

# **CITY OF ALLENTOWN**

## **Review: EMS Billing Process Flow**

**Date of Report: August 26, 2024**

The Allentown Emergency Medical Services (EMS) is a public system that uses ambulances staffed with paramedics that are dispatched 24 hours day. With about 41 full-time and 12 part-time paramedics who are well-trained in advanced emergency medical care using state of the art equipment, the EMS teams are stationed at three fire stations across the city.

More than just a mobile intensive care ambulance service, Allentown's paramedics are involved in numerous public service specialty teams such as HAZMAT, police ERT, Technical and Urban Search and Rescue, water rescue, dive, and bike teams.

In 2023, Allentown paramedics responded to 18,600 medical emergency calls.

EMS operates a fleet of 10 advanced lift-support ambulances, 2 shift supervisor squad vehicles, 1 medical director squad vehicle, 1 education bureau vehicle, 1 special operation support squad vehicle, 8 EMS Bicycles, an incident support trailer, and 2 EMS carts.

### **OBJECTIVE**

The objective of the review was to:

- Document the revenue process flow for EMS to identify any potential risk weaknesses.
- Ensure that cash and checks/money-orders are deposited in a timely manner.
- Ensure that transactions are being recorded on a timely basis in financial statements.
- Determine the existing policies and procedures including AIMs were being followed and whether internal controls were adequate to ensure that all revenue is collected, accurately recorded, safeguarded and deposited.

### **PROCEDURES**

This audit was conducted in accordance with Generally Accepted Governmental Auditing standards and utilized an approach that included staff interviews, reviews of documents, and reports and examinations of individual financial transactions.

The period selected for testing was January-May 2024. Our process began by:

- Developing a Flowchart and Narrative for the EMS Process.
- Using the Process Flowchart and Narrative to identify the potential risks and developing the appropriate testing of the risk area. Reviewing the controls for the process and identifying any potential weaknesses.
- Selecting a sample of EMS Run Cards and tracing the process flow up to the final bank deposit.

## **FINDINGS, RECOMMENDATIONS AND RESPONSES**

### **INTERNAL CONTROL WEAKNESSES**

#### **1. Accounts Receivable (AR) Not on General Ledger**

The City of Allentown maintains the AR on EDEN.

EMS maintains the patient AR on the ZOLL system.

As of 12/31/2023, the EMS Billing AR on ZOLL was \$12,274,256.00.

Per Finance,

“AR module does not include EMS Billing.”

The Finance department does not have access to ZOLL therefore the City does not know the amount of revenue outstanding for EMS at any given time.

#### **Recommendation**

Finance should review the ZOLL AR and include it in the City’s financial statements.

Consideration should be given to granting the EMS Financial Analyst access to ZOLL to allow for review of outstanding AR.

#### **Administration’s Response**

We agree and will review.

#### **2. ZOLL Opportunity for EMS Efficiency**

EMS uses ZOLL for Billing.

When EMS services are dispatched to a scene and the patient engages in care, a physical run card must be manually completed. The run card contains patient and insurance information, medical necessity, etc. The run card also provides areas for signatures which are legal attestations for care.

The signatures must be obtained before the billing process can start.

The EMS clerk reviews and manually enters the run card information into ZOLL. If information is missing, the run card must be resubmitted to the Paramedic for completion and/or signature.

Through observation on 07/20/2024, we identified 2 stacks of run cards that dated from 06/27/2024 and forward that had not yet been reviewed and another stack from dates earlier than 06/27/2024.

Through observation we noted the time to enter the run card into ZOLL took approximately 2.5 minutes per run card.

For May 2024, there were 1,325 transports/run cards, at an average of 2.5 minutes per run card, 55 hours per month are being spent on entering run cards into ZOLL.

During our review of runs card errors, we noted the majority of errors were caused by lack of signatures.

ZOLL has a cloud-based mobile EMS Charts NOW application for run cards. This application allows charts to be completed on-site and uploaded to ZOLL in real time, eliminating the need for physical EMS run cards.

### **Recommendation**

The EMS Billing Department should consider integrating EMS Charts NOW, an iPad application, into the billing process.

The application will reduce the manual input of information by the Paramedics and the Billing Department. The improved time efficiency will enable the Billing team more time to concentrate on submitting and processing claims.

### **Administration's Response**

We disagree. While there is technology available, it is not as simple as implementing an app and moving forward. There is a cost associated with the app, the hardware, proper maintenance of the hardware, training, and longevity of this type of program. Our system is efficient for what it is. However, with that said, we have begun exploring technological improvements in our charting and are in the process of updating our iPads we use for translation to enable mobile charting.

