the Office of Emergency Medical Services (OEMS), under the Department of Health and Social Services, Division of Public Health, is responsible for the coordination of training, certification, financing, and oversight of the State’s paramedic system. OEMS provides Grant-in-Aid funds to New Castle, Kent, and Sussex Counties on a reimbursement basis of 30 percent of each county’s total operational costs for paramedic services<sup>1</sup>. The remainder is paid by the respective county government.



<sup>1</sup> 16 Del. C. §9814 (b)

**County ALS Costs, Fiscal Year 2012**



	New Castle County, EMS	Kent County, EMS	Sussex County, EMS
Total Submitted for Reimbursement	\$13,944,486	\$4,512,734	\$11,896,627
70% County Contribution	\$9,761,140	\$3,158,914	\$8,327,639
30% State Contribution	\$4,183,346	\$1,353,820	\$3,568,988

Section 12 of both the 145<sup>th</sup> General Assembly Senate Bill Number 315 and 146<sup>th</sup> General Assembly House Bill Number 195 state, "Emergency Medical Services shall have an audit performed by the State Auditor annually to insure that reimbursement to the counties for the State share of costs was for approved Advanced Life Support Services. Adjustments shall be made to the final quarterly reimbursement based on the audit results."

An update to the OEMS *Paramedic Grant in Aid Procedural Guidelines* addressed previous findings and was beneficial to the program communication. Previous findings included inadequate policies and procedures for OEMS expenditures and reimbursements for the Paramedic Grant-in-Aid funding, late budget submission documents from the counties that did not contain all of the required information, invalid expenditures, and a lack of Paramedic staffing documentation. Although the revised guidelines addressed these findings, they were not effective until July 1, 2012, which is subsequent to the scope of this engagement.

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Independent Accountant's Report

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STATE OF DELAWARE  
**OFFICE OF AUDITOR OF ACCOUNTS**

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**AUDITOR OF ACCOUNTS**

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Independent Accountant's Report  
on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

The Honorable Rita Landgraf  
Secretary  
Department of Health and Social Services  
1901 N. Du Pont Highway, Main Bldg.  
New Castle, DE 19720

EMS Directors of New Castle, Kent, and Sussex  
Counties

We have performed the procedures enumerated below, which were agreed to by the Department of Health and Social Services (DHSS), and as defined within the applicable laws of the State of Delaware (State). The procedures were performed solely to assist the specified parties in evaluating the Counties' compliance with the criteria listed in each procedure below. Management of each County is responsible for their County's compliance with those requirements for the period July 1, 2010 through June 30, 2012.

This agreed-upon procedures engagement was performed in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States, the attestation standards established by the American Institute of Certified Public Accountants and *Quality Standards for Investigations*, issued by the President's Council on Integrity and Efficiency. The sufficiency of these procedures is solely the responsibility of DHSS. 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 and results were as follows:

**Procedure 1:** Obtained the budget submission documents for all counties for the State Fiscal Years Ended June 30, 2011 and 2012 (Fiscal Year 2011 and Fiscal Year 2012) and ensured they were submitted to the OEMS Paramedic Administrator by September 1 of each year as established by 16 Del. C. §9814 (i).

**Results:** New Castle County did not submit their Fiscal Year 2011 and 2012 budget submission documents before the September 1 due date. OEMS did not maintain support of receipt dates for Fiscal Year 2011 budget submission documents from Kent and Sussex Counties, so AOA could not determine if they were timely. Kent and Sussex Counties submitted their Fiscal Year 2012 budget documents on time.

**Procedure 2:** Reviewed the budget submission documents for the following items as required by Section 4 of the Delaware Office of Emergency Medical Services *Paramedic Grant in Aid Procedural*

*Guidelines:*

- a. A projected total for the budget and the percent change from the previous fiscal year. (Any line item budget variances greater than 10% from the previous fiscal year must be explained in detail and justified.)
- b. New projects or initiatives should be listed and described along with the costs associated.
- c. Each proposed budget amount shall be itemized by line item to show the portion that will be the responsibility of the State and the County Agency pursuant to 16 Del. C. §9814.

**Results:** All three Counties failed to provide complete budget submission documents for Fiscal Year 2011 and Fiscal Year 2012 in accordance with OEMS *Paramedic Grant in Aid Procedural*

*Guidelines.* The budget submission documents had no evidence of the following:

For Fiscal Year 2011:

- New Castle County provided the percentage change from the previous fiscal year but did not explain the budget variances greater than 10%.
- Kent County did not provide the percentage change from the previous fiscal year and did not explain the budget variances greater than 10%. Kent County's budget also did not show the State and County's portion of expenditures.
- Sussex County provided the percentage change from the previous fiscal year but did not explain all budget variances greater than 10%. Sussex County's budget also did not show the State and County's portion of expenditures.

For Fiscal Year 2012:

- New Castle County's budget submission documents included details about new initiatives but did not include the costs associated with those initiatives.
- Kent County did not provide the percentage change from the previous fiscal year and did not explain the budget variances greater than 10%.
- All three Counties did not show the State and County's portion of expenditures.

**Procedure 3:** From each county, obtained confirmation of total paramedic expenditures and State reimbursements received for the State Fiscal Years Ended June 30, 2011 and 2012.

- a. Agreed the State reimbursement amounts to the State's accounting system, First State Financials.
- b. In support of 16 Del. C. §9814 (d) which states, "The General Assembly shall appropriate annually an amount sufficient to reimburse 30 percent of approved costs of the statewide paramedic program..." verified total reported State reimbursements were not more than 30 percent of the total reported fiscal year paramedic expenditures.

**Results:** The State reimbursement amounts per the Counties agreed to the State's accounting system. The amounts reimbursed were no more than 30% of the Counties' total operational costs.

**Procedure 4:** Reviewed the reimbursement packages for the quarters ended June 30, 2011 and 2012 for each county for the following items as required by Section 7 of the Delaware Office of Emergency Medical Services *Paramedic Grant in Aid Procedural Guidelines*:

- a. Agreed the amount reimbursed by the State to the cover sheet or invoice submitted by the county and to the Line Item Summary of Expenditures.

**Results:** The amounts reimbursed for the quarters ended June 30, 2011 and 2012 agreed to the cover sheet or invoice and the Line Item Summary of Expenditures.

**Procedure 5:** Using data analysis software, randomly selected 20 expenditures per quarter for each county from the reimbursement packages for the quarters ended June 30, 2011 and June 30, 2012. Reviewed supporting documentation for the selected expenditures to determine if they were for “direct operating costs or as debt service and financing for bond issuance” for the statewide paramedic system per 16 Del. C. §9814 (e) as interpreted by the Division of Public Health, Office of Emergency Medical Services, in Section 2 of their *Paramedic Grant in Aid Procedural Guidelines*.

**Results:** All expenditures selected for review were for direct operating expenses.

This report is intended solely for the information and use of the Department of Health and Social Services and the Emergency Medical Services Directors of New Castle, Kent, and Sussex Counties. It is not intended to be, and should not be, used by anyone other than these specified parties.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on compliance with specified laws. 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 the specified parties.

R. Thomas Wagner, Jr., CFE, CGFM, CICA  
Auditor of Accounts

January 15, 2014