COMMONWEALTH of VIRGINIA

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State Health Commissioner

Department of Health
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State Emergency Medical Services Advisory Board
Agenda
September 18, 2024 – 10:00 a.m.

Perimeter Center, Boardroom 2
9960 Mayland Drive
Henrico, VA 23233

Call to Order	Kevin Dillard, Chairman
Review of OEMS Internal Audit Findings	VDH Senior Leadership
Review of Fitch and Associates Report	Fitch and Associates Staff
Public Comment	
Adjourn	

COMMONWEALTH of VIRGINIA

Department of Health
Internal Audit

Report on Office of Emergency Medical Services (OEMS)
Investigative Review
Information Received as of May 31, 2024

BACKGROUND

The Office of Emergency Medical Services (OEMS) is responsible for planning and coordinating an effective and efficient statewide Emergency Medical Services (EMS) system. Its programs and services are designed to assure quality prehospital patient care, from when the call is received by the 911 center to the delivery of the patient to the trauma center or hospital.

OEMS receives funding allocated from the Four-for-Life program annually. This funding is legislated by the Code of Virginia § 46.2-694(A)(13):

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> b. Thirty percent shall be distributed to the State Department of Health to support (i) emergency medical services training programs (excluding advanced life support classes); (ii) advanced life support training; (iii) recruitment and retention programs (all funds for such support shall be used to recruit and retain volunteer emergency medical services personnel only, including public awareness campaigns, technical assistance programs, and similar activities); (iv) emergency medical services system development, initiatives, and priorities based on needs identified by the State Emergency Medical Services Advisory Board; (v) local, regional, and statewide performance contracts for emergency medical services to meet the objectives stipulated in § 32.1-111.3;(vi) technology and radio communication enhancements; and (vii) improved emergency preparedness and response. Any funds set aside for distribution under this provision and remaining undistributed at the end of any fiscal year shall revert to the Rescue Squad Assistance Fund;
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> c. Thirty-two percent shall be distributed to the Rescue Squad Assistance Fund;
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> d. Ten percent shall be available to the State Department of Health's Office of Emergency Medical Services for use in emergency medical services; and

e. Twenty-six percent shall be returned by the Comptroller to the locality wherein such vehicle is registered, to provide funding for training of volunteer or salaried emergency medical services personnel of nonprofit emergency medical services agencies that hold a valid license issued by the Commissioner of Health and for the purchase of necessary equipment and supplies for use in such locality for emergency medical services provided by nonprofit emergency medical services agencies that hold a valid license issued by the Commissioner of Health.

All revenues generated by the remaining $0.25 of the $4.25 fee approved by the 2008 Session of the General Assembly shall be deposited into the Rescue Squad Assistance Fund and used only to pay for the costs associated with the certification and recertification training of emergency medical services personnel."

In compliance with § 46.2-694(A)(13)(e), OEMS manages the Return to Locality program. OEMS returns 26% of the registration fees collected to the locality wherein such vehicle is registered to provide funding for: (1) Training of volunteer or salaried emergency medical service personnel of licensed, nonprofit emergency medical service agencies; or (2) for the purchase of necessary equipment and supplies for licensed, nonprofit emergency medical service agencies.

The financial assistance for Emergency Medical Services Grants Program, known as the Rescue Squad Assistance Fund (RSAF), is a grant program for licensed EMS agencies or other Virginia emergency medical service organizations operating on a nonprofit basis exclusively for the benefit of the general public pursuant to § 32.1-111.12 of the Code of Virginia. Items eligible for funding include EMS equipment and vehicles, computers, EMS management programs, courses/classes and projects benefiting the recruitment and retention of EMS members.

According to the 2022 Special Session I Virginia Acts of Assembly Chapter 2, Item 3-1.01(W), "On or before June 30 each year, the State Comptroller shall transfer $12,518,587 the first year and $12,518,587 the second year to the general fund from the $2.00 increase in the annual vehicle registration fee from the special emergency medical services fund contained in the Department of Health's Emergency Medical Services Program (40200)."

According to the Code of Virginia §18.2-270.01, "OEMS receives funding and establishes the Trauma Center Fund for the Commonwealth of Virginia, which is to be used for defraying the costs of providing emergency medical care to victims of automobile accidents attributable to alcohol or drug use. A portion of the fees collected by the Commonwealth for the reinstatement of revoked or suspended drivers' licenses and repeat DUI offenders are deposited into the Trauma Center Fund."

The Code of Virginia § 32.1-111.4:2 establishes Regional EMS Councils, and defines their function and purpose. Currently, the State Board of Health has designated 11 Regional EMS Councils to serve specific geographic areas of the Commonwealth. Each council is charged with the development and implementation of an efficient and effective regional emergency medical services delivery system. In order to accomplish these tasks, Virginia's Regional EMS Councils contract with OEMS during their designation period and undergo designation reviews every 3 years.

The State Emergency Medical Services Advisory Board is established in the executive branch pursuant to § 32.1-111.4:1 of the Code of Virginia. The Advisory Board is created "for the purpose of advising the Board concerning the administration of the statewide emergency

medical services system and emergency medical services vehicles maintained and operated to provide transportation to persons requiring emergency medical treatment and for reviewing and making recommendations on the Statewide Emergency Medical Services Plan." There are committees under the Advisory Board in the following areas: Advisory Board Executive, Communications, Emergency Management, EMS for Children, Financial Assistance and Review, Legislative & Planning, Medevac, Medical Direction, Provider Health and Safety, Rules and Regulations, Training and Certification, Transportation, Workforce Development, and Trauma Systems. Trauma Systems has committees in the areas of Trauma Administrative and Governance, System Improvement, Injury and Violence Prevention, Prehospital Care, Acute Care, Post-Acute Care, and Emergency Preparedness and Response.

The OEMS organizational structure as of March 15, 2024, establishes three Divisions – Operations, Compliance and Education, and Trauma and Administration. According to the Office of Human Resources (OHR), as of May 1, 2024, OEMS has 50 filled and 11 vacant classified positions, 1 filled and 6 vacant wage positions, and 8 contractors.

PURPOSE

The State Health Commissioner requested the Office of Internal Audit (OIA) perform an investigative review of OEMS. According to the memorandum issued by the State Health Commissioner on July 6, 2023, "Office of Internal Audit will launch an investigation regarding the leadership of OEMS and its compliance with the requirements of the Special Funds under their purview. Special attention should be given to the Trauma Center funds, management of their general budget, and the contractual relationship between OEMS and the Western Virginia EMS Council (WVEMS)."

As of the close of fiscal year June 30, 2023, OEMS lacked sufficient funds available in the Special Emergency Medical Services fund (Fund 02130), also referred to as the Four-for-Life fund, to make the required transfer of $12,518,587 to the general fund as required by 2022 Special Session I Virginia Acts Chapter 2, Item 3-1.01(W). The Appropriations Act directs the Virginia Department of Health (VDH) to make transfer amounts by June 30 of the fiscal year.

INVESTIGATIVE TECHNIQUES

The investigative review to gain an understanding of OEMS operations included, but was not limited to, review of related State, VDH, and OEMS policies and procedures, Code of Virginia, and other State regulatory requirements, prior OEMS audits and hotlines, organizational charts, and minutes of various EMS Board meetings.

Testwork included, but was not limited to, interviews of various OEMS staff, VDH Central Office staff, and Regional EMS Council Directors; analysis of revenue and expenditures from the Finance and Accounting (F&A) system; review of documentation provided by OEMS such as written procedures, budget workbooks, contracts and agreements, F&A project code breakdown; and review of documentation provided by Regional EMS Councils, including annual audit reports, expense ledgers, and invoices. Investigative review results are reliant on and limited to information provided and discovered during testwork. OIA makes no representation as to completeness or accuracy of the information reviewed.

The six primary areas of testing by OIA included Leadership, Budget, Trauma Center Fund, Four-for-Life fund, Regional EMS Councils, and Western Virginia EMS Council. Other administrative areas were also tested such as management of Small Purchase Charge Cards

(SPCC), Fixed Asset Accounting and Control System (FAACS) equipment, interest bearing accounts, and travel reimbursements for non-employees. The scope of testing, unless noted otherwise, was FY2018 to FY2023.

RESULTS OF INVESTIGATIVE REVIEW

Fraudulent Activities at OEMS

Strategic Tech Innovations (STI), a fraudulent company owned by the former Office of Emergency Medical Services (OEMS) Associate Director, received a total of $4,282,395 for 15 invoices paid by Western Virginia Emergency Medical Services Regional Council (WVEMS). The first invoice was paid by Abacus Office Solutions, who then billed WVEMS on November 23, 2020, for Information Technology services and equipment at a markup at the direction of the former OEMS Associate Director. The other 14 invoices were billed to WVEMS directly from STI starting January 8, 2021, with the last invoice on May 23, 2023. WVEMS received reimbursement from OEMS for these charges along with other expenses, as part of existing contract agreements between OEMS and WVEMS. According to OEMS staff, many of the services detailed in the invoices were not legitimate because the former OEMS Associate Director charged through STI for services already performed as part of OEMS responsibilities, services already provided by other vendors, and services that were nonexistent.

OEMS staff and former OEMS Associate Director were involved at the start of what became known as the "Data Project" in 2020, which entailed transitioning ownership of the Patient Care Information System (PCIS) from OEMS to WVEMS. At the time, an OEMS Division Director managed the PCIS. After WVEMS signed the contract with the new vendor ESO Solutions, Inc. on February 3, 2021, an OEMS Division Director resigned effective March 19, 2021, and the former OEMS Associate Director took oversight of the Data Project.

After the former OEMS Associate Director resigned on August 18, 2023, OEMS staff was tasked with reviewing expenditures of OEMS funds related to the Data Project. WVEMS provided supporting documentation of all the expenses for the Data Project, which totaled $22 million in the span of two and a half years. Approximately $13 million was paid to ESO Solutions, with the rest to various other vendors.

The OEMS staff stated seeing charges by STI on WVEMS's Data Project ledger for a service that did not appear to be legitimate. Noting there were other charges to the Data Project from STI, the OEMS staff requested all STI invoices from WVEMS. According to WVEMS's vendor ledger for STI, there were 14 invoices – one was for the Symposium and the rest for the Data Project.

