



Management's Response to Recommendations

OBJECTIVES I & II

Investigate whether a conflict of interest exists between EMSA executives or its staff and any of its contractors, or whether EMSA executives, staff or other related parties received personal financial benefit from any of its contractors, which is prohibited by applicable laws or regulations, EMSA policies and procedures, the EMSA Trust Indenture, the EMSA by-laws or the EMSA Code of Conduct.

Recommendation #1: Disclose Any Potential Financial Benefits or Conflicts of Interest

The Board of Trustees should create and implement a policy requiring all trustees, officers, and employees to formally disclose on an annual basis any potential relationships with outside parties, whether factual or perceived, that could influence EMSA's business decisions.

Response: Jim Orbison, EMSA's legal counsel, will provide a suggested form and policy which requires all trustees, officers, and employees to formally disclose on an annual basis any current or potential relationships with outside parties, whether factual or perceived, that could influence EMSA's business decisions. The form will include definitions of terms and list examples.

Recommendation #2: Assess Costs and Benefits of Organizational Memberships

The Board should require that management routinely inform them about the cumulative costs of EMSA's involvement with outside organizations and associations such as the AAA. The Board should then determine whether further involvement with the organizations in question is beneficial to EMSA.

We further recommend EMSA seek legal counsel regarding whether EMSA's financial support of AAA activities is permissible under the Oklahoma Constitution.

Response: Management will annually provide costs and benefits of organizational memberships to the Board of Trustees as part of the annual budget approval process.

Legal opinion is being provided by EMSA legal counsel.

Recommendation #3: Properly Address Potential Sponsorships

Any future sponsorships similar in nature to that discussed in this objective should be discussed, documented, and approved by the full EMSA Board of Trustees, with the advice of legal counsel, before it is accepted.

If a future sponsorship is determined to be acceptable, rather than EMSA accepting the donation, the funds should be provided directly to the outside organization it will ultimately be paid to, with explicit instructions regarding the purpose of the funds.

Response: All sponsorships will be presented to the board for approval after obtaining legal counsel. Further discussion needed by the board as to whom payments would be made to, if any.

Recommendation #4: Consider Bidding Process for Collection Services

The Board of Trustees should determine whether an RFP is warranted for the services Works & Lentz currently provides, which would allow for collection services to be bid by multiple vendors.

Response: Management will draft an RFP. Further discussion by the board is needed to determine timing and approval process.

OBJECTIVE III

Investigate the extent and nature of any erroneous billing or collection practices by EMSA or any of its contractors.

Recommendation #5: Improve Address Data System

EMSA should strive to improve the organization and usability of its utility address data to the greatest extent possible, given the cost-benefit considerations. Special attention should be paid to the ability to search for specific addresses at multi-family residences such as apartments. This process will likely involve seeking input from the patient accounting staff using the data and relevant cities' utility personnel providing the data.

Response: It is important to note that the audit found no systemic, erroneous patient billing. In addition, it was found that there had been no wrongful collection lawsuits and that each of the 163 patient accounts (with the exception of four accounts due to human error) which were examined were found to be appropriately sent to collection.

However, all parties agree that the system of using utility addresses for TotalCare membership is inherently difficult.

Management is currently working with the city of Tulsa's utility department, along with the MRO office, to determine different ways this task can be accomplished. We are currently investigating a TotalCare member unique identifier system and working with the city of Tulsa to implement apartment code enforcement.

Recommendation #6: Enhance Patient Outreach Efforts

While EMSA has already taken steps to improve the wording on its patient statements, they should continue to improve general outreach efforts to ensure TotalCare customers are informed about the

program's benefits and the patients' related responsibilities. EMSA might consider working with city utility departments to include a message on members' monthly statements informing them about the TotalCare program.

Response: EMSA will continue to work closely with the cities' utilities departments in an effort to inform TotalCare members regarding the benefits and responsibilities of the program. EMSA has already engaged the services of a research firm and an advertising firm to develop improved communication opportunities and tools. The initial phase is complete. Management and Public Relations committee member Clay Bird are currently evaluating both firms' recommendations. EMSA staff is also in the process of creating a pamphlet that each patient will receive upon transport which will provide specific information about TotalCare and their bill.

Recommendation #7: Enforce Contractual Requirements

Accurate patient contact information benefits EMSA in its overall billing process. For this reason, EMSA should enforce the contractual requirement that the paramedic contractor provide a correct patient address or phone number on every patient care form. If management does not believe this requirement is important or feasible, they should reconsider its inclusion in the paramedic services contract.

Response: Management is meeting with Paramedics Plus to develop a process using the new Zoll ePCR system and their run ticket auditors to ensure they have more accurate demographic information. The new process can, with additional staff time, track run tickets which do not have the correct information and include a procedure for holding the contractor accountable.

