

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

**Paramedics Reimbursements
Agreed-Upon Procedures Engagement**

**Fiscal Years Ended
June 30, 2017 and 2018**

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Auditor of Accounts



Table of Contents

Independent Accountant’s Report..... 1
Appendix A: Background 5

Abbreviations

AOA	Office of Auditor of Accounts
DHSS	Department of Health and Social Services
GIA	Grants-in-Aid
OEMS	Office of Emergency Medical Services
Program	Statewide paramedic program



STATE OF DELAWARE
OFFICE OF AUDITOR OF ACCOUNTS

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AUDITOR OF ACCOUNTS

Independent Accountant's Report
on Applying Agreed-Upon Procedures

The Honorable Dr. Kara Odom Walker
Office of the Secretary
Department of Health and Social Services
1901 N. DuPont Highway, Main Bldg.
New Castle, DE 19720

Chief Lawrence Tan, Chief of Emergency
Medical Services, New Castle County

Chief Colin Faulkner, Director of the Department
of Public Safety, Kent County

Robert Stuart, Director of Emergency Medical
Services, Sussex County

We have performed the procedures enumerated below, which were agreed to by the Department of Health and Social Services (DHSS), New Castle County, Kent County, and Sussex County (the specified parties), related to the counties' compliance with 16 Del. C. §9814 and the Delaware Office of Emergency Medical Services' (OEMS) *Paramedic Grant in Aid Procedural Guidelines* during Fiscal Years Ended June 30, 2017 and 2018. Management of each county is responsible for its compliance with those specified requirements. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representations regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Procedure 1: Obtain the budget submission documents for all counties for the State Fiscal Years Ended June 30, 2017 and June 30, 2018 (FY 2017 and FY 2018) and ensure they were submitted to the OEMS Paramedic Administrator by September 1 of each year as established by 16 Del. C. §9814 (i).

Results: We found no exceptions as a result of applying the procedure.

Procedure 2: Confirm the budget submission documents contain the following items as required by Section 4 of the Delaware OEMS *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. Description of new projects or initiatives along with the costs associated.
- c. Itemized line items to show the portion that will be the responsibility of the State and the County pursuant to 16 Del. C. §9814.

Results: Table 1 below details the budget submission documents which were complete in accordance with items a., b., and c. above, and those with exceptions.

Table 1: Budget Submission Documents Complete						
County	Fiscal Year 2017			Fiscal Year 2018		
	Item a.	Item b.	Item c.	Item a.	Item b.	Item c.
New Castle	Yes (A)	Yes	No (B)	No (D)	Yes	Yes
Kent	Yes (C)	Yes	Yes	No (E)	Yes	Yes
Sussex	Yes	Yes	Yes	No (F)	Yes	Yes

Notes:

Fiscal Year 2017

- (A) New Castle County provided line item calculations of the percentage change and an explanation for the variances over 10%, but included an incorrect calculation of the overall percentage of change.
- (B) New Castle County did not show the portion that would be the County’s responsibility pursuant to 16 Del. C. §9814.
- (C) Kent County provided line item calculations of the percentage change and an explanation for the variances over 10%, but included an incorrect calculation of the overall percentage of change.

Fiscal Year 2018

- (D) New Castle County provided line item calculations of the percentage change and an explanation for the variances over 10%, but did not include a calculation of the overall percentage of change.
- (E) Kent County did not provide an explanation for one variance over 10% and had an incorrect calculation for the overall percentage of change.
- (F) Sussex County did not provide an explanation for one variance over 10%.

Procedure 3: Obtain confirmation of total paramedic expenditures and State reimbursements received for the State Fiscal Years 2017 and 2018 from each County.

- a. Agree the State reimbursement amounts as reported by the County to the State’s accounting system, First State Financials (FSF).
- b. Confirm the total reported State reimbursements are not more than 30 percent¹ of the total reported paramedic expenditures for Fiscal Year 2017 and not more than 24 percent² of the total reported paramedic expenditures for Fiscal Year 2018.³

¹ 16 Del. C. §9814 (d)

² House Substitute 1 for House Bill 275, 149th General Assembly, Fiscal Year 2018 Appropriation Act

³ Due to the timing of this engagement, the fourth quarter of Fiscal Year 2018 was not included in our testing.

Results: Table 2 below details the reimbursements which were complete in accordance with items a. and b. above, and those with exceptions.