The OEMS staff stated that they looked up STI on the Bizapedia website and recognized the company address as the former OEMS Associate Director's previous home residence. The OEMS staff brought this to the attention of senior management and OIA. OIA determined later through real estate records that the former OEMS Associate Director still owned the property. OIA confirmed through review of the State Corporation Commission that the company's Articles of Incorporation named Adam Lamar Harrell as the agent.

OIA confirmed that the former OEMS Associate Director did not have an Outside Employment form in the personnel file from the last five years. The former OEMS Associate Director signed Statement of Economic Interest forms every January from 2021-2023, and none

indicated conflicts of interest.

The former OEMS Associate Director's Commonwealth of Virginia (COV) account was searched for the company's name by OIA. An e-mail exchange was found where the former OEMS Associate Director arranged for Abacus to pay an STI invoice in the amount of $193,076 and bill to WVEMS in the amount of $229,852, a markup of 19%. OIA searched other Abacus payments by WVEMS to determine if this occurred other times, and also searched the ledgers of other Regional EMS Councils for payments to STI. OIA did not identify additional STI payments.

In total**,** fifteen (15) invoices were paid to STI totaling $4,282,395. The WVEMS Data Project account was charged for 13 STI invoices in the amount totaling $3,778,492. The WVEMS Symposium account was charged for one STI invoice for $310,827 and one Abacus invoice for $229,852. Senior management turned this information over to third party authorities, including the Office of State Inspector General (OSIG), Virginia State Police (VSP), and the Auditor of Public Accounts (APA) for further investigation.

Failure of Internal Controls at VDH and OEMS

A factor that contributed to the weakening of internal controls at VDH and in OEMS was the formation of Shared Business Services (SBS), which centralized all administrative functions and positions for Offices at VDH but did not clearly define delegation of roles and responsibilities between SBS versus the Offices. Other factors included staff turnover and the culture at OEMS to distrust VDH Central Office and disregard State and VDH policies and procedures. There was a lack of segregation of duties, and the former OEMS Associate Director was given a great deal of autonomy by the former OEMS Director to oversee projects, administer contracts, and approve expenditures. Administrative staff at OEMS and VDH Central Office who were in a position to question irregularities were either inadequately trained in their position, trusted the former OEMS Associate Director, or misunderstood the authority of the former OEMS Associate Director. According to the former OEMS Director, it was their understanding that OEMS was in a good financial position.

The primary internal control weakness that the former OEMS Associate Director took advantage of was the increasingly common practice of using Regional EMS Councils as a pass-through for OEMS projects, combined with the new practice since 2018 of adding contract modifications to the Regional EMS Council MOUs to provide Regional EMS Councils additional funding for projects, goods, or services.

It was the understanding of the WVEMS Executive and Finance Directors that WVEMS's participation in the Data Project was as a pass-through entity. On the advice of the WVEMS CPA firm, they set up a separate bank account and ledger accounts to keep track of all expenditures they made on behalf of OEMS and reimbursements from OEMS.

The WVEMS Executive and Finance Directors said that all decisions regarding the PCIS and activities of the Data Project were made by OEMS, generally by the former OEMS Associate Director. They had a similar understanding regarding their Symposium contract and the contract modifications of their Regional EMS Council MOUs. Given their perception of the former OEMS Associate Director and OEMS as managing these projects and WVEMS acting only as a pass-through for expenses, it was very common for State and VDH policies and procedures to be circumvented, including the following:

- The former OEMS Associate Director directed the WVEMS Finance Director through e-mail approvals to pay vendor invoices for goods/services and told them to what contract to charge it.

- It was common that the invoices paid by WVEMS were for vendor orders placed by OEMS, and the goods shipped directly to OEMS for their use. Goods purchased included laptops, tablets, software, and vehicles – all of which have specific procurement restrictions governed by State procurement policies that were circumvented.

- OEMS employees would receive travel reimbursements from WVEMS for Symposium planning and out-of-state conferences, or their travel was booked and paid for using the WVEMS credit card instead of the State Small Purchase Charge Card (SPCC).

- WVEMS would be reimbursed for expenses by invoicing OEMS, and the former OEMS Associate Director usually directed the WVEMS Finance Director on when and how much to bill OEMS.

- The former OEMS Associate Director would specify an amount for WVEMS to bill that was higher than the contract amount, but within the 25% upper limit before which an approved modification would be required. The extra funds would be used to pay for additional goods and services at the former OEMS Associate Director's direction.

None of this was flagged by VDH because from an Accounts Payable and Contract Administration perspective all invoices billed by WVEMS were approved and certified by OEMS staff and sent to SBS staff to process for payment. The SBS staff were not aware that OEMS did not have true segregation of duties and that authorizations for payment were at the direction of the former OEMS Associate Director. The invoices, though lacking detail, referenced contracts and modifications that appeared to be properly executed. With the exception of Data Project contract 517-23-1000, all amounts charged on the invoices appeared appropriate as they didn't exceed the contract agreement amount by more than 25%.

From these weaknesses in internal controls and the trust placed in the former OEMS Associate Director by the former OEMS Director, OEMS staff, and the WVEMS Executive and Finance Directors, the former OEMS Associate Director was able to use and abuse the OEMS position of power to misappropriate State funds of at least $4,282,395 through circumvention of State and VDH procurement requirements and other State and VDH policies and procedures, as well as commit fraud via Strategic Tech Innovations (STI) through approval of checks to the former OEMS Associate Director's own fraudulent company.

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accounts, and travel reimbursements for non-employees. The scope of testing, unless noted otherwise, was FY2018 to FY2023.

RESULTS OF INVESTIGATIVE REVIEW

1. Leadership

OEMS Culture and Administrative Practices

OIA conducted interviews to determine OEMS administrative practices internally and in association with VDH Central Office. Based on interviews with OEMS staff, OIA noted multiple key events leading to changes in how administrative functions were performed at OEMS. The two most prominent were the turnover in the OEMS Business Manager position in 2016 and the Shared Business Services (SBS) formation in December 2019, which centralized all administrative functions and positions for Offices at VDH.

Based on OEMS organizational charts from before SBS formation, the OEMS Business Manager, reporting to the OEMS Director, was responsible for all administrative functions and staff that included an Accountant, three Fiscal Technicians, a Buyer Senior, HR Analyst, and an Office Services Assistant. In 2019, prior to SBS formation, the OEMS Business Manager position was changed to OEMS Associate Director and the OEMS Accountant position (vacant at the time) was changed to OEMS Business Manager.

According to interviews with OEMS staff, under the previous OEMS Business Manager, the Division Directors were more involved. According to interviews, budget meetings stopped altogether when the Business Manager position was transferred out of OEMS to SBS, and their only internal source of information for funding availability was the former OEMS Associate Director.

Based on multiple interviews with OEMS leadership, OEMS staff, and Regional EMS Council Directors, OIA determined that OEMS leadership fostered a culture of operating as a separate entity from VDH and mistrusting VDH leadership's intent regarding EMS funds. As a result, this impacted collaboration during the formation of SBS. According to interviews and review of documentation, OEMS leadership indicated no desire to cooperate with the new model of the SBS from the very beginning. OIA also determined from interviews and observation of financial, procurement, and human resources activities that OEMS leadership and staff disregarded VDH and State administrative policies and procedures.

Transition of Administrative Staff to SBS

Based on interviews with OEMS staff, there was dissatisfaction regarding the seven administrative positions who reported to SBS supervisors in VDH Central Office, but were funded by OEMS. These positions were SBS Business Manager (position EM009), three Fiscal Technicians (00160, 04710, 08715), Buyer Senior (EM022), HR Analyst (EM023), and Office Services Assistant (EMX42).

The Buyer Senior and HR Analyst transferred from their SBS positions (EM022 and EM023 respectively) to OEMS, having applied and were hired in programmatic positions - Human Services Program Coordinator (02322) and Policy Analyst (EM039) respectively. Once back at OEMS, they resumed many of the same procurement and human resources duties for OEMS as they did in their SBS positions.

From interviews and a review of F&A position transactions, OIA determined that the OEMS-funded SBS Business Manager position (EM009) had turnover and vacancies multiple times. According to F&A, the position was vacant when the position was moved to SBS in December 2019 and filled in May 2020. The position was vacated again in April 2022 and filled in October 2022. OIA noted that agency-wide, Business Managers perform key administrative functions.

OEMS and VDH Central Office staff gave conflicting accounts regarding their understanding of whether the SBS Business Manager position (EM009) would continue to serve OEMS after the 2022 vacancy was filled. Based on interviews with OEMS leadership and VDH Central Office staff, the reclassification of the former HR Analyst's program position (EM039) into an OEMS Business Manager occurred in December 2022, which resulted in delays with processing human resources transactions due to confusion over which position was authorized to approve the transactions.

OEMS Associate Director Position and Responsibilities

OIA determined from interviews with OEMS staff that there was a lack of segregation of duties for administrative functions within OEMS. OEMS staff indicated the former OEMS Associate Director continued to perform administrative/financial duties after SBS was created, such as approving invoices, making procurement and contract administration decisions, providing information on fund balances data, and supervising administrative employees such as the Fleet Coordinator.

Based on SBS and VDH Office of Financial Management (OFM) staff interviews, it was their understanding that the former OEMS Associate Director, who created the FY2023 budget, was performing budget monitoring. However, the former OEMS Associate Director stated in interviews the position's role changed, which meant no longer being responsible for the administrative/financial duties previously performed as the OEMS Business Manager. However, OIA determined from a review of the former OEMS Associate Director (position 08316) Employee Work Profile (EWP), that the EWP had not been revised to remove the duties they claimed to no longer be performing.

Shared Business Services (SBS) Roles and Responsibilities

According to OEMS and VDH Central Office staff, SBS roles and responsibilities were not clearly defined, documented, or acknowledged, and kept changing and evolving. OEMS staff stated in interviews that they had concerns that SBS individuals working on OEMS tasks were too far removed to understand OEMS's Code-mandated funding sources, and OIA reviews of e-mail exchanges and F&A transactions indicated this was a valid concern. OIA determined there was no clear delineation of roles and responsibilities between SBS and VDH Central Office administrative offices.