Recommendation #8: Address Potential Conflicts with Related-Party Accounts

In order to avoid potential conflicts regarding patient account representatives reconciling account of friends or relatives, management should develop a formal policy requiring patient account representatives to report any such accounts to their immediate supervisor for reassignment to another employee. Additional measures related to this risk may include an annual or at-hire statement signed by patient account representatives promising to abide by this process for handling related-party accounts.

Response: Management will develop a written policy and have the staff sign a formal statement of understanding of the policy.

However, in addition to this, the recommendation does not give clear direction regarding the management approval process. Management currently approves all technical, insurance, and administrative adjustment write-offs. Management does not currently approve utility write-off adjustments.

There are approximately 1000 utility write-offs per month. Utility write-offs are taken at the time EMSA identifies the TotalCare member is self-pay, or at the time the insurance, Medicaid, or Medicare payment is received leaving a balance to the patient.

These are reviewed monthly as a KPI. This process is also part of EMSA's Compliance Plan and will be audited quarterly and reported to the Compliance Committee. Management suggests that the quarterly compliance audit findings could be reported to the board in a compliance summary each quarter.

Recommendation #9: Automate Discounts

Application of the 40% discount for TotalCare members' non-emergency services should be automated in the billing system, in such a manner that patient account representatives can select a "40% discount" option, reducing the risk of clerical error from human calculation and data entry.

Response: Currently, EMSA's Zoll billing system does not have this capability. We contacted Zoll to determine if a process could be developed. We have been informed this would be an enhancement with an associated cost; therefore, a cost-benefit analysis would need to be performed. Currently, the Zoll system can only take an automated/contractual discount on the primary payor, which in most cases is Medicare, Medicaid or insurance. The 40% TotalCare discount usually comes into play on the patient's balance after the primary payor has paid.

OBJECTIVE IV

Determine if EMSA's policies on board governance reflect industry best practices and make policy recommendations, as appropriate.

Recommendations #10 through #15

Response: Requires further board discussion. Staff will work with the board to implement their directives.

OBJECTIVE V

Assess expenditures for economy and public purpose.

Recommendations #16 through #19

Response: Requires further board discussion. Staff will work with the board to implement their directives.

EMSA - Detailed Descriptions - State Audit Report Expenditures

Page	Item	Explanation
30	#2 - hotel bills, parking charges, souvenirs, iPhone, Army Surplus goods	This was an employee of the Office of the Medical Director. Expense report approved by Medical Director and all expenses were deducted from the OMD budget. "Souvenirs" - candy totaling \$5.26, "Army Surplus Goods" - Uniform insignias totaling \$41.30
32	\$1,250 retirement party	Retirement party for Medical Director
32	\$4,304 anniversary party	Twenty-year anniversary party for three employees. They would have qualified for \$400 gifts under the current policy.
32	\$4,504 retirement party	Twenty-two year EVP retirement party. She would qualify for \$400 gift under the current policy.
32	\$101 fruit basket	Get well gift for wife of manager recovering from major surgery
32	\$2,187 in food vouchers	Lunch vouchers for Paramedics Plus employees who volunteer for service at the Tulsa State Fair
32	\$35,190 in floral services	\$28,314.31 is the provision and maintainance of the decorative plants at the Lansing and Classen locations for three years. \$6,875.69 is for flower arrangements for three years for employee deaths, hospitalizations, and police and fire graduations.
32	\$23,875 in fitness services	The cost of exercise classes for OKC employees who would not have access to the city of Tulsa fitness programs that are available free of charge to the Tulsa employees as part of the city of Tulsa's wellness programs
32	\$1,140 to Dwelling Spaces	Hosted Leadership Oklahoma class participants in Tulsa
33	\$15,000 First Tee of OKC	Three years of contribution to a program supported by OKC council members and administration
33	\$2,500 AAA event	Sponsored a breakout session at the annual conference
33	\$100 National MS bike race	Sponsored a previous employee who contracted MS
33	\$100 AAA Stars of Life	Fees for EMSA Star of Life in Washington DC
33	Two spa bills	Rewards given to employees for extraordinary contributions. One was instrumental in putting the utility bill program in place and the other coordinated the company effort to become CAAS accredited.
33	\$399.99 Sirius subscriptions	1 license for each division in a fleet car. Obtained after 9/11 occurred to allow access to news programming not available otherwise. Subscriptions have since been canceled.
33	\$1,105 dinner	Mr. Williamson's turn to sponsor dinner for AAA board members.
34	349.90 from Uncommon Goods	Gift for Medicare consultant
34	450.00 Admirals' club membership	Part of the employment contract of the CEO under cafeteria plan of benefits
46	appendix VI	These items are not EMSA expenses. These items were paid for initially by EMSA for convenience because Paramedics Plus does not maintain a local checking account. These items were mainly related to the annual Paramedics Plus Christmas party and the nationally celebrated EMS Week. Items paid for wholly by Paramedics Plus.