

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

**Paramedic Reimbursements
Agreed-Upon Procedures Engagement**

**Fiscal Years Ended
June 30, 2013 and 2014**

**Fieldwork End Date: November 25, 2014
Issuance Date: January 28, 2015**

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

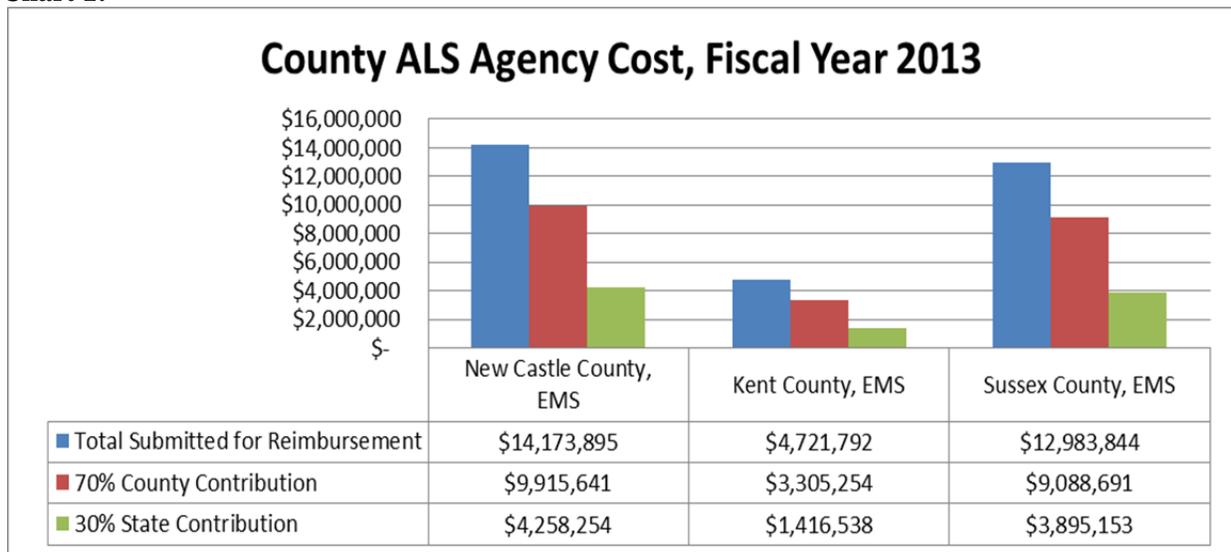


Background

Paramedic units provide Advanced Life Support (ALS)¹ services for ill and trauma patients; medical support at large events such as the Delaware State Fair, NASCAR races, and Firefly Music Festival; community outreach and educational programs; emergency and disaster preparedness; and medical support to law enforcement activities.

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 serves as the State’s fiscal agent for distributing Grant-in-Aid² 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.³ The remainder is paid by the respective county government.

Chart 1:

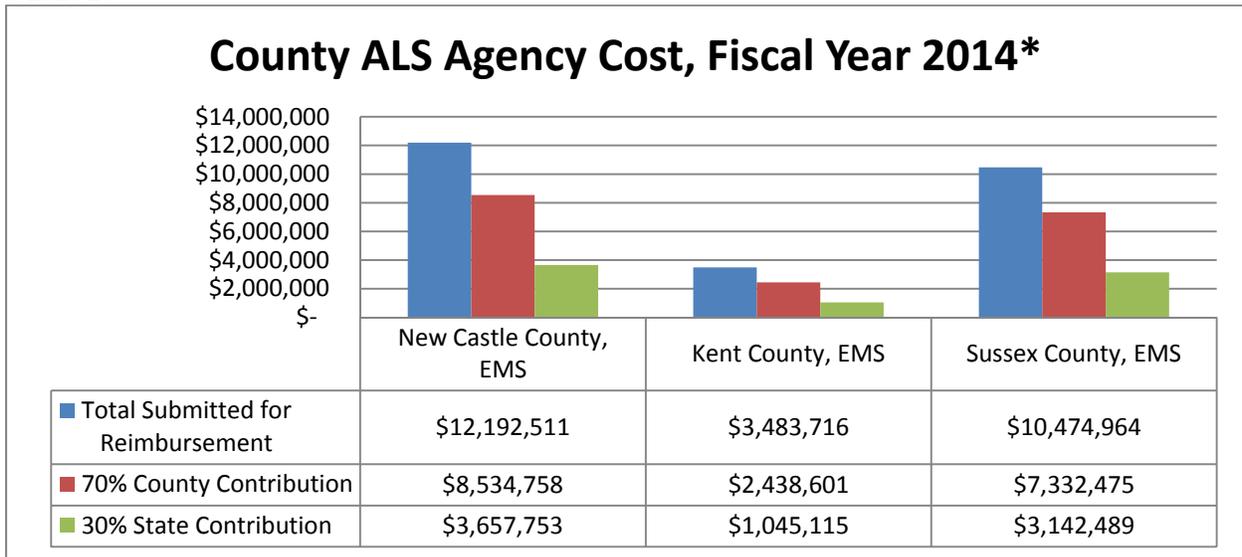


¹ 16 Del. C. §9702 (2) defines ALS as, “...the advanced level of prehospital and interhospital emergency care that includes basic life support functions including cardiopulmonary resuscitation, plus cardiac monitoring, cardiac defibrillation, telemetered electrocardiography, administration of antiarrhythmic agents, intravenous therapy, administration of specific medications, drugs and solutions, use of adjunctive medical devices, trauma care and other authorized techniques and procedures.”