OEMS and VDH Central Office staff stated in interviews that the new SBS processes were significantly less efficient. OIA determined that splitting the steps of the administrative processes between OEMS and SBS created a disconnect in the process flow and audit trail. OIA determined tools were developed by SBS such as Internal Purchase Requisitions (IPR), Accounts Payable mailboxes, and the SBS Tracking, Logging and Reporting (STLAR) system. However, OEMS staff stated in interviews that these additional steps in administrative processes were not adequately communicated in a way that made clear who was responsible

for what and caused even more delays in accomplishing tasks. In addition, turnover and extensive vacancies in SBS worsened the communication issues and led to delays and errors in completing F&A transactions, resulting in duplicate payments to vendors, obstacles to performing operational responsibilities, and complaints from EMS stakeholders and vendors. One such obstacle was the processing of Small Purchase Charge Cards (SPCC). OIA reviewed 25 SPCC from FY2021-FY2023 and identified that 12 of 25 (48%) SPCC logs tested had purchases with no purchase order number or invoice number tied to the purchase. Additionally, OIA determined that in FY2023 credit card charges account, there were expenditures of $7,956. The account is supposed to be zero by year end and all expenditures should be allocated into their appropriate expenditure accounts.

Reclassification of OEMS positions

Based on OIA's review of position changes in OEMS, OIA identified that OEMS used reclassified positions to maintain some autonomy of their administrative functions when the VDH Central Office was transitioning to the SBS. In the case of EM039, the position was established July 1, 2021. The table below reflects generally when their title or work location changed between FY2019 and FY2023:

<table>
<tr><th></th><th>08316</th><th>EM009</th><th>EM039</th></tr>
<tr><td>FY2019</td><td>OEMS Business Manager</td><td>OEMS Accountant</td><td rowspan="2"></td></tr>
<tr><td>FY2020</td><td rowspan="3">OEMS Associate Director</td><td>OEMS Business Manager</td></tr>
<tr><td>FY2021</td><td rowspan="2">SBS Business Manager</td><td rowspan="2"></td></tr>
<tr><td>FY2022</td><td>OEMS Policy Analyst</td></tr>
<tr><td>FY2023</td><td>OEMS Business Manager</td><td>OEMS Business Manager</td></tr>
</table>

According to F&A, OEMS changed the role of the OEMS Business Manager (08316) position into an OEMS Associate Director position, and changed the vacant Accountant (EM009) position into an OEMS Business Manager position.

The role code used for the F&A transactions and on the EWP used working title Administrative Deputy, even though the title on the OEMS organizational chart was noted as OEMS Associate Director. The EWP for the OEMS Associate Director also indicated that this position, not the OEMS Director, would be supervising the OEMS Business Manager. When SBS took over the SBS Business Manager (EM009) position, they did not revise the OEMS Associate Director EWP.

OIA also determined that OEMS changed the role of the Policy Analyst (EM039) position from OEMS Policy Analyst to OEMS Business Manager so the employee could maintain their HR access. OIA noted the F&A transaction indicated that the OEMS Business Manager would report to the OEMS Associate Director, which is generally not the way this position is reported in the chain of command. According to the former OEMS Director and the former OEMS Associate Director, the OEMS Associate Director position is programmatic, despite having a working title of Administrative Deputy on the EWP and in F&A. According to VDH practice, the OEMS Business Manager should be reporting to the OEMS Director, not the OEMS Associate Director.

Based on a review of the new OEMS Business Manager (EM039) EWP, three of the employees that the OEMS Business Manager position is responsible for supervising are Fiscal Technicians. However, according to F&A at the time of the review, those three positions still reported to SBS. OIA also determined based on discussions with the OEMS Business Manager

that training was not provided by the former OEMS Associate Director for the non-HR responsibilities listed on the EWP.

Leadership Recommendations

Recommendation 1: We recommend the OEMS Director communicate with all OEMS Deputy Directors and OEMS staff a commitment to working with VDH leadership and Central Office administrative offices such as Office of Financial Management (OFM), Office of Human Resources (OHR), and Office of Procurement and General Services (OPGS) on improving collaboration and adhering to all Code of Virginia requirements, and VDH and State policies and procedures.

Recommendation 2: We recommend the OEMS Director and OEMS Deputy Director Trauma and Administration determine and communicate clear delineation of responsibilities and proper segregation of duties regarding administration functions such as Budget, Procurement, Accounts Payable, and Human Resources, in both a process and position level.

Recommendation 3: We recommend the VDH Chief Operating Officer and VDH Deputy Commissioner for Administration evaluate VDH Central Office processes to remove inefficiencies, establish performance metrics, and regularly evaluate metrics for procurement, financial, and human resources transactions for OEMS programs through processes such as Budget/Financial meetings or Monthly Operating Review meetings.

Recommendation 4: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, VDH Chief Operating Officer and VDH Deputy Commissioner for Administration establish a method for communication between OEMS and VDH Central Offices operations regarding administrative transactions, with built in accountability for who is responsible at each step in the process.

Recommendation 5: We recommend the OEMS Director and OEMS Deputy Director Trauma and Administration work with the VDH HR Business Partner assigned to OEMS to determine whether the OEMS Associate Director position needs to be eliminated. If the position is maintained, the roles and responsibilities of the OEMS Associate Director (08316) position should be clarified, and the EWP revised to ensure the roles and responsibilities are clearly stated prior to filling the position.

Recommendation 6: We recommend the OEMS Director and OEMS Deputy Director Trauma and Administration work with the VDH HR Business Partner assigned to OEMS to review the OEMS Human Services Program Coordinator (02322) and OEMS Business Manager (EM039) positions to ensure the roles and responsibilities are clearly stated and revise the EWPs, as necessary.

Recommendation 7: We recommend the OEMS Director and OEMS Deputy Director Trauma and Administration work with the VDH HR Business Partner assigned to OEMS to review and revise the reporting structure for the OEMS Business Manager (EM039) position, as needed.

Recommendation 8: We recommend the OEMS Director and OEMS Deputy Director Trauma and Administration work with the VDH HR Business Partner assigned to OEMS to revise the OEMS Business Manager (EM039) EWP to clearly state what positions the OEMS Business Manager will manage.

Recommendation 9: We recommend the VDH Deputy Commissioner for Administration and OEMS Deputy Director Trauma and Administration ensure the OEMS Business Manager is properly trained and given the resources to assume their role and responsibilities according to their EWP.

Recommendation 10: We recommend the OEMS Deputy Director Trauma and Administration and OEMS Business Manager ensure OEMS SPCC cardholders only charge their SPCC for purchases that support OEMS objectives and programs.

Recommendation 11: We recommend the OEMS Deputy Director Trauma and Administration and OEMS Business Manager ensure OEMS SPCC cardholders include an invoice or PO # on all SPCC logs.

Recommendation 12: We recommend the OEMS Deputy Director Trauma and Administration and OEMS Business Manager ensure OEMS SPCC cardholders reconcile SPCC charges at least monthly and by year end.

2. Budget

OEMS Budget Monitoring

Based on interviews with OEMS staff, prior to turnover in the OEMS Business Manager position in 2016 and the formation of SBS in 2019, there was much more collaboration within OEMS regarding development and tracking of the budget. OIA determined that there was a lack of communication between the former OEMS Director, former OEMS Associate Director and the OEMS Division Directors, where there was lack of transparency and discussion on the creation and monitoring of the OEMS budget. OEMS staff stated the former OEMS Associate Director instructed them to use the previous year as a benchmark for their budgets. Also, OIA determined a monthly reconciliation was not performed to ensure accuracy for the expenditures in OEMS.

According to interviews with OEMS staff, it was generally understood that the former OEMS Associate Director monitored the OEMS budget and knew the funding availability for OEMS programs and activities. Based on interviews, financial decisions were routed through the former OEMS Associate Director who should have known how much revenue was available in various funds such as the Return to Locality Fund, Rescue Squad Assistance Fund, and Trauma Center Fund.

Based on interviews with the former OEMS Director, the former OEMS Associate Director never indicated OEMS was in financial trouble. The former OEMS Director indicated lack of awareness that the transfer of the Special EMS $2 Fund to the Treasury was also short in FY2022 in addition to FY2023. It was the former OEMS Director's understanding that FY2023 was the first year there was a deficit, and OEMS operated under a surplus.

VDH Central Office Budget Monitoring

Based on interviews with VDH Central Office staff, it was the practice in the VDH Central Office for SBS Business Managers to monitor the budget. According to the former OEMS Associate Director, when the SBS Business Manager responsible for OEMS resigned in 2022, the former OEMS Associate Director was asked to do the FY2023 budget for OEMS, and was the one who the former VDH OFM Budget Analyst sent updates every month on the status of

the OEMS budget.

The former VDH OFM Budget Analyst for OEMS stated in an interview that budget status e-mails were sent to the former OEMS Associate Director, and later began to be copied to the former OEMS Director when a response was not received. The former OEMS Associate Director stated not being concerned about the shortages in certain project codes as there was always a fluctuation in cash flows.

The former OEMS Associate Director stated that the former VDH OFM Budget Analyst asked questions about appropriations in budget status e-mails, indicating that they were unaware that OEMS operated on a cash basis. A review by OIA of e-mails from the former VDH OFM Budget Analyst showed that the former VDH OFM Budget Analyst also did not have a clear understanding of the nature of OEMS funding and restrictions placed on project codes, advising to use a different project code in the Four-for-Life 02130 fund when other project codes in the 02130 fund were overspent. OIA also determined from interviews that the former VDH OFM Budget Analyst did not escalate to the VDH OFM Deputy Director for Budget when the former OEMS Associate Director continued to dismiss the e-mails related to funding shortages.

OEMS Budget Analysis

OIA determined that OEMS did not utilize the annual budget to make informed financial decisions as required by the Department of Accounts (DOA) Commonwealth Accounting Policies and Procedures (CAPP)[1]. OIA obtained the OEMS budgets from FY2019 to FY2023, and performed a comparative analysis among the budgets. OIA compared the budgets for all account groups and Chart of Account (COA) codes. The budgets varied dramatically from year to year. Personnel, Contractual, and Supplies expenses had a net increase from 2019 to 2023 of at least $1.5 million each. The budget category that fluctuated the most was transfers (governmental, nongovernmental, individual) with a net decrease of $24 million in the amount budgeted in that category between 2019 and 2023.

OIA then compared the COA code budgets to actual expenditures from FY2021 to FY2023. There were also large variances between the budgeted amounts of a project and the actual amounts spent. The COA codes that tended to be significantly over budget were Planning and Development and Regional EMS Councils. The COA codes that tended to be significantly under budget were Grants to Rescue Squads and Return to Localities. These analyses showed a lack of monitoring of the budgets, or use of the data to inform future budget and expenditure decisions.

