

Office of the City Auditor  
City of San Diego

**Emergency Medical Services:  
The City Should Improve Oversight,  
Recover Costs, and Enhance Response  
Time Reporting**

Audit Committee Meeting,  
May 2, 2011



Independent • Objective • Accurate

# Background

## **San Diego Medical Services (SDMS) History**

- The City partnered with Rural/Metro and established SDMS, LLC, in 1997
- Previously, the City had contracted with private ambulance companies
- The City has awarded SDMS contracts for the delivery of Emergency Medical Services (EMS)
- SDMS reimburses the City and Rural/Metro for their expenses monthly, and profits are distributed periodically

# Background

## **EMS Delivery in San Diego**

- The majority of SDMS paramedics and EMTs are Rural/Metro employees
- The City is contractually obligated to provide first responders to emergency calls
- The Fire-Rescue Department provides first responders on fire engines / trucks
- Over 85 percent of emergency calls to Fire-Rescue are for medical services

# Objectives

- City oversight of the contractual agreements with SDMS
- Financial transactions
  - ♦ Revenues
  - ♦ Expenditures
  - ♦ Subsidies
  - ♦ Fees
  - ♦ Patient billing
  - ♦ Bad debt collection
- The reimbursement of first responder costs to the City
- Ambulance response time performance reporting to City Council

# Scope and Methodology

- Analyzed SDMS data for Fiscal Years 2006 – 2010
- Reviewed the following:
  - ♦ Laws, policies, and regulations related to EMS;
  - ♦ Agreements and information related to SDMS and Rural/Metro;
  - ♦ Financial information and management reports;
  - ♦ Current EMS processes and practices;
- Met with and interviewed:
  - ♦ City and Fire-Rescue management
  - ♦ Key staff involved in EMS
  - ♦ Rural/Metro officials
- Analyzed the quality and effectiveness of the reporting related to EMS and SDMS.
- Worked closely with the Office of the City Attorney

# Finding 1

## Several Accounting Issues are Unresolved

- Expense reimbursements to Rural/Metro are not reviewed by the City
- Collections on debts that were previously written off may not have been remitted to the City
  - ◆ \$4.2 million not deposited in accordance with contract terms (between May 2002 and February 2007)
  - ◆ Excess reimbursement of \$5.8 million (for Fiscal Year 2006 through 2010)
- Certain fees and interest charges that the City agreed to pay Rural/Metro appear excessive or potentially duplicative

# Finding 2

## **Financial Oversight of SDMS and Partnership with Rural/Metro is Inadequate**

- The City does not sufficiently analyze financial reports it receives from Rural/Metro
- The SDMS Board of Managers did not provide proper financial oversight

# Finding 3

## **The City is not Seeking Full Reimbursement for First Responder Costs**

- The City incurs the cost of providing first responders to Priority 1 calls
- These costs amount to approximately \$11 million a year
- The EMS Agreement between SDMS and the City allows for expense reimbursements



# Finding 4

## **Current Response Time Reporting is Incomplete and Inflates Results**

- Response time is based on the percentage of times dispatched ambulances arrive on scene within 12 minutes
- The current SDMS practice of classifying 37 percent of calls as “unusual system overload” inflates EMS compliance figures by four percent (from 93 to 97 percent)
- Response time reporting is based on contractual compliance, but does not include dispatch time

# Recommendations

- We made 11 recommendations, some of which may be resolved through a new contract with Rural/Metro
- The most significant recommendations are:
  - ◆ Conduct a complete forensic accounting examination of SDMS
  - ◆ Implement a comprehensive monitoring program for EMS contractors
  - ◆ Report total ambulance response times (including dispatch time) to the City Council