



CITY OF SAN ANTONIO

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May 28, 2025

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SUBJECT: Audit Report of San Antonio Fire Department EMS Billing Contract Audit

Mayor and Council Members:

We are pleased to send you the final report of the San Antonio Fire Department EMS Billing Contract Audit. This audit began in April 2024 and concluded with an exit meeting with department management in April 2025. Management's verbatim response is included in Appendix B of the report. The San Antonio Fire Department management and staff should be commended for their cooperation and assistance during this audit.

The Office of the City Auditor is available to discuss this report with you individually at your convenience.

Respectfully Submitted,

Buddy Vargas, CPA, CIA, CFE
City Auditor
City of San Antonio

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**CITY OF SAN ANTONIO
OFFICE OF THE CITY AUDITOR**

**SAN ANTONIO FIRE DEPARTMENT
AUDIT OF EMS BILLING CONTRACT
PROJECT NO. AU24-014
MAY 28, 2025**

**BUDDY VARGAS, CPA, CIA, CFE
CITY AUDITOR**



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Executive Summary

As part of our annual Audit Plan approved by City Council, we conducted an audit of the San Antonio Fire Department (SAFD), specifically the EMS Billing Collections contract. The audit objective, conclusions, and recommendations follow:

Determine if San Antonio Fire Department is properly managing the EMS billing collections contract.

SAFD has effective procedures in place to verify accuracy of the 8.4% fee Business and Professional Service (B&P) receives for collecting EMS service billings. In addition, SAFD has adequate procedures in place to confirm B&P is meeting the 55% collection rate required by the contract. Furthermore, patient refunds reimbursed to B&P were appropriate.

SAFD also has monitoring controls in place to ensure B&P is in compliance with Small Business Economic Development Advocacy (SBEDA), monthly reporting, and protection of Protected Health Information (PHI) data. SBEDA payments made to B&P's subcontractors met contract requirements. SAFD obtained and reviewed required monthly reports from B&P. B&P and their subcontractor had a Business Associate Agreement¹ in place with the City of San Antonio as required by the contract. Finally, B&P and their subcontractor have designed adequate controls to protect PHI data.

However, controls could be strengthened/developed over billing accuracy, Image Trend system access, and subcontractor insurance coverage. EMS services are not accurately billed. In addition, user access to the Image Trend system was not appropriate. Finally, B&P subcontractors did not have adequate insurance coverage as required by the contract.

We provided recommendations to management to strengthen controls and resolve identified issues. SAFD management agreed with the audit findings and has developed positive action plans to address them. Management's verbatim response is in Appendix B on page 11.

¹ A contract between a HIPAA covered entity and a business associate that outlines how the business associate can use and disclose PHI and ensures its protection.

Background

The San Antonio Fire Department (SAFD) is comprised of three main divisions: Administration, Operations, and Human Services. The function of Emergency Medical Services (EMS), which operates within the Operations Division, is to deliver life-saving interventions in the event of a trauma-related incident or serious medical condition. EMS responds by assessing, treating, stabilizing, and transporting patients to the appropriate medical facility. EMS's medical intensive care ambulances are strategically located in fire stations throughout the city. These ambulances are supplied with equipment to assess, document and service patient needs.

The EMS deployment process begins with a 9-1-1 call with initial data captured in the Computer Aided Dispatch (CAD) system. The call is then routed to EMS units as applicable. Once an EMS unit arrives on the scene, they collect pertinent patient data utilizing an electronic patient care report (ePCR) software, known as Image Trend. While SAFD does not own the Image Trend software, they coordinate with the Southwest Texas Regional Advisory Council (STRAC) to provide this service and manage the software. Patient data is then transferred daily for bill processing.

Fees for EMS services are approved by City Council. These include fees for transport, mileage, supplies, and medications. The fees for supplies and medications range from \$5 to \$170. The current fees for transporting patients by ambulance are as follows:

| Table 1: Ambulance Transport Fees | |
|-----------------------------------|---------------------------|
| Type of Transport | Fee |
| Transport to Morgue | \$70.00 |
| Non-Resident Fee | \$100.00 |
| Aid Only | \$100.00 |
| Basic Life Support | \$1,000.00 + \$12.00/mile |
| Advanced Life Support-1 | \$1,000.00 + \$12.00/mile |
| Advanced Life Support-2 | \$1,000.00 + \$12.00/mile |

Source: City of San Antonio Municipal Code

The billing and collection of EMS ambulance services is outsourced to Business & Professional Services (B&P). The current contract was approved for a five-year period with a renewal option of two years, effective April 1, 2019. B&P's compensation rate is 8.4% of revenues collected on a monthly basis. In addition, the contract guarantees the City a net effective collection rate of 55% after 12 months of collection efforts from the date of aid and/or transport.