OIA analyzed payroll expenditures in F&A from FY2019 to FY2023. OIA identified an increase in salary expenditures and a decrease in the number of employees. This was due to filling key positions with higher salaries and not retaining wage employees with lower salaries. OIA also used the reports to review contractor payroll and found that clerical contractor expenditures more than doubled after FY2021. Based on the analysis, IT contractors' cost OEMS between $600 thousand and $1 million annually to support OEMS systems.

OIA was unable to determine how many IT contractors were paid using OEMS funds or whether these contractors were working on OEMS systems full time.

[1] CAPP Topic 20110 states, "Agencies should establish sufficient internal controls to ensure adequate expenditure monitoring."

The table below reflects the F&A contractor expenditure increases between 2019 and 2023. The rows labeled "CLERI SVS" are Clerical Services and the rows labeled "DP SVS ST" are Information Management Design and Development Services:

	2019	2020	2021	2022	2023	Grand Total
4forlife Fund	**$ 1,042,977.20**	**$ 1,329,494.07**	**$ 1,507,165.90**	**$ 2,374,955.02**	**$ 1,805,193.43**	**$ 8,059,785.62**
CLERI. SVS	$ 170,209.89	$ 554,585.55	$ 520,922.18	$ 1,353,204.90	$ 1,204,928.98	$ 3,803,851.50
DP SVS ST.	$ 872,767.31	$ 774,908.52	$ 986,243.72	$ 1,021,750.12	$ 600,264.45	$ 4,255,934.12
RSAF	**$ -**	**$ 176,605.00**	**$ -**	**$ 1,171.20**	**$ -**	**$ 177,776.20**
CLERI. SVS				$ 1,171.20		$ 1,171.20
DP SVS ST.		$ 176,605.00				$ 176,605.00
Grand Total	**$ 1,042,977.20**	**$ 1,506,099.07**	**$ 1,507,165.90**	**$ 2,376,126.22**	**$ 1,805,193.43**	**$ 8,237,561.82**

During payroll testing, OIA determined that several employees were being paid from the Four-for-Life special funds but did not share the same cost code as OEMS employees. After further testing, OIA identified five VDH employees who did not work for OEMS, but were being paid by OEMS funds. In addition, OIA identified three more VDH employees who only worked for OEMS 75% of the time, but were paid fully by OEMS funds.

Budget Recommendations

Recommendation 1: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager ensure that all OEMS Division Directors responsible for fiscal decisions regarding their division have input on creating the budget, have access to their budgets with funds coming in and going out, and regular communication from the OEMS leadership regarding status updates of their budgets. This will ensure that there is ongoing communication on the needs of the Divisions, including allowing for any increase in OEMS costs of doing business to be included in the budget.

Recommendation 2: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager establish segregation of duties and an internal review, approval, and reporting process for OEMS transactions to ensure accountability at all levels for fiscal decisions made for OEMS programs and activities.

Recommendation 3: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager work with the VDH Deputy Commissioner for Administration and VDH OFM Deputy Director for Budget to determine and communicate clear delineation of responsibilities for creating, approving, and monitoring the OEMS budget and the special funds that they have.

Recommendation 4: We recommend the OEMS Director, VDH Deputy Commissioner for Administration, and VDH OFM Deputy Director for Budget establish an escalation process, including accountability for actions taken when the OEMS Director, OEMS Deputy Director Trauma and Administration, and/or OEMS Business Manager are not properly or timely responding to budget concerns or when the Offices operate in a deficit.

Recommendation 5: We recommend the OEMS Director, VDH Deputy Commissioner for Administration, and VDH OFM Deputy Director for Budget ensure that the VDH OFM Budget Analyst assigned to OEMS is properly trained to understand how OEMS is funded with the

special funds and the unique requirements for spending to ensure compliance with the Code of Virginia.

Recommendation 6: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration and OEMS Business Manager optimize the OEMS budget to account for expected revenue in each fund and have the proper percentages for each Four-for-Life project budgeted for each fiscal year.

Recommendation 7: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration and OEMS Business Manager consult with the VDH Deputy Commissioner for Administration, VDH OFM Director, and VDH OFM Deputy Director for Budget to review and correct all instances where employees and contractors are being incorrectly paid with OEMS funds, and ensure that this is no longer occurring.

Recommendation 8: We recommend the OEMS Deputy Director Trauma and Administration and OEMS Business Manager work with the VDH OFM Director and VDH OFM Deputy Director for Budget to review all OEMS cost codes at the COA level, and eliminate any that are no longer used or needed.

3. Trauma Center Fund

According to the Code of Virginia §18.2-270.01, "the Trauma Center Fund is established for the purpose of defraying the costs of providing emergency medical care to victims of automobile accidents attributable to alcohol or drug use. A portion of the fees collected by the Commonwealth for the reinstatement of revoked or suspended drivers' licenses and repeat DUI offenders are deposited into the Trauma Center Fund."

Also, according to the Code of Virginia §18.2-270.01, "The Department of Health shall develop, on or before October 1, 2004, written criteria for the awarding of such grants that shall be evaluated and, if necessary, revised on an annual basis." Pursuant to the Code requirement, a Trauma Center Disbursement Policy has been established and is reviewed and revised as needed every year by a Trauma Fund Panel, appointed by the Chairperson of the Trauma Administrative and Governance Committee, a subcommittee of the EMS Advisory Board.

Trauma Center Fund Analysis

OIA reviewed Code of Virginia § 18.2-270.01 for the Trauma Center Fund for compliance with the Code by OEMS. OIA also reviewed the Trauma Center Distribution Policy for compliance, which explains that all disbursements to Trauma Centers will take place after all liabilities to the General Fund are paid. OIA determined that Code of Virginia § 18.2-270.01 does not include this language that liabilities to the General Fund have to be paid prior to disbursements.

OIA tested FY2019 to FY2023 Trauma Center Fund revenues and expenditures for compliance with the Code of Virginia. OIA determined that there was a surplus of revenue at the end of FY2023 for the Trauma Center Fund, which indicates that the fund does not fully deplete every year. Additionally, in FY2023, OEMS did not pay two Trauma Centers the funds they were owed according to the FY2022 distribution calculation. OIA determined that payments appear to have been made consistently every fiscal year, but after FY2019, payments were routinely late as the table below indicates:

FY	FY end	Date Paid	Amount Late
FY2020	6/30/2020	10/19/2020	3.5 Months
FY2021	6/30/2021	3/16/2022	9.5 Months
FY2022	6/30/2022	6/27/2023	12 Months
FY2023	6/30/2023	TBD	8 Months late as of testing

At the end of FY2022, there were insufficient funds available in the Four-for-Life fund to make the required transfer of $12,518,587 to the general fund, so the former OEMS Associate Director initiated a journal entry to charge the Trauma Center Fund with $2.36 million of expenses that were originally charged to the Four-for-Life fund. This moving of expenses had the effect of transferring cash out of the Trauma Center Fund and into the Four-for-Life fund. However, as these expenses were related to Four-for-Life programs, OIA determined that charging the Trauma Center Fund for these expenses was not in accordance with Code of Virginia § 18.2-270.01[2]. OIA noted in FY2023, the former OEMS Associate Director tried to initiate a similar journal entry for $11 million, but the entry was not approved by the VDH OFM Deputy Director for Budget because the expenses were not Trauma Center Fund related, and therefore not in accordance with Code of Virginia § 18.2-270.01.

OIA determined based on interviews that the Trauma Division Director required input from the former OEMS Associate Director on payments to Trauma Centers. The Trauma Division Director did not have access in F&A to see the revenue as it accrued, instead the former OEMS Associate Director would provide the data on how much funding was available to make the disbursements.

Trauma Center Fund Recommendations

Recommendation 1: We recommend the OEMS Director and OEMS Trauma and Critical Care Division Director work with the VDH OFM Director and VDH OFM Deputy Director for Budget to establish a process to ensure all Trauma Center Funds are properly budgeted and timely disbursed to the qualifying Trauma Centers by the end of the fiscal year, possibly through quarterly payments.

Recommendation 2: We recommend the OEMS Director and OEMS Trauma and Critical Care Division Director ensure that Trauma Center Funds are only used to make disbursements to qualifying Trauma Centers, and Trauma Center funds are properly used for trauma specific activities only.

Recommendation 3: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Trauma and Critical Care Division Director review and provide justification for the Trauma Center Distribution Fund policy language, or remove it from the policy to remain consistent with Code of Virginia § 18.2-270.01.

Recommendation 4: We recommend the OEMS Director and OEMS Deputy Director Trauma and Administration ensure the OEMS Trauma and Critical Care Division Director is involved in the budget, expenditure, and reporting of Trauma Center Funds, and ensure that carryover funds are minimized.

[2] Code of Virginia §18.2-270.01 establishes the Trauma Center Fund and states "[t]he Department of Health shall award and administer grants from the Trauma Center Fund to appropriate trauma centers..."

Recommendation 5: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Trauma and Critical Care Division Director ensure that the required annual reports of the projected use and actual use of trauma funds are submitted by the November 15 and February 15 deadlines.

Recommendation 6: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Trauma and Critical Care Division Director ensure that financial audits are performed for Trauma Centers that receive $200K or more per year, or audits as needed for Centers that receive less than $200K.

4. Four-for-Life Fund

Compliance to the Code of Virginia

OIA interviewed OEMS staff to understand what oversight accountability there is of the programs funded by the Four-for-Life fund. OIA determined based on interviews that there are no committees, boards, or panels that oversee the Four-for-Life fund. The fund is established by the Code of Virginia, which specifically mandates how the OEMS funds are to be spent.

Four-for-Life Expenditures Analysis

Code of Virginia § 46.2-694 establishes the Four-for-Life fund and states that revenue will be collected through a fee on vehicle registrations and explains the funding allocated from the Four-for-Life program annually by percentage for specific objectives. When asked how the Four-for-Life fund was managed by OEMS, OEMS leadership stated that they follow the guidelines laid out by the Code of Virginia.