### **3. Untimely Filing of Claims**

Per the PA and Federal Laws, EMS Billing has:

- 180 days to submit a claim to Medicaid,
- 1 (one) year to submit claims to Medicare, and
- 30-180 days for Private Insurance companies.

If these time limits are missed, the City must write off the claim amount.

Using ZOLL, a report of claims written off for untimely filing was generated for May 2024. The results were as follows:

Number of claims missed for timely filing – 5  
Percent of claims written off that were Medicaid plans - 60%  
Total amount written off - \$5,342.82

### **Recommendation**

We recommend that EMS Billing implement an aging report of all Medicare and Medicare claims to ensure that timely filing does occur.

### **Administration's Response**

We agree and will review.

## **4. "High Priority" Claims**

EMS places claims needing attention in a "high priority" folder in ZOLL.

Each claim should have a status. The status selection options are "Appealed", "Suspended", and "Follow up". Each status selection has numerous categories to choose from i.e. "Follow up-unadjudicated".

ZOLL Billing allows users to create specific tags for each claim (i.e. MVA needed, etc.) to classify the type of issues and allow Billing to access the claim in an efficient manner.

As of 07/23/2024, there were 340 claims in "high priority" that had not been submitted to insurance. The aging of these claims are as follows:

- 31-60 days, 15 (4%) of claims.
- 61-90 days, 114 (34%).
- 91-180 days, 194 (57%).
- Over 180 days, 17 (5%).

We reviewed 5 claims in "high priority" to verify that the claim status was accurate. 3 out of 5 statuses were inconsistent with the description of the claim.

- 1 claim was given the status "Payment Promised" when it was still being processed.
  - Our review of the claim documentation showed there is no evidence that the Insurance accepted the claim.
- 1 status was shown as "Follow Up" when the payment was on hold.
  - The claim was already addressed, and the payment was pending.
- 1 status was shown as "Follow Up".
  - an appeal needs to be made on this claim, the status should be "Appeal"

We reviewed a report of “high priority” claims and noted 313 out of 340 (94%) of claims did not have a tag.

### **Recommendation**

The EMS Billing Department should implement a tagging system for each high-priority category and designate an individual to follow-up and ensure the billing process continue in an efficient manner.

### **Administration’s Response**

We agree and will review.

## **5. Unadjudicated Claims**

When healthcare services are provided to a patient, a claim is submitted to the patient’s insurance company for reimbursement. The insurance company then goes through a process called claims adjudication to decide whether or not to cover the entire claim.

An unadjudicated claim refers to a claim which remains open and unbilled.

The EMS Billing Department places unprocessed claims in a folder called “unadjudicated” in ZOLL Billing.

Each unadjudicated claim must be reviewed before the billing process can continue.

As of 07/17/2024 we reviewed claims aging and noted:

- The oldest claim is 02/15/2023.
- The total balance of the 269 unadjudicated claims on 07/17/2024 is \$128,546.07.
- The aging of these claims are as follows:
  - 31-60 days, 8 (3%) of claims.
  - 61-90 days, 87 (32%).
  - 91-180 days, 143 (53%).
  - Over 180 days 31 (12%).

To ensure claims are adjudicated in a timely manner, we selected 5 claims from the unadjudicated list to check the aging between follow-up:

- 4 (80%) did not include any notation on the status of the claim after a follow-up occurred.
  - Due to the lack of notations, the aging between follow ups could not be determined.
  - Aging between follow-ups can take a few days to several months.

### **Recommendation**

The EMS Billing Department should include notation(s) on each follow-up to clearly indicate the claim status. To ensure timely submission of claims, we suggest each staff member dedicate time each day to follow up on unprocessed claims.

### **Administration's Response**

We agree and will review.

## **6. Untimely Submission of Outstanding Invoices to Collections**

After a patient has been invoiced 4 times without a response (invoiced monthly) and is past the administrative fee stage, the EMS Billing Department submits the claim to Penn Credit for collection.

To confirm if patients were referred to collections following the 4<sup>th</sup> invoice, 5 claims were selected from a total of 60 in the Patient Payer Aging Detail report in ZOLL, all of which had been outstanding for over 365 days and had not been submitted to collection agency:

- 4 out of 5 claims did not follow the process to send the patient to collections:
  - 1 claim had 20 submissions recorded in the "billing lifecycle" with no credits posted, indicating that the patient had not made any payments.
  - 1 claim had 13 submissions with no credits posted.
  - 1 claim involved 6 invoices submitted before EMS received any compensation.
  - 1 claim had 8 invoices submitted before a payment was received from the patient.

The average number of invoices sent to each patient was 9.8. The unresolved balance of the 4 claims is \$1,577.86.

### **Recommendation**

The EMS Billing Department should follow the process for submitting claims to collections.

### **Administration's Response**

We agree and will review.