For fiscal year 2023 through June 2024, the City has earned approximately \$42.5 million in collections for EMS services. Compensation paid to B&P totals approximately \$4.2 million. See table below for breakdown by fiscal year.

| Table 2: SAFD Revenue and B&P Compensation by Fiscal Year | | | |
|---|-----------------|---------------------|--------------------|
| Fiscal Year | # of Transports | SAFD Revenue | B&P Compensation |
| 2023 | 73,397 | 25,334,457 | 2,392,254 |
| 2024 ¹ | 45,719 | 17,253,728 | 1,791,732 |
| Total | 119,116 | \$42,588,185 | \$4,183,986 |

Source: SAP

Note 1: FY 2024 numbers are through June

This contract is managed by the SAFD Fiscal Division with assistance from SAFD Compliance. SAFD Compliance monitors contract requirements related to Small Business Economic Development Advocacy (SBEDA) subcontracting goals, insurance coverage, and reporting requirements. SAFD Fiscal monitors the invoicing process and subsequent compensation to B&P monthly.

Audit Scope and Methodology

The audit scope was fiscal year 2023 through June 2024. It included the EMS billing and collections process and compliance with contract terms.

To gain an understanding of the EMS billing and collections processes, we interviewed SAFD operations, compliance, and fiscal personnel. We also interviewed Business and Professional Service (B&P) personnel. We conducted walkthroughs of the billing and collections processes, monitoring procedures over contract terms, and data security. The B&P contract with the City of San Antonio was our primary criteria for this audit.

We assessed internal controls relevant to the audit objective. Furthermore, as part of our testing procedures we examined the following areas:

- Reviewed EMS service calls to determine billing and collections accuracy.
- Performed data analysis to identify potential billing anomalies.
- Reviewed compliance with key contractual requirements such as Small Business Economic Development Advocacy (SBEDA) goals, reporting requirements, insurance coverage.
- Reviewed Personal Health Information (PHI) data security to determine if B&P and their subcontractor had designed adequate controls to secure PHI data.
- Reviewed Image Trend user access for appropriateness.

We relied on computer-processed data in the SAP system to validate EMS billing revenues and expenditures. Additionally, we relied on computer-processed data in Image Trend to validate patient transports, mileage and medications administered during EMS calls. Our reliance was based on performing direct tests on the data rather than evaluating the systems' general and application controls. We do not believe that the absence of testing general and application controls had an effect on the results of our audit.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Audit Results and Recommendations

SAFD is accurately paying B&P the 8.4% fee for collecting EMS service billings. We reconciled six B&P invoices totaling \$1,256,489 submitted to the City from January 2024 through June 2024 and confirmed the 8.4% fee was accurately paid. Further, B&P is meeting the net effective collection rate required by contract. We reviewed B&P's net effective collection rate for the period January 2023 through June 2024 and confirmed they are exceeding the 55% collection rate. Additionally, B&P adequately refunded patients when requesting reimbursement from SAFD. We reviewed 25 refund transactions valued at approximately \$24,000 and confirmed B&P adequately refunded patients.

Contract compliance requirements were met for SBEDA, monthly reporting, certificate of deposit, and Business Associate Agreements. B&P is currently meeting their SBEDA subcontracting goals. We reviewed payments made to B&P subcontractors and confirmed their payments exceeded the SBEDA goal of 13%. Further B&P submitted required monthly reports to SAFD. We confirmed B&P was submitting the required monthly reports, from January 2024 through June 2024 to SAFD. These included the Monthly Financial Report, Monthly Refund Report, Vendor Performance Report and Monthly Transport Report. Additionally, we confirmed B&P had a Certificate of Deposit valued at \$100,000 and both B&P and their subcontractor had a Business Associate Agreement in place with the City of San Antonio.

Finally, we determined B&P and their subcontractor have designed adequate controls to secure Protected Health Information (PHI) data. After performing site visits at B&P and the subcontractor's offices, we determined they had properly designed physical controls such as secured entrances. In addition, they had proper technical controls such as the use of Secure File Transfer Protocol (SFTP) when sending PHI information. Finally, they had adequate administrative controls such as training and policies and procedures.

However, the audit team identified areas where controls could be improved over billing accuracy, Image Trend system access, and subcontractor insurance coverage.

