



COMMONWEALTH OF PENNSYLVANIA
HEALTH

August 31, 2023

The Honorable Timothy L. DeFoor
Auditor General
Commonwealth of Pennsylvania
Department of the Auditor General
Harrisburg, PA 17120-0018

Dear Auditor General DeFoor:

The Pennsylvania Department of Health (DOH) is in receipt of your letter, dated May 2, 2023, requesting a response from DOH management within 120 days of the publication of the Department of the Auditor General's performance audit related to the Emergency Medical Services Operating Fund (EMSOF) administered by the DOH Bureau of Emergency Medical Services (BEMS). Three prior reports, released in February 2014, December 2015, and July 2018, covered the time period of July 1, 2010, through June 30, 2017. The most recent report covers the time period of July 1, 2017, through June 30, 2021. Multiple findings were identified in the three earlier reports, along with recommendations for improvement. The 2023 report states that three findings have not yet been resolved, resulting in deficiencies in the oversight of EMSOF.

To address these findings, the BEMS worked with the DOH Bureau of Emergency Preparedness and Response (BEPR) to determine whether their processes could be leveraged for administration and oversight of the grant and invoicing processes used to allocate EMSOF and Hospital Preparedness Program (HPP) funding to the regional EMS councils. It was determined that BEPR's invoicing process, primarily used for the management and oversight of its intergovernmental agreements with local health departments and its grant with the Public Health Management Corporation to manage healthcare coalitions throughout the commonwealth, would be appropriate for EMSOF management.

FINDING ONE: The DOH continued to ineffectively administer the EMSOF and failed to correct past significant weaknesses in its internal controls.

Discussion for Finding One: Per the report, "DOH management is responsible for implementing an effective internal control system to manage risk, promote accountability, and prevent and detect instances of error, fraud, and/or abuse of EMSOF dollars." The report acknowledged that BEMS developed operating procedures, but found that oversight, implementation, and enforcement were inadequate.

The BEMS organizational structure historically contained several administrative staff, including an administrative officer, an administrative assistant, and a clerk typist. The invoicing process for the EMSOF was overseen by the BEMS administrative officer and administrative assistant. Typically, program staff were not involved in the review of invoices. When BEMS and BEPR became physically co-located, administrative roles and staff were consolidated and the administrative assistant and clerk typist positions within BEMS were not filled when each became vacant. Invoicing responsibilities were

then assigned to the BEPR administrative assistant who dual-reported to the BEMS and BEPR administrative officers.

BEMS is committed to addressing these issues and is making the necessary administrative changes to ensure there are staff to perform the work.

Recommendation 1: Develop a monitoring tool to adequately monitor the EMS program to ensure it is effectively overseeing EMSOF and its purpose.

DOH Response: The DOH concurs with this recommendation. The BEMS collaborated with BEPR to develop an invoicing workbook and process to ensure expenditures are tracked and verified with adequate backup documentation. This invoicing workbook, in Excel, will be on SharePoint and will be accessed and used by both EMS management and the regional EMS councils to capture all expenditures, create invoices, while also serving as an effective control system (Recommendation 3).

Recommendation 2: Train Bureau staff annually on its responsibility to ensure that an effective internal control system is in place, is operating effectively, and is updated as needed.

DOH Response: The DOH concurs with this recommendation. The invoicing workbook described above will meet the need for an effective internal control system. The initial training on the use of the invoicing workbook was already provided to appropriate BEMS staff. Continual assessment will occur when using the invoicing workbook to determine if it is operating effectively and improvements will be made as needed. Training for appropriate BEMS staff will occur as needed but at a minimum, annually.

Recommendation 3: Consider working with staff in the Bureau of Family Health or a third party to assess and implement an effective control system.

DOH Response: The DOH concurs with this recommendation. BEMS is currently working with the BEPR Finance and Administration Division to implement its control system, the invoicing workbook.

Recommendation 4: Evaluate whether additional staff are needed and, if necessary, request an increase in the Bureau's complement.

DOH Response: The DOH concurs with this recommendation. The proposed invoicing process will include multiple administrative staff, which will ensure fiscal and programmatic accuracy and review and approval of each invoice submitted. An evaluation of the invoicing process will occur after the invoicing process has been implemented to ensure staffing levels are adequate. This evaluation will take place during the 2023-2024 fiscal year, after a few months of invoices move through this new process.

FINDING TWO: The DOH failed to adequately monitor and question potential misuse of EMSOF expenditures.

Discussion for Finding Two: The Auditor General determined that only 12 invoices submitted by the regional EMS councils and the Pennsylvania Emergency Health Services Council (PEHSC) were reviewed by BEMS during the 2017-2021 audit period. Of those, only three invoices included supporting documentation. Within the available documentation, several instances of questionable purchases were identified, including high heel shoes, hotel expenses and food purchases without receipts, and purchases with sales tax for tax-exempt vendors. The Auditor General selected an additional 60 more invoices to review, finding only 11 with adequate backup documentation. No backup documentation

was available for 21 invoices, and the remaining invoices had inadequate backup documentation. The Auditor General also reviewed the pre-hospital provider funds disbursed to the regional EMS councils, which require pre-approval by BEMS, finding several deficiencies in backup documentation.