Table 2: Total Reimbursements				
County	Fiscal Year 2017		Fiscal Year 2018	
	Item a.	Item b.	Item a.	Item b.
New Castle	Yes	Yes	Yes	Yes
Kent	Yes	Yes	Yes	Yes
Sussex	No (A)	Yes	Yes	Yes

Notes:

(A) The reimbursement amount paid to Sussex County for FY 2017, Quarter 4, was less than the amount reported by the County. The reduction in the amount paid by OEMS to Sussex County was due to Sussex County running over budget by \$77,235.76,⁴ and OEMS running out of grant funds to pay for \$101,846.24 of the remaining reimbursement amount requested. OEMS reported the issue to the Office of Management and Budget and reports that they are working on a plan to address it.

Procedure 4: Inspect the reimbursement packages for the quarters ended December 31, 2016 and September 30, 2017 for each County for the following items as required by Section 6 of the Delaware OEMS *Paramedic Grant in Aid Procedural Guidelines*.

- a. Agree 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. Ensure each reimbursement package contains a letter from the County’s Chief Financial Officer of each County 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: We found no exceptions as a result of applying the procedure.

Procedure 5: Randomly select 20 expenditures from each reimbursement package selected in Procedure #4 (120 expenditures). Inspect the 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 OEMS in Section 2 of the *Paramedic Grant in Aid Procedural Guidelines*.

Results: We found one instance totaling \$53.92 where Sussex County purchased food. The OEMS *Paramedic Grant in Aid Procedural Guidelines* states that reimbursement “...generally precludes non-operational items such as: food....without prior approval from the Office of Emergency Medical Services (OEMS).” OEMS stated that pre-approval was provided to Sussex County for this purchase; however, they were unable to provide supporting documentation.

⁴ The GIA Bills for the Fiscal Years Ended June 30, 2017 and 2018 each state that, “the State reimbursement for the county paramedic program pursuant to 16 Del. C. 98 will be based on each county’s expenditures for the fiscal year two years prior to the fiscal year in which the paramedic program is to be funded.”

This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and *Government Auditing Standards*, issued by the Comptroller General of the United States. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with specified requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report on applying the agreed-upon procedures is solely to assist the specified parties in evaluating the counties' compliance with 16 Del. C. §9814 and the Delaware Office of Emergency Medical Services' (OEMS) Paramedic Grant in Aid Procedural Guidelines and is not suitable for any other purpose. However, the report is a matter of public record and its distribution is not limited. The report, as required by statute, will be provided to the Office of the Governor, Office of the Controller General, Office of the Attorney General, and Office of Management and Budget.

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Auditor of Accounts
Dover, Delaware
September 27, 2018

Appendix A: Background

Title 16, Chapter 98 of the Delaware Code establishes a statewide paramedic program (the Program) under the direction of the Office of Emergency Medical Services (OEMS), Division of Public Health, Department of Health and Social Services.⁵

The Program is responsible for providing rapid emergency medical services to individuals who become ill or incapacitated and are in need of highly skilled medical assistance either at the scene of a medical emergency or while the patient is in transit to a health facility.⁶ OEMS ensures the quality of emergency care services, including trauma and prehospital advanced life support⁷ capabilities, through the coordination and evaluation of the emergency medical services system.⁸

Although Paramedic units are a part of County government in Delaware, OEMS is responsible for the coordination of training, certification, financing, and oversight of the State's paramedic system.⁹ OEMS provided Grants-in-Aid (GIA) funds to New Castle, Kent, and Sussex Counties on a reimbursement basis of 30 percent¹⁰ of each county's total operational¹¹ costs for paramedic services for Fiscal Year 2017 and 24 percent¹² for Fiscal Year 2018.¹³ The respective county government pays the remaining 70 percent of each county's operational costs. The total GIA funds appropriated to the OEMS Paramedic Program was \$10,810,131 in Fiscal Year 2017 and \$8,648,105 in Fiscal Year 2018.

AOA's audit authority comes from language included in the GIA Bill passed annually by the Delaware General Assembly. The GIA Bills for the Fiscal Years Ended June 30, 2017¹⁴ and 2018¹⁵ state the following: "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."

⁵ 16 Del. C. §9801 (a)

⁶ 16 Del. C. §9801 (b) and (c)

⁷ 16 Del C. §9702 (3) defines ALS as, "...the advanced level of prehospital and inter-hospital 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."

⁸ Delaware Emergency Medical Services Oversight Council 2017 Annual Report

⁹ See Footnote 4.

¹⁰ 16 Del C. § 9814 (d)

¹¹ OEMS' *Paramedic Grant in Aid Procedural Guidelines* defines operational costs as wages, supplies and materials, utility costs, equipment maintenance, and debt service

¹² House Substitute 1 for House Bill 275, 149th General Assembly, Fiscal Year 2018 Appropriation Act

¹³ 16 Del C. § 9814 (d) and (e)

¹⁴ Senate Bill No. 295 of the 148th General Assembly

¹⁵ House Bill No. 281 of the 149th General Assembly