A. Billing Inaccuracies

EMS services are not accurately billed. We performed analysis of the Image Trend patient data and B&P's billing data for the period January 2024 through June 2024 and identified billing inaccuracies. To confirm billing inaccuracies, we selected samples and reviewed documentation and explanations (as provided by B&P and SAFD). **Table 3** provides a summary of testing results including: a brief description of the billing inaccuracies identified by the audit team, the potential number of EMS billing inaccuracies identified via data analysis, and the sample size selected for further review along with the number of confirmed billing inaccuracies:

Table 3: Potential EMS Billing Inaccuracies Identified

| Issue Description | Potential Number of Billing Inaccuracies | Sample Size Reviewed | Confirmed Number of Billing Inaccuracies |
|---|--|----------------------|--|
| 1. Medications administered were not billed as they were not on City Council approved list. | 8,717 | 57 | 49 |
| 2. Medication epinephrine was not billed due to difference in naming convention. | 305 | 6 | 6 |
| 3. All dosages administered were not billed. | 580 | 15 | 13 |
| 4. Non-transport (aid only) service was not billed. | 18,115 | 10 | 4 |
| 5. Transport service was not billed. | 1,734 | 25 | 16 |

Source: Compiled by audit team

Based on our analysis for Issue 1, we confirmed in 49 instances the patient was not billed for one or more medications administered. Per further discussion with B&P and SAFD we determined one or more medications were not billed as they were not on the City Council approved list and therefore there was no established rate. As a result, we performed further analysis to quantify how many medications were administered between January 2024 and June 2024 and how many of those were not on the City Council approved list. We determined 48 medications were administered during this period and 29 (60%) were not on the list.

For Issue 2, we confirmed 6 billing inaccuracies where the patient was not billed for the medication epinephrine, for which the established rate was \$5. Per discussions with B&P, epinephrine was not billed because it was not coded into their system as a billable medication when using the naming convention “*epinephrine*”. In contrast, in instances where epinephrine medication was listed with the naming convention “*EPI*”, the medication was correctly billed.

For Issue 3, we confirmed 13 billing inaccuracies were not charged for all dosages of medication administered. Per B&P, a system error caused the omission of the same medication administered from being billed. Specifically, when an even number of dosages were administered, only two dosages were billed. Similarly, when an odd number of dosages were administered, only one dosage was billed.

For Issue 4, we confirmed 4 billing inaccuracies designated as “*aid only*” were not billed the \$100 rate for aid only. Based on reading the service call narrative report, we confirmed some kind of aid was provided to the patient and should have been billed. Per discussions with B&P, service call narratives must be read by their staff so they can make the determination of whether a fee should be assessed or not. This manual process makes the billing determination prone to judgement error.

Finally, for Issue 5, we confirmed 16 billing inaccuracies where the transport fee was not billed but should have been. Based on explanations from B&P:

- 8 were not billed due to missing information to accurately identify (and thereafter bill) the patient,
- 6 were not billed as the service call narrative report made reference to another EMS unit providing transport,
- 1 was not billed due to a hold status on the patient data record and,
- 1 was not billed as it was erroneously not labeled as a transport.

While SAFD does review the monthly invoices submitted by B&P, SAFD currently does not review invoices at the patient level to confirm billing accuracy. As a result, the City of San Antonio is not fully compensated for EMS services provided and medications administered.

Recommendations

The SAFD Chief:

- Update the City Council approved list of medications.
- Discuss the potential for implementation of application controls with STRAC's Image Trend system.
- Review the data analysis results and perform further investigation as necessary, and develop monitoring controls to identify potential billing inaccuracies such as these.

B. Image Trend User Access

System access to Image Trend is not appropriate. We reviewed the user access listing for all 1,878 City of San Antonio (COSA) Image Trend users as of August 2024 and determined that 71 users did not require system access. Specifically, these users were no longer City of San Antonio employees.

Administrative Directive (AD) 7.8d Access Control states information systems must be periodically screened for inactive accounts.

Effective November 2023, SAFD transitioned from ZOLL to Image Trend as the new ePCR system. Per SAFD, the 71 inactive users in Image Trend were the result of an oversight during the transition from ZOLL to Image Trend. Furthermore, lack of periodic user access reviews caused separated employees to still have access to Image Trend after the transition. Separated employees could potentially access PHI data resulting in non-compliance with HIPAA and potential liability to the City.

Recommendations

The SAFD Chief delimit COSA users that no longer require access. Additionally, develop controls to perform periodic user access reviews for COSA Image Trend users in accordance with AD 7.8d.