Submitting backup documentation that will never match the invoice being paid presents a unique set of challenges. As opposed to verifying the backup documentation to match the invoice prior to submission, the invoice is processed on the first of each month. If questionable purchases are identified for removal, they would currently need to be tracked the entire fiscal period and reconciled at the end of the year. The lack of a standardized process for submitting backup documentation results in significant confusion on what categories and line items in the budget expenses are being billed against. Lastly, BEMS has continued using hard copies to maintain records of the invoices being processed, while some invoices are also saved on shared drives or SharePoint. Having multiple potential locations for saved files can lead to complications for record retention. The pre-hospital provider fund requests are printed out and saved as hard copies, as opposed to an online workflow, which could produce a clear record of when it was reviewed/approved.

Recommendation 1: Develop and implement formal procedures to adequately review and document the appropriateness of regional EMS council expenditures, including, but not limited to:

1. Verify and review reconciliations performed by the regional EMS councils to ensure receipts support invoices.
2. Require regional EMS councils to submit monthly lists of expenses to include a description, a justification, and amount of the expense.
3. Require regional EMS council personnel to certify that they have reviewed and approved all expenses and the costs are eligible pursuant to DOH regulations.
4. Ensure all pre-hospital provider requests are pre-approved and the documentation is retained with the corresponding invoices.

DOH Response: The DOH concurs with this recommendation. The invoicing workbook developed includes detailed expenditure tabs for the itemized listing of expenditures. Invoices will be reviewed and will require receipts to support the expenditures and to ensure reconciliation is accurate. The signature page on the invoice cover sheet will be used to certify that review and approval has occurred. The use of the invoicing workbook and expenditure review by BEMS staff serves as the formal procedure.

Recommendation 2: Develop a detailed policy and conduct training for the regional EMS councils on uses and restrictions of EMSOF dollars for each category enumerated in the Act.

DOH Response: The DOH concurs with this recommendation. An assessment was completed for the rural education portion of the EMSOF and will be included in an amendment the current agreement with the regional EMS councils. BEMS is currently drafting the policy for uses and restrictions of EMSOF dollars for each category enumerated in the Act. This policy will be made available no later than October 31, 2023. Training will occur in November 2023.

Recommendation 3: Develop and implement detailed procedures to adequately monitor regional EMS councils' invoices and receipts on a sample basis to ensure EMSOF dollars are spent in accordance with the purposes of the Act.

DOH Response: The DOH concurs with this recommendation. The invoicing workbook process will be implemented to ensure every invoice is approved, rather than spot checks or samples.

FINDING THREE: The DOH failed to adequately review annual reports for completeness and accuracy.

Discussion for Finding Three: The Auditor General reviewed the annual report process that is used to collect information from the regional EMS councils and PEHSC at the end of each fiscal year. Within 30 days after the fiscal year ends, annual reports must be submitted to BEMS, containing financial statements, statements disclosing the names of officers, directors, and members of the advisory board (PEHSC only), and activities/accomplishments from the reporting period. The Auditor General acknowledges that BEMS implemented a tracking system to ensure the annual reports were received but noted that the Bureau level review “was cursory and inadequate regarding completeness and accuracy.” The primary issue identified was that BEMS did not follow up on deficiencies identified in the reports.

Recommendation 1: Improve its process for review of the annual reports to ensure the information is complete, accurate, and in compliance with regulations, contract/grant agreements, and DOH internal policies.

DOH Response: The DOH concurs with this recommendation. The annual report review process is currently being assessed by BEMS staff and leadership to determine current deficiencies and areas for improvement. A checklist is being created to ensure completeness, accuracy, and compliance with regulations, contract/grant agreements, and DOH internal policies. This checklist will be made available no later than September 30, 2023.

Recommendation 2: Follow-up on deficiencies found in the annual reports to ensure information made available to the public is complete and accurate.

DOH Response: The DOH concurs with this recommendation. A checklist (Recommendation 1) is being created to ensure completeness, accuracy, and compliance with regulations, contract/grant agreements, and DOH internal policies. This checklist will be made available no later than September 30, 2023. Thank you for the opportunity to respond to this report. If you have any questions, please contact Sunny Podolak, Acting Director, Bureau of Emergency Medical Services at (717) 836-3581 or spodolak@pa.gov.

Sincerely,



Debra L. Bogen, MD, FAAP
Acting Secretary of Health

cc: Sunny Podolak, MS, Acting Director, Bureau of Emergency Medical Services
Wendy E. Braund, MD, MPH, MEd, FACPM, Deputy Secretary, Health Preparedness and Community Protection, Department of Health
Danielle Pierre, Deputy Secretary for Administration, Department of Health