

INTERNAL AUDIT REPORT

CITY OF MANCHESTER

NEW HAMPSHIRE



**City of Manchester
AMR Ambulance Contract
Follow-up Report**

**Prepared by
The Office of the Independent Auditor**

**INTERNAL AUDIT REPORT
CITY OF MANCHESTER, NEW HAMPSHIRE
AMR AMBULANCE CONTRACT
FOLLOW-UP REPORT**

TABLE OF CONTENTS

LETTER OF TRANSMITTAL2
SCHEDULE OF TRIPS BY FINANCIAL CLASS3



**City of Manchester
Office of the Independent City Auditor**

One City Hall Plaza
Manchester, New Hampshire 03101
Phone: (603) 624-6460
Fax: (603) 624-6549

*Committee on Accounts, Enrollment and Revenue Administration
City of Manchester, New Hampshire
Honorable Aldermen: O'Neil, Arnold, Long, Corriveau, and Shaw*

Dear Honorable Committee Members:

At the June 18, 2012 Committee on Accounts meeting a request was made of the Office of the Independent City Auditor (OICA) to conduct an audit of the certain elements of the contract between American Medical Response (AMR) and the City of Manchester to provide ambulance service within the city limits.

AMR initiated its own internal audit following the receipt of complaints from two city workers. During this initial internal review, AMR discovered 323 ambulance trips that were found to have been overcharged and corrected these trips. Additionally, the City received several complaints lodged by Manchester Residents who felt they were being overcharged or mischarged by AMR.

My office was asked to perform an audit to determine if all over charges were discovered and all patients were properly refunded of their accounts credited for the over charge.

My audit revealed one instance of undiscovered overcharges in an area that AMR's internal auditors excluded from their detail testing. Based on the one error discovered during detail testing it was determined that there were 230 trips that were improperly excluded from detail testing. These were trips that were fully paid and had a zero balance and no adjustments. I provided the list of trips to AMR who performed an audit on these trips.

AMR found 2 additional over charges resulting in an additional \$4,467 in refunds. I then tested a sample of trips in order to verify their findings and found that their testing appears to be adequate.

Conclusion

My additional testing revealed no further issues associated with the overcharges noted in the original audit and I believe that all over charges have most likely been discovered and patients reimbursed.

Kevin M, Buckley, CPA
Independent City Auditor

January 7, 2013

**AMR AMBULANCE TRIPS BY FINANCIAL CLASS
JANUARY 1, 2011 TO MARCH 31, 2012**

| FINANCIAL CLASS | # OF TRIPS | % Trips | TOTAL CHARGES | TOTAL PAYMENTS | TOTAL REFUNDS | TOTAL DISALLOW |
|------------------------|-------------------|----------------|-------------------------|------------------------|------------------------|-------------------------|
| Private Pay | 4,503 | 32.2% | \$ 8,395,717.13 | \$ 726,980.32 | \$ (33,743.38) | \$ 3,528,896.93 |
| Non-Contract Insurance | 1,081 | 7.7% | \$ 2,140,336.32 | \$ 1,683,707.21 | \$ (53,278.57) | \$ 342,683.11 |
| Contract Insurance | 664 | 4.8% | \$ 1,318,054.96 | \$ 406,357.40 | \$ (11,051.50) | \$ 832,634.46 |
| Facility Contract | 20 | 0.1% | \$ 38,606.16 | \$ 8,032.02 | \$ - | \$ 18,392.01 |
| Medicare | 5,179 | 37.1% | \$ 10,539,778.61 | \$ 2,033,446.08 | \$ (20,564.43) | \$ 8,396,456.47 |
| Medicaid | 2,304 | 16.5% | \$ 4,191,852.16 | \$ 359,160.22 | \$ (1,565.83) | \$ 3,685,399.99 |
| Medicare HMO | 181 | 1.3% | \$ 374,813.33 | \$ 52,840.29 | \$ (533.50) | \$ 266,045.56 |
| Medicaid HMO | 39 | 0.3% | \$ 74,450.23 | \$ 9,551.50 | \$ - | \$ 62,543.92 |
| Totals | 13,971 | 100.0% | \$ 27,073,608.90 | \$ 5,280,075.04 | \$ (120,737.21) | \$ 17,133,052.45 |

Total Charges – The total usual and customary charge

Total Payments – All payments made for the trip including co-pays and uncovered expenses (balanced billed amounts)

Total Refunds – Any refund adjustment applied to the trip. Does not include \$4,467 discovered by the additional testing.

Total Disallow – All contractual and other adjustments to the trip

Source: Trip Database provided by AMR