C. Subcontractor Insurance Coverage

Subcontractor insurance coverage did not meet the contractual requirements. We reviewed three Certificates of Insurance (COI), one from the contractor, B&P, and two subcontractors. While B&P had adequate insurance coverage, we determined the two subcontractors did not have all required insurance types. They were missing one or more of the following insurance types: Cyber Liability, Professional Liability, and/or Commercial Crime Insurance.

Per the B&P contract with the City of San Antonio, subcontractors should maintain required coverage. However, SAFD did not execute existing monitoring procedures to ensure subcontractor insurance coverage was in accordance with contract requirements.

Without adequate insurance coverage, the City is exposed to potential liability and financial responsibility.

Recommendations

The SAFD Chief execute existing monitoring procedures to ensure insurance coverage (for both contractors and subcontractors) is in accordance with contract requirements.

Appendix A – Staff Acknowledgement

Abigail Estevez, CPA, CIA, CISA, Audit Manager
Danny Zuniga, CPA, CIA, Auditor in Charge
Ty Myers, Auditor

Appendix B – Management Response



CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

May 22, 2025

Buddy Vargas, CPA, CIA, CFE
City Auditor
San Antonio, Texas

RE: Management's Corrective Action Plan for Audit of San Antonio Fire Department (SAFD) EMS Billing Contract

The SAFD has reviewed the audit report and has developed the Corrective Action Plan below corresponding to the report recommendations.

| Recommendation | | | | | |
|----------------|---|-------------------|-----------------|---|---|
| # | Description | Audit Report Page | Accept, Decline | Responsible Person's Name/Title | Completion Date |
| A | Billing Inaccuracies The SAFD Chief: <ul style="list-style-type: none">• Update the City Council approved list of medications.• Discuss the potential for implementation of application controls with STRAC's Image Trend system.• Review the data analysis results and perform further investigation as necessary, and develop monitoring controls to identify potential billing inaccuracies such as these. | 6 | Accept | Ramon Casanova, Assistant Fire Chief EMS Operations | Updated fee list in FY26 Budget 10/1/25 Meet with STRAC to discuss application controls in June 2025. Ongoing with B&P to identify inaccuracies |

Audit of San Antonio Fire Department
EMS Billing Contract

| Recommendation | | | | | |
|----------------|---|-------------------|-----------------|---|---|
| # | Description | Audit Report Page | Accept, Decline | Responsible Person's Name/Title | Completion Date |
| | Action plan: <ul style="list-style-type: none"> SAFD will recommend, as part of the FY2026 Budget Process, updates to the schedule of EMS fees for medications and medical supplies not currently reflected in Chapter 15 Section 15-3 of the City Code. SAFD admin staff will meet with STRAC in June 2025 to discuss application control reporting improvements as they relate to billing of medications and call types. SAFD to require daily (versus weekly) Patient Care Report (PCR) summaries for incomplete or missing PCR's. SAFD administrative staff will review billing inaccuracies quarterly with billing vendor beginning in May 2025. | | | | |
| B | Image Trend User Access The SAFD Chief delimit COSA users that no longer require access. Additionally, develop controls to perform periodic user access reviews for COSA Image Trend users in accordance with AD 7.8d. | 8 | Accept | Ramon Casanova, Assistant Fire Chief EMS Operations | COSA user access controls completed on 4/1/25 Ongoing twice a year every January and June. |
| | Action plan: SAFD reviews user access upon official notification of retirement/separation and quarterly regardless of notifications. Semi-annually verify compliance reviews of COSA Image Trend users in accordance with AD 7.8d. | | | | |
| C | Subcontractor Insurance Coverage The SAFD Chief execute existing monitoring procedures to ensure insurance coverage (for both contractors and subcontractors) is in accordance with contract requirements. | 9 | Accept | Ramon Casanova, Assistant Fire Chief EMS Operations | Ongoing twice a year every January and June. |

Audit of San Antonio Fire Department
EMS Billing Contract

| Recommendation | | | | | |
|----------------|---|-------------------|-----------------|---------------------------------|-----------------|
| # | Description | Audit Report Page | Accept, Decline | Responsible Person's Name/Title | Completion Date |
| | <p>Action plan: SAFD has confirmed that the contract required insurance requirements are in good order. Moving forward, SAFD EMS and SAFD contract manager will review insurance requirements in January and June of every year.</p> | | | | |

We are committed to addressing the recommendation in the audit report and the plan of action presented above.

Sincerely,


 Valerie Frausto
 Fire Chief
 San Antonio Fire Department

5/22/2025
 Date


 María Villagómez
 Deputy City Manager
 City Manager's Office

5/22/2025
 Date