OIA tested expenditures from FY2019 to FY2023, and OIA determined the expenditure allocations did not comply with the Code of Virginia for any of the years. OIA determined FY2022 and FY2023 allocations do not add up to 100% due to expenditures not made within the project codes. The table below shows the breakdown of spending by project:

Category	Required	FY2019	FY2020	FY2021	FY2022	FY2023
Training/Retention	30%	25%	40%	35%	26%	66%
OEMS budget	10%	8%	9%	12%	12%	16%
Return to Locality	26%	38%	0%	18%	23%	8%
Volunteer Rescue Squad	2%	1%	2%	1%	1%	1%
RSAF	32%	27%	49%	34%	32%	23%
	100%	100%	100%	100%	94%	114%

Percentages highlighted in yellow indicate where expenditures were greater than the Code required allocation. Expenditures were further reviewed, and OIA determined that some categories were overspent every year due to increasing amounts of OEMS-related expenses managed by the Regional EMS Councils for statewide projects.

Four-for-Life Journal Entries

Due to overspending in the Four-for-Life fund, the former OEMS Associate Director made journal entries every fiscal year except FY2021 to move expenses out of that fund, and into the Trauma Center Fund and the RSAF. The journal entries, which varied from year to year, resulted in a total decrease in cash of $2.36 million from the Trauma Center Fund and $4.13 million from the RSAF to increase cash in the Four-for-Life fund to be able to make the general fund transfer at the end of the fiscal year.

Rescue Squad Assistance Fund (RSAF)

According to interviews with the OEMS Grants Manager, the process for awarding RSAF grants is very intensive. The process involves program representatives, Regional EMS Councils, and technical graders. The Financial Assistance Review Committee (FARC) reviews all the grades and comments and chooses which requests are granted based on the grading system. OIA noted the OEMS Director, the VDH Deputy Commissioner for Public Health Preparedness, and the State Health Commissioner are designated to sign the awards. OIA also determined there are no internal procedures for FARC beyond what is required in the Code of Virginia § 32.1-111.12:01.

According to the OEMS Grants Manager, if an organization is awarded an RSAF grant, the organization has 60 days to sign a Memorandum of Agreement (MOA), which is also signed by the OEMS Director. OIA determined that it was unclear if these MOAs function in the same way as the MOAs required to adhere to VDH's Delegated Procurement Authority. OIA determined RSAF grants are commonly more than $50,000, which is the delegated authority maximum for Office Directors.

According to the OEMS Grants Specialist, in addition to the regular RSAF grants, there are special initiative grants, which are awarded on an infrequent basis as decided on by the EMS Advisory Board and OEMS according to needs in the EMS community. An announcement is sent out to all the EMS agencies, and the EMS agencies can apply. The decision of who are granted the special initiative awards is made by OEMS, however it doesn't go through FARC. Like the regular RSAF grant process, the State Health Commissioner is designated to approve the award list, and MOAs with the EMS agencies are signed by the OEMS Director.

According to the Western Virginia EMS Council (WVEMS) Director, the two RSAF grants that were awarded to WVEMS for the Data Project were considered special initiatives, but did not follow the same process as the others. The WVEMS Executive Director stated he was given a blank application to fill out and the awards were subsequently made. OIA could not determine whether the State Health Commissioner approved the two awards, which totaled $8.3 million based on review of F&A expenditures.

Return to Locality (RTL) Disbursements Analysis

OIA also reviewed RTL disbursements and reconciled disbursements from FY2018 to FY2023. OIA determined localities have provided the proper documentation to receive their funding, but OEMS has not submitted the payments. At the time of testing, the amount owed to localities with documentation was $5,089,155. Due to the overspending at OEMS, there has not been enough funds to make the RTL disbursements.

OIA determined during testing that OEMS also paid six RTL obligations twice. One was

refunded back to OEMS, however at the time of testing, five payments were not refunded, costing OEMS $54,722. Also, OIA determined that a total of $4,763,523 in RTL disbursements were paid out of RSAF, which is not in compliance with the Code of Virginia. The RSAF and RTL funding streams are defined as separate items in the Four-for-Life fund.

OIA determined that there is insufficient guidance and oversight of Four-for-Life programs. According to the OEMS Grant Manager, there is no guidance for specific circumstances, such as what to do when a locality misspends its RTL funds and are suspended. Based on interviews with OEMS staff, reports are mainly programmatic in nature, not fiscal. The closest would be that RSAF creates a financial report of the awards, and RTL has live reports from the dashboard on finances. Some information is included on the quarterly report to the EMS Advisory Board.

Four-for-Life Recommendations

Recommendation 1: We recommend the OEMS Director and OEMS Deputy Director Trauma and Administration establish written procedures for managing Four-for-Life funds to include controls and accountability to ensure compliance with the Code of Virginia requirements, and State and VDH internal policies and procedures.

Recommendation 2: We recommend the State Health Commissioner and Deputy for Population Health and Preparedness establish a method of accountability for the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager to ensure that Four-for-Life funds are properly managed and spent to ensure compliance with the Code of Virginia requirements for OEMS programs.

Recommendation 3: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager closely monitor spending in each project code for the Four-for-Life funds to ensure compliance with the Code of Virginia requirements for OEMS programs.

Recommendation 4: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager develop a tool for OEMS Four-for-Life obligations for better tracking and monitoring, and annual reporting to the Board of Health on the OEMS Four-for-Life fund.

Recommendation 5: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager develop a written internal procedure to reconcile and monitor RTL disbursements to avoid duplicate payments to localities.

Recommendation 6: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager make RTL disbursements from the Four-for-Life fund only, and not use other funds, such as the RSAF, to make such disbursements.

Recommendation 7: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager monitor spending to ensure no funding source in the Four-for-Life fund is overspent and journal entries to transfer money are not made without reasonable justification and written supporting documentation.

Recommendation 8: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, OEMS Business Manager, and OEMS Grants Manager/EMS System Funding review the RTL share of EMS Four-for-Life policy to make sure localities are

compliant with the policy and properly using the funds as outlined in the policy based on review of supporting documentation.

Recommendation 9: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, OEMS Business Manager, and OEMS Grants Manager/EMS System Funding encourage the use of RTL funds within one year, and discourage the carryover of funds for multiple years as outlined in the policy.

5. Regional EMS Councils

Hybrid and Traditional Regional EMS Councils

OIA interviewed OEMS staff and Hybrid Regional EMS Council Directors to understand the nature of Hybrid Regional EMS Councils and the transition of Regional EMS Councils to Hybrid from Traditional status. OIA determined that OEMS leadership were not clear on whether the creation of Hybrid Regional EMS Councils was compliant with the Code of Virginia and the intended purposes of the Regional EMS Councils.

Based on interviews with OEMS leadership and Hybrid Regional EMS Council Directors, OIA determined the intended structure of the Hybrid model changed in significant ways since the approval of the first Hybrid model. OIA determined changes were made to the Hybrid MOUs, but still lacked clarity about what deliverables are expected, what will be funded and how, and administrative processes and requirements. A key feature of Hybrid Regional EMS Councils that has not changed is that the Hybrid Regional EMS Council Directors are State employees directly reporting to OEMS.

OEMS staff and Hybrid Regional EMS Council Directors gave various responses in interviews about how the MOUs have changed for Hybrid Regional EMS Councils. For example, there was no consensus on whether the $250K compensation in the current MOU was a set amount or a ceiling amount, or whether the MOUs could have modifications. Responses also were varied on how Hybrid Regional EMS Councils submitted monthly invoices for operational expenses and separately the programmatic expenses submitted with the workplan. OEMS staff and Hybrid Regional EMS Council Directors indicated general agreement that there was intention to have a budget with the workplan. However, according to interviews, when the new MOU was received it had few differences from the previous MOU and didn't have a budget.

Based on interviews with OEMS leadership and Regional EMS Council Directors, and reviews of MOUs, OIA determined OEMS's approach to managing Hybrid versus Traditional Regional EMS Councils fiscally and programmatically has diverged enough for there to be a disparity between the two models. Management of the Hybrid Regional EMS Councils moved from the Community Health and Technical Resources (CHaTR) Division to the OEMS Assistant Director.

OIA determined OEMS played a more direct role in maintaining the Hybrid Regional EMS Councils' infrastructure. According to interviews, the guidance Hybrid Regional EMS Council Directors received was more one directional, but also more collaborative. Hybrid Regional EMS Council Directors also had more access to VDH data and communications, so the Hybrid Regional EMS Council MOUs included confidentiality terms and conditions.

OIA determined Traditional Regional EMS Council MOUs have more reporting requirements

than Hybrid Regional EMS Councils, as well as different compensation provisions and methods of payment. Traditional Regional EMS Councils are paid at a fixed rate with deliverables. The bulk of the payments are used for salaries. During the review of F&A expenditures, OIA determined five of the Regional EMS Councils were not paid for their third quarter at the end of FY2023 due to OEMS funds not being available at the end of fiscal year 2023. To date, OIA determined the Regional EMS Councils payments have been made.

In the most recent MOU executed for Traditional Regional EMS Councils, OIA determined that OEMS offered the Traditional Regional EMS Councils the ability to be reimbursed for bookkeeping and audit expenses. They factored this reimbursement into their budget, but when they invoiced OEMS, they were told by OEMS staff that these charges had to be taken off because the MOU did not give specific amounts that could be reimbursed.

For the Hybrid Regional EMS Councils, what was reimbursed depended on the infrastructure costs that would be covered by OEMS; for example, whether the office space was rented or owned. According to OEMS leadership, the intent for increases in Hybrid Regional EMS Council expenditures was that there would be savings in the long run. Covering the costs directly, rather than through the MOUs, would lead to standardization and economies of scale. However, because of the infrastructure differences in the Hybrid Regional EMS Councils, OIA determined there has not been standardization or clarification regarding coverage of operational expenses.

OIA reviewed expenditures OEMS paid to or on behalf of Hybrid Regional EMS Councils from the F&A system. OIA determined the Hybrid Regional EMS Councils continued to bill for quarterly amounts comparable to before they became Hybrids, as well as bill for infrastructure costs. From FY2020, after the first State employee position at a Hybrid Regional EMS Council was filled through FY2023, OEMS paid salaries that totaled $2.5 million for the four Hybrid Regional EMS Councils, and directly ordered equipment sent to the Hybrid Regional EMS Councils totaling $682,928. The equipment was charged to the Regional EMS Council project code but not tied to the specific Regional EMS Council, adding to the difficulty of tracking expenditures individually for each Regional EMS Council.