² Grant-in-Aid funding is given to organizations that provide a public service or benefit. It is awarded through the Grant-in-Aid Bill, which is approved by the General Assembly by June 30th of the preceding fiscal year.

³ 16 Del. C. §9814 (b)

Chart 2:



*The Fiscal Year 2014 chart above only includes the amounts for quarters one through three. OEMS had not received the fourth quarter reimbursement package from the counties when we performed the procedures.

Section 12 of both the 146th General Assembly Senate Bill Number 265 and the 147th General Assembly House Bill Number 215 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.”

OEMS updated its *Paramedic Grant in Aid Procedural Guidelines* effective July 1, 2012. The update 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.

Table of Contents

Independent Accountant's Report

1



STATE OF DELAWARE
OFFICE OF AUDITOR OF ACCOUNTS

R. THOMAS WAGNER, JR., CFE, CGFM, CICA
AUDITOR OF ACCOUNTS

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

Emergency Medical Services Directors of Sussex,
Kent, and New Castle Counties

We have performed the procedures enumerated below, which were agreed to by the Office of Auditor of Accounts (AOA) and the Department of Health and Social Services (DHSS), and as defined within the applicable laws of the State of Delaware (the State). The procedures were performed solely to assist the specified parties in evaluating Sussex, Kent, and New Castle Counties' (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, 2012 through June 30, 2014. Management of DHSS is responsible for the distribution of the paramedic reimbursements in accordance with 16 Del. C. §9814.

This agreed-upon procedures engagement was performed in accordance with *Government Auditing Standards* (GAS) issued by the Comptroller General of the United States and the attestation standards established by the American Institute of Certified Public Accountants that have been incorporated by GAS, as well as the *Quality Standards for Investigations*, issued by the Council of the Inspectors General on Integrity and Efficiency. 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 and results were as follows:

Procedure 1: Obtained the budget submission documents for all counties for the State Fiscal Years Ended June 30, 2013 and June 30, 2014 (Fiscal Year 2013 and Fiscal Year 2014) 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: Table 1 below shows which budget submission documents were submitted timely.

Table 1: Budget Submission Documents Submitted Timely		
County	Fiscal Year 2013	Fiscal Year 2014
New Castle	No	No
Kent	Yes	Yes
Sussex	No	Yes

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. The budget should include a projected total 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: Table 2 below details the budget submission documents which were complete in accordance with items a., b., and c. above, and those with exceptions.

Table 2: Budget Submission Documents Complete						
County	Fiscal Year 2013			Fiscal Year 2014		
	Item a.	Item b.	Item c.	Item a.	Item b.	Item c.
New Castle	Yes	Yes	Yes	Yes	Yes	Yes
Kent	No	No	No	No	Yes	No
Sussex	No	No	No	Yes	Yes	No

Procedure 3: From each county, obtained confirmation of total paramedic expenditures and State reimbursements received for Fiscal Years 2013 and 2014.

- 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: We found no exceptions as a result of applying these procedures.

Procedure 4: Reviewed the reimbursement packages for the quarters ended June 30, 2013 and March 31, 2014, 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.
- b. Ensured each reimbursement package contained a letter from the Chief Financial Officer stating that the expenditures listed on the report have been reconciled with the county’s official accounting records and a statement that “expenditures are for direct operating expenses.”

Results: The reimbursement packages were complete in accordance with items a. and b. above with the exception of the following:

For Fiscal Year 2013:

- New Castle County did not include the County’s statement that “expenditures are for direct operating expenses” in their reimbursement package (item b.).

For Fiscal Year 2014:

- Sussex County did not include a Line Item Summary of Expenditures in their reimbursement package (item a.).

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, 2013 and March 31, 2014. 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; however, New Castle County was unable to provide supporting documentation for vehicle expenditures resulting in two exceptions in Fiscal Year 2013 totaling \$15,133.92 and one exception in Fiscal Year 2014 for \$4,737.92.

Table 3: Expenditure Testing				
	Total Population	Total Sample Size	Total Exceptions	Amount of Exceptions Reimbursed by the State (30%)
Fiscal Year 2013	\$ 1,632,038.97	\$ 40,029.29	\$15,133.92	\$4,540.18
Fiscal Year 2014	\$ 2,542,546.55	\$ 27,575.17	\$4,737.92	\$1,421.38
Total Exceptions Reimbursed by the State:				\$5,961.56

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 you.

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

November 25, 2014