In their interviews, the Hybrid Regional EMS Council Directors understood that as State employees they were required to follow State policies and procedures. Two of the Directors stated that they asked for the State policies and procedures, and were not given any. For the non-profit part of the Council, they indicated they do not have to follow State policies, but their internal policies are similar.

Traditional Regional EMS Council Directors indicated in interviews they do not have to follow State policies because they are a non-profit, and indicated they have their own policies which are often based on local government policies. They also stated they do have to follow the VDH Travel Policy if they get a travel reimbursement from OEMS.

According to the OEMS staff, equipment belongs to the Regional EMS Councils, and OEMS doesn't generally track equipment except in cases where OEMS has gifted equipment to the Regional EMS Councils. OIA determined OEMS doesn't keep an inventory of Traditional Regional EMS Council equipment. In interviews, the Hybrid Regional EMS Council Directors have the perspective that whoever purchased the equipment owns it, as only one Council mentioned creating an inventory list.

OIA determined there is confusion as to whether Regional EMS Councils, whether Hybrid or

Traditional, should follow State and VDH policies. There is no overarching written guidance for Traditional or Hybrid Regional EMS Councils outside of the Code of Virginia that delineates which VDH and State policies and procedures must be followed (i.e. Virginia Public Procurement Act, State Travel Regulations, FAACS), who should follow them (Hybrid versus Traditional), and under what circumstances would compliance to the VDH and State policies and procedures apply.

Contract Modifications and Statewide Projects

According to interviews, under the previous OEMS Business Manager who retired in 2016, the Regional EMS Council MOU compensation amounts stayed the same year to year. During that time, Regional EMS Councils applied to the RSAF grant program for any special needs. Once the new OEMS Business Manager came on board, the process changed with the 5-year MOUs executed in 2017. Based on interviews, OIA determined the Regional EMS Councils could now request contract modifications. The former OEMS Associate Director and the Community Health and Technical Resources (CHaTR) Director would determine if the requests were reasonable, and the former OEMS Associate Director determined whether OEMS could afford it.

Based on interviews with Regional EMS Council Directors, the contract modifications were intended to be in lieu of applying for RSAF grants. Unlike the RSAF grant process, there was no official method for requesting submissions. According to interviews, the requests were not always granted, and the same opportunity may not be extended year after year. Most modifications were a one-time cost, such as purchase of a vehicle or other equipment replacement. Other modifications were for ongoing costs such as 5% increases in quarterly payments or salaries. Based on interviews with the OEMS leadership and Regional EMS Council Directors, they indicated that there was a cost savings when Regional EMS Councils made purchases instead of OEMS, because the purchases were not made under State contracts.

Based on interviews, OIA determined it was a practice of OEMS to have WVEMS run the Symposium. The Symposium was supported by OEMS funds, and in recent years the same practice has been applied to other projects, such as HandTevy, VECTOR, IT Infrastructure, Scholarships, and the Patient Care Information System. According to the Regional EMS Council Directors, most of the statewide projects were managed by OEMS, with the Regional EMS Councils only processing expenditures.

There were multiple changes in fiscal practices and how contracts were administered with the Hybrid and Traditional Regional EMS Councils, without accompanying standardized procedures and accountability. These changes led to inconsistencies, bypassing of VDH and State policies and procedures, and the inability to track OEMS expenditures for budget purposes.

During testing, OIA reviewed data which included F&A expenditures for all Regional EMS Councils, as well as F&A payroll reports for Hybrid Regional EMS Council employees, building lease payments to Department of General Services (DGS) for Hybrid Regional EMS Councils, and expenditures of equipment paid directly by OEMS for Hybrid Regional EMS Councils. The expenditures were extrapolated into categories using the invoices, all Regional EMS Council MOUs and modifications, and queries made to Regional EMS Council staff. Documentation and details were not always available, so placement in categories are estimates only and may not include all expenditures.

OIA obtained F&A expenditure reports for all Regional EMS Councils and reviewed detailed supporting documentation, which was only maintained in the F&A system after calendar year 2020. The table is a compilation of the expenses separated into the categories below:

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Total per category
MOU quarterly payments	$ 3,131,396.00	$ 3,157,666.00	$ 3,236,444.85	$ 3,249,026.22	$ 3,270,691.19	$ 3,387,997.97	$ 3,523,096.87	$ 3,218,987.24	$ 26,175,306.34
RSAF Grants	$ 233,027.49	$ 161,310.59	$ 116,478.50	$ 25,376.29	$ 45,678.28	$ 31,964.40	$ -	$ 45,948.60	$ 659,784.15
RSAF misc, auxiliary CEs	$ 23,319.34	$ 22,270.74	$ 237,359.00	$ 663,301.41	$ 74,088.50				$ 1,020,338.99
Misc RC resimbursements	$ 10,695.00	$ 2,750.00	$ 95,249.27	$ 226,080.31	$ 150,518.23	$ 138,948.75	$ 712,344.24	$ 388,423.20	$ 1,725,009.00
Hybrid Salaries					$ 106,705.64	$ 501,601.35	$ 790,755.43	$ 1,089,333.22	$ 2,488,395.64
Hybrid Equipment						$ 186,331.35	$ 99,884.76	$ 396,712.04	$ 682,928.15
Hybrid building leases							$ 154,031.51	$ 244,611.86	$ 398,643.37
Statewide Miscellaneous						$ 385,673.05	$ 500,297.48	$ 914,902.24	$ 1,800,872.77
Blackboard						$ 540,260.00			$ 540,260.00
HandTevy							$486,181.30	$382,882.92	$ 869,064.22
VECTOR							$ 139,050.00		$ 139,050.00
Scholarships							$1,985,341.40	$ 2,088,352.80	$ 4,073,694.20
IT Infrastructure						$ 126,459.35	$ 164,953.40	$ 136,045.62	$ 427,458.37
Symposium					$ 143,812.81	$ 447,630.95	$ 875,356.38	$ 701,950.00	$ 2,168,750.14
Data Project (PCIS)						$ 5,750,000.00	$ 7,000,000.00	$ 10,290,000.00	$ 23,040,000.00
Total expenditures charged	$ 3,398,437.83	$ 3,343,997.33	$ 3,685,531.62	$ 4,163,784.23	$ 3,791,494.65	$ 11,496,867.17	$ 16,431,292.77	$ 19,898,149.74	$ 66,209,555.34

OIA noted the "Misc RC reimbursements" category are expenses the Regional EMS Councils invoiced to OEMS that were not part of the MOU quarterly payments. These were estimated from the available documentation to be reimbursements for the Regional EMS Council's own expenditures, typically from the contract modifications, that included such things as replacements of old equipment, i.e. training mannequins.

OIA noted the "Statewide Miscellaneous" category based on interviews with the WVEMS Finance Director after stating that some of the goods and services in WVEMS contract modifications were not for WVEMS use but for OEMS. These included purchases of such items as software, barcode scanners, and ambulances.

Payments to Regional EMS Councils

OIA reviewed payments to Regional EMS Councils from FY2016 to FY2023. Invoices were reviewed, when feasible, as F&A attachments weren't available prior to FY2020, and invoices were tied to all known MOUs and modifications. OIA also requested expenditure ledgers from Regional EMS Councils that received significant increases in funding from OEMS, and reviewed a sample of expenditures from the ledgers. Based on review, the following observations were noted:

- The former OEMS Associate Director approved WVEMS to pay invoices for laptops, tablets, and software purchased for OEMS use, bypassing the VDH Information Technology Systems, Projects, and Software Procurement Policy which requires that the Office of Information Management (OIM) review and approve IT procurements to ensure that the agency maintains security and integrity of the devices.
- OEMS has reimbursed travel expenses for Regional EMS Council staff at higher rates than the State rates. This is inconsistent with how OEMS processed other non-employee travel using the Non-Employee Travel and Expense Reimbursement Form (NTERV), such as for EMS Advisory Board members.

- Travel reimbursements were also paid to OEMS staff by WVEMS for travel to out of state conferences, circumventing the VDH Travel Policy.[3] Some of the out of state conferences were expensed to the Symposium and the Data Project, but did not appear to be related to either the Symposium or the Data Project.

- OEMS had WVEMS pay invoices for vehicles purchased for OEMS use, bypassing VDH Fleet Management Policy[4]. The vehicles purchased were:

    - Two shuttle vehicles – a GEM e6 six passenger electric vehicle and Polaris Pro XD four passenger utility terrain vehicle – purchased for use at the Symposium in the amount which totaled $51,007, used as shuttles to take attendees to and from the main conference site since there was lodging for attendees at multiple hotels.

    - Two ambulances which totaled $914,902 that were meant to be part of OEMS's fleet and loaned out to EMS agencies.

- There were instances where OEMS reimbursed Regional EMS Councils for expenses they had not yet incurred. These were for two Councils who were making purchases for Statewide projects such as HandTevy and the Data Project.

- According to the ledger provided by the WVEMS Finance Director, there were instances where WVEMS had funds left over from the OEMS disbursement after expenses were paid. In 2022, funds totaling $6,750.84 were leftover for a project and not designated for another expenditure. In 2023, funds totaling $175,605.23 were left over from a project because of equipment back orders for two ambulances that has since been donated to EMS agencies.

- There were instances where invoices were billed to OEMS before an MOU was fully executed and instances where the invoice exceeded the amount allowed by the procurement. One of the contracts was exceeded by $4.2 million in FY2023.

- There are inconsistencies noted in the way expenditures were coded in processing invoices, as well as errors with expenditures being charged to the wrong project code.

- Not all documentation provided by the Regional EMS Councils adequately supported the invoices OIA requested, for instance, not including receipts that would show the details of what was purchased.

- There were instances where quarterly payments to Regional EMS Councils did not match the amount indicated on the MOU or modification, with no supporting documentation to explain the difference.

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[3] The VDH Travel Policy in effect during the travel dates required an approved Travel Authorization Request for out-of-state travel. All lodging rates are governed by the U.S. General Services Administration (GSA) rates. Reimbursement for lodging is limited to actual expenses incurred up to the guideline amount, plus hotel taxes, fees, and surcharges. Expenses in excess of the guidelines will not be reimbursed, unless approved in advance.

[4] If an Office determines that it needs to own a vehicle to meet business needs, the procedure is to submit a VDH Request for Authorization of Approval and OFMS-1 form to the Office of Purchasing and General Services (OPGS). Once approved, OPGS submits the OFMS-1 form to Department of General Service (DGS) Office of Fleet Management Services (OFMS) for final approval to purchase the vehicle. Once purchased, state-owned vehicles are subject to other Policy requirements regarding vehicle title, fuel purchase, driver eligibility, and participation in the DGS Vehicle Management Control Center (VMCC) program.

- There were $3.1 million in expenses paid to Regional EMS Councils that did not have any supporting documentation to tie them to an approved procurement document.
- The MOU for the Virginia EMS Scholarship program executed August 17, 2021, only included compensation for the administrative fee, and not the scholarships themselves. OIA determined a contract modification was created to rectify this on May 23, 2022, after OEMS had already paid invoices for the scholarship costs.

Regional EMS Council Annual Audit Reports

OIA reviewed annual audited financial reports for the Regional EMS Councils for FY2020 to FY2022. Audited financial reports for FY2023 were not available at time of testing.

OIA determined that WVEMS was the only Regional EMS Council not to report all revenue received from OEMS. OIA noted that WVEMS did not include custodial/pass through funds in their audited financial reports for FY2021 and FY2022, according to the Notes to Financial Statements sections of the audited report. OIA determined the FY2020 report did not make a distinction among revenue sources or refer to custodial funds. The WVEMS Executive Director and Finance Director stated that their auditors advised them to account for "custodial and pass-thru" funds received separately from their other revenue.

OIA determined the revenue reported by WVEMS includes multiple sources of revenue, so it would not be an exact match to how much OEMS paid to them during that time. However, the amounts noted in red indicate more funds sent to WVEMS by VDH than was reported on their audited financial statement. The table below indicates for FY2020 to FY2022 the payments OEMS made to WVEMS as recorded in F&A, and compares that amount to WVEMS revenue according to their annual financial reports:

Source:	2020	2021	2022
VDH OEMS Payments to WVEMS per F&A	$ 711,493.59	$7,295,026.17	$9,202,380.69
WVEMS Revenue per Annual Financial Reports	$ 2,260,003.00	$2,554,336.00	$2,346,666.00
Difference	$1,548,509.41	($4,740,690.17)	($6,855,714.69)

Regional EMS Councils Recommendations

Recommendation 1: We recommend the OEMS Director and OEMS Deputy Director Operations work with the VDH Chief Operating Officer to review the Regional EMS Council Hybrid model, including but not limited to the reporting structure, assignment of staff, and payment of operating expenditures, to determine viability and sustainability as well as compliance with the Code of Virginia and the intended purpose of the Regional EMS Councils.

Recommendation 2: We recommend the OEMS Director and OEMS Deputy Director Operations establish a method for ensuring that all expenditures related to Regional EMS Councils can be traced to each individual Regional EMS Council.

Recommendation 3: We recommend the OEMS Director and OEMS Deputy Director Operations review how Regional EMS Councils are funded for their activities and establish

formal standardized policies and procedures with built in accountability for both OEMS and the Regional EMS Council Directors.

Recommendation 4: We recommend the OEMS Director and the OEMS Deputy Director Operations work with the State Health Commissioner to determine if statewide projects should be managed by Regional EMS Councils, and if so, an annual budget with established limits and accountability for what Regional EMS Councils can be allowed to expense on behalf of Statewide projects should be determined.

Recommendation 5: We recommend the OEMS Director and the OEMS Deputy Director Operations determine what State policies and procedures regarding procurement and asset management should be followed by Regional EMS Councils in relation to OEMS funded transactions.

Recommendation 6: We recommend the OEMS Director and the OEMS Deputy Director Operations work with the VDH Chief Operating Officer on resolving OEMS's contractual obligations to the Regional EMS Councils.

Recommendation 7: We recommend the OEMS Director and the OEMS Deputy Director Operations ensure all OEMS and Regional EMS Council expenditures have proper supporting documentation for their purchases before paying invoices.

Recommendation 8: We recommend the OEMS Director and the OEMS Deputy Director Operations follow the VDH Travel policy for reimbursing non-employee travel.

Recommendation 9: We recommend the OEMS Director and the OEMS Deputy Director Operations ensure all OEMS and Regional EMS Council expenditures are supported by updated and fully executed procurement agreements.

Recommendation 10: We recommend the OEMS Director and the OEMS Deputy Director Operations ensure that invoices paid for Regional EMS Councils have complied with the terms of the procurement contract both for the amount charged and completion of goods/services.

Recommendation 11: We recommend the OEMS Director and the OEMS Deputy Director Operations ensure OEMS and Regional EMS Council expenditures are coded consistently and accurately for ease of budget development and tracking.

Recommendation 12: We recommend the OEMS Director and the OEMS Deputy Director Operations ensure OEMS and Regional EMS Council expenditures are reviewed and reconciled at least monthly to ensure that all expenditures have been accurately coded.

6. Western Virginia EMS Council (WVEMS)

Symposium Costs

OIA reviewed the relationship between OEMS and WVEMS related to the annual Symposium for training of EMS providers. During OIA's review of expenditures from both entities, it was unclear which entity was responsible for the Symposium, and there was no clear delineation as they tended to supplement each other when necessary. It also did not appear there was a clear budget for the event, and OEMS would cover any expenditures exceeding revenue. The Symposium account managed by WVEMS included funds received from OEMS and revenue

from registrations, vendors, and sponsorships, and expenses paid from this account.

OIA determined that Symposium costs increased each year. It should be noted that the 2020 Symposium was cancelled due to COVID-19, and the analysis shows that OEMS overpaid WVEMS for the expenditures incurred. Below is a table showing an analysis of the costs for each symposium held since FY2019:

Symposium Year	Amount OEMS Paid Directly	Amount OEMS paid to WVEMS	Amount WVEMS Paid Directly	Total Symposium Cost
2019	$ 571,061.62		$ 561,571.50	$ 1,132,633.12
2020	$ 11,457.74	$ 182,116.81	$ (24,775.27)	$ 168,799.28
2021	$ 629,925.99	$ 300,000.00	$ 273,305.87	$ 1,203,231.86
2022	$ 568,671.12	$ 700,000.00	$ 328,414.38	$ 1,597,085.50

Based on review of invoices for hotel charges for the 2022 Symposium, OIA identified that OEMS directly purchased alcoholic beverage packages on three separate hotel invoices. The total cost was $6,029. WVEMS also purchased $3,200 in alcoholic beverages which was approved by the former OEMS Director.

OIA also scanned expenditures for the cancelled 2023 Symposium and noted that OEMS was using the Symposium account to have WVEMS pay for travel events not related to the Symposium and its purpose.

During interviews, OIA determined that OEMS employed a contractor to assist in organizing the Symposium. OIA noted that the contractor had a credit card provided by WVEMS that they used to make purchases. These purchases were approved by the former Associate Director of OEMS, but were paid for by WVEMS from the Symposium account.

Oversight of the Data Project (Patient Care Information System)

The Data Project refers to WVEMS and OEMS activities in relation to the Patient Care Information System (PCIS). The management of the system transitioned from OEMS to WVEMS with a Master Subscription Agreement that the former WVEMS Executive Director signed with ESO Solutions, the new vendor managing the PCIS, effective February 3, 2021. OIA reviewed the related WVEMS charge card reports, expense report and invoice approvals, and emails between the former OEMS Associate Director and the WVEMS Finance Director. OIA also interviewed WVEMS and OEMS staff regarding WVEMS and OEMS activities, including how OEMS funds were spent in relation to the Patient Care Information System (PCIS).

OIA reviewed the MOU (517-18-M046) between OEMS and WVEMS which was effective October 2, 2017, through December 31, 2022, as well as the current MOU (517-23-0126) signed December 12, 2022. WVEMS was designated as an independent contractor in the M046 MOU, however this and other clauses were not observed in the current MOU. When WVEMS agreed to be the contract-holder with ESO Solutions in 2021, the independent contractor clause was in effect. Based on review of edits to ESO Solutions' press release for announcement of the new contract, ESO Solutions had the perception that they were partnering with OEMS. OIA noted the press release was edited to remove references to OEMS or the Commonwealth of Virginia as ESO Solution's partner.

The Internal Revenue Service's general rule regarding independent contractors is "the payer

has the right to control or direct only the result of the work and not what will be done and how it will be done." Despite WVEMS's status as an independent contractor for OEMS and contractual relationship with ESO Solutions, OIA determined from interviews with OEMS and WVEMS staff that the former OEMS Associate Director was the one managing the Data Project with full authority, and it was the former OEMS Associate Director who collaborated with related vendors, including ESO Solutions.

During interviews, OIA determined that no one questioned decisions made or expenses approved by the former OEMS Associate Director related to the Data Project. In addition, OIA noted there was not effective oversight and management of the former OEMS Associate Director's actions and decisions relating to procurement, budget compliance, or designations of which funds to be charged. The WVEMS Executive Director stated having observed the former OEMS Associate Director making statements in formal public meetings about the Data Project in the presence of the former OEMS Director and OEMS Assistant Director. This also included EMS Board Meetings where the former OEMS Associate Director reported on the progress of the Data Project.

Based on interviews with the WVEMS Finance Director and review of documentation, invoices from vendors related to the Data Project would be sent either to the former OEMS Associate Director or the WVEMS Finance Director. OIA determined the process was invoices received by the WVEMS Finance Director were forwarded through e-mail to the former OEMS Associate Director for approval. Invoices received by the former OEMS Associate Director were forwarded through e-mail to the WVEMS Finance Director, who approved them for payment. The WVEMS Executive Director, as the signature authority for WVEMS, also signed the invoices approving for them to be paid by WVEMS. However, OIA noted the former OEMS Associate Director was the one who approved invoices, determined which invoices were to be charged to the Data Project, and whether the Data Project's continued costs were acceptable, and that funding was available.

OIA determined that there was a lack of segregation of duties where the former OEMS Associate Director was also inappropriately involved in WVEMS being reimbursed by OEMS for Data Project expenses. Interviews with the WVEMS Finance Director and review of documentation indicate that the former OEMS Associate Director would instruct the WVEMS Finance Director on when to send the WVEMS invoices to OEMS, and how much to charge on the invoice. Once the WVEMS invoice was received, the former OEMS Associate Director would approve the payment of the invoice with OEMS funds.

OIA determined that internal controls over the Data Project were not adequate. The former OEMS Associate Director exercised significant control over the management of the Data Project for both WVEMS and OEMS, without proper management oversight.

Intellectual Property of the PCIS

OIA determined that the OEMS-WVEMS MOU (517-18-M046) included an Intellectual Property (IP) clause stating that the Commonwealth of Virginia will become the sole owner of all IP developed under the performance of the contract. The WVEMS-ESO Master Subscription Agreement contains a "Work Product" clause indicating that ESO owns the IP developed as part of that contract. On September 1, 2022, OEMS executed an MOU (517-23-0001) with WVEMS specifically for services on the Data Project, and the Intellectual Property clause was missing from this MOU. OIA was not able to determine from interviews with the former OEMS Director and the WVEMS Executive Director who owns the Intellectual

Property related to the Data Project.

Funding of the Data Project

OIA determined that multiple funding sources were used to fund the Data Project once the PCIS transitioned to WVEMS. Initially, the Data Project was funded through two special initiative RSAF grants. The cost of the Data Project was added to the WVEMS MOU (517-18-M046) as modifications, and later with a separate MOU (517-23-0001) in FY2023. OIA determined in FY2022, the Trauma Center Fund was used to defray some of the costs with the rationale by OEMS that the PCIS included a trauma registry.

During interviews, it was stated that OEMS did not have a formal plan for budget and sustainability of the Data Project. It was also stated during interviews that OEMS did not develop strategies for the increased costs of the Data Project. Part of the increase was due to an unanticipated surge in interest by EMS agencies to utilize the PCIS. However, OIA determined the former OEMS Associate Director made unauthorized amendments to the ESO-WVEMS Master Subscription Agreement and approved covering the fees for some end users. OIA noted the former OEMS Associate Director also directed WVEMS to charge unrelated and unauthorized expenses to the Data Project.

Western Virginia EMS Council Recommendations

Recommendation 1: We recommend the OEMS Director and the OEMS Deputy Director Operations evaluate OEMS' operating relationship with WVEMS to ensure that funds transferred to WVEMS are spent in a manner consistent with VDH and State policies and procedures.

Recommendation 2: We recommend the OEMS Director and the OEMS Deputy Director Operations establish and enforce internal controls over OEMS expenditures, including separation of duties, management review and approvals, management monitoring of procurements, procurement compliance, budget, expenditure approval compliance, and effective reviews of financial report reconciliations paid for by all Regional EMS Councils.

Recommendation 3: We recommend the OEMS Director and the OEMS Deputy Director Operations build into all OEMS projects contingencies for the possibility of increased participation and related costs. This should include establishing limits, and regular reporting, and communication of financial increases up the chain of command to the OEMS Director.

Recommendation 4: We recommend the OEMS Director and the OEMS Deputy Director Operations clarify who owns the Intellectual Property created or developed in the Data Project that was funded by OEMS.

7. Other Concerns

Interest Bearing Fund Accounts

OIA reviewed a F&A revenue report of interest earned for RSAF and Trauma Center Fund during FY2019 to FY2023 to determine whether revenue from interest bearing fund accounts was used in compliance with the Code of Virginia. OIA found inconsistencies and lack of timeliness with how and when the funds were assigned to the correct project code. Based on review of F&A journal entries, OIA determined $544,703.66 in interest, including all interest

recorded in FY2023, stayed in the main cash account where it could be spent for any projects in that account.

Non-Employee Travel Reimbursements

OIA conducted interviews with OEMS staff to determine the process for OEMS reimbursing travel for non-OEMS travelers, such as the EMS Advisory Board members. Issues noted during the interviews included confusion about the changes to travel processing after SBS was implemented, lack of access to the SBS Tracking, Logging and Reporting (STLAR) system, delays with getting approvals from OEMS management on the NTERV forms, and having no backup personnel to perform tasks. OIA determined there was no tracking or monitoring in place for non-employee travel reimbursements. As a result, reimbursements to EMS Advisory Board members were extensively delayed. To date, OIA determined travel reimbursements are being paid.

FAACS and Controllable Equipment

OIA reviewed OEMS's process for keeping track of Fixed Asset Accounting and Control System (FAACS) inventory and controllable equipment for compliance to VDH Fixed Asset Policy and CAPP Manual, and determined that equipment isn't tracked and maintained on a consistent basis. OIA determined an overall physical inventory hasn't been done since 2017, and new OEMS staff responsible for maintaining equipment were not properly trained or made fully aware of their responsibilities. OIA also determined the creation of SBS also led to a disconnect in maintaining an audit trail for ordering, receiving, and paying for equipment. OIA determined OEMS does not have written procedures for maintaining inventory and controllable equipment.

Based on inventory testing, OIA questioned the location of the 100 laptops paid for by WVEMS that were for OEMS use at the Symposium. Approximately 9% of the laptops in the Symposium inventory were unaccounted for, however, OIA did not confirm this through a full inventory review.

OIA determined from review of F&A expenditures and observation of stored equipment at OEMS headquarters and a warehouse in Ashland that OEMS made numerous purchases of equipment for the Symposium where the potential use did not justify the expense. This included state of the art equipment that does not add significantly more value than technology currently in use at VDH, for example a Digital Display Podium for $9,978.71 and a telepresence robot for virtual meetings costing $9,938.44. OIA determined that OEMS also stored a significant amount of equipment that was only used one week out of the year at the Symposium held in Norfolk, Virginia. For example, audio-visual equipment and communications devices which required multiple trailers to transport to and from the Symposium, and two vehicles used as shuttles which also had their own trailers.

OIA performed tests of equipment by reconciling a sample of equipment between the FAACS list and equipment expenditures in F&A from FY2020 to FY2023 against equipment observed on hand at OEMS headquarters and at a warehouse in Ashland. The following exceptions to the VDH Fixed Asset Policy and CAPP Manual were noted during OIA's review based on sample testing:

- The FAACS list was missing identifying characteristics such as location and Vehicle Identification Numbers (VIN) to be able to locate and match individual items to the FAACS list.
- Equipment was purchased, but not added to the FAACS list.
- When equipment was reassigned, the FAACS list was not updated with key information such as location and responsible employee.
- Equipment was not physically tagged with identifying FAACS black tag number.
- There was difficulty locating equipment, and in some cases OIA was unable to confirm that the actual item on the FAACS list was located. This included multiple items that were not accessible for OIA to confirm identifying characteristics such as serial numbers or FAACS black tags.
- OEMS purchased seven laptops directly from a vendor instead of through eVA, where it would have been flagged as not being VITA-approved. The location of the seven laptops is unknown even though OEMS staff signed packing slips to indicate the laptops were received.

OEMS Contracts and Agreements

OIA reviewed OEMS contracts and agreements from FY2017 to FY2023 for compliance with State procurement requirements and VDH delegated authority and evaluated OEMS's Contract Master List spreadsheet used for tracking the contracts. OIA determined that OEMS did not adequately execute and maintain contracts and modifications. There were indications of lack of communication with Office of Procurement and General Services (OPGS) to ensure accuracy and compliance with Department of General Services (DGS) and VDH contract policies in executing the contracts. The following exceptions to DGS and VDH contract policies were noted during OIA's review:

- The Contract Master List maintained by OEMS was not organized, comprehensive, or up-to-date. OIA determined that the Contract Master List doesn't include the modifications from the most recent five-year Regional EMS Council MOUs.
- Thirteen MOUs and modifications reviewed by OIA were not provided by OEMS, but were found through other sources.
- A modification and an MOU extension were signed by the former OEMS Director even though the dollar amount was above their delegated authority.
- In five instances, there were copies of a contract modification provided by OEMS that were unsigned, and in four of those cases, multiple unsigned versions of the modification were provided in a folder, and it was unclear which version of the contract language was considered the final version. There were two instances where the modification was signed, but not dated.
- There were instances of modifications having errors such as the wrong MOU number or the wrong modification number. There were inconsistencies in whether the modification was executed within OEMS or by OPGS, which may have explained the wrong modification numbers.

- Interviews of the Regional EMS Council Directors indicated that they didn't always receive copies of the fully executed modifications signed by OEMS.
- In modifications added to their MOUs, all eleven Regional EMS Councils received 5% increases to their quarterly payments. In four cases, Regional EMS Councils were funded for a part time position. The modifications did not specify that these were to be recurring expenses paid yearly until the end of the MOU multi-year term, however a review of expenditures in F&A showed that they were included every year on the Regional EMS Council invoices. Because the modification did not indicate they were recurring expenses, the total estimated value of the MOU reflected only that year's expense when it should have included the expense for every year remaining in the MOU's term.

OIA noted in five cases where a modification included a revision to the MOU or a previous modification. In two cases, the contract revisions were for millions of dollars. These are not listed with the above exceptions as the errors were corrected prior to the investigative review, but do contribute to the overall pattern of inadequate execution and tracking of OEMS contracts.

Other Recommendations

Recommendation 1: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager ensure that for administrative job duties that require timely processing of OEMS transactions, a backup responsible position is identified for taking over these duties in case of long-term leave or vacancies.

Recommendation 2: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager ensure all travel reimbursements are processed in a timely manner.

Recommendation 3: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager ensure all interest income is moved to an OEMS project in a timely manner.

Recommendation 4: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager develop a process to ensure compliance with VDH's Fixed Asset Policy and Commonwealth Accounting Policies and Procedures (CAPP) Manual.

Recommendation 5: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager determine what position will be responsible for consistently maintaining the equipment inventory and provide training for the position on duties and roles and responsibilities.

Recommendation 6: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager perform a thorough inventory of FAACS list (floor to sheet and sheet to floor) and ensure inventory tags are affixed and the inventory list is updated.

Recommendation 7: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager periodically perform a reconciliation of the F&A expenditure report to determine if any equipment purchases meeting controllable and

FAACS criteria have not been added to the controllable and FAACS inventory.

Recommendation 8: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager work with the Office of Information Management (OIM) Director or Information Security Officer to evaluate the use of computer equipment and software by OEMS and ensure adherence to VITA requirements.

Recommendation 9: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager ensure that modifications to multi-year contracts specify whether the good/service being added to the agreement is a one-time transaction or expected to be paid yearly, reflective of the revised total.

Recommendation 10: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager work with the VDH OPGS Director to maintain a complete listing of contracts and modifications and keep OPGS informed of all contracts and modifications entered into the F&A Contract module.

Recommendation 11: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager work with the VDH OPGS Director to develop a process to ensure the review and monitoring of all OEMS contracts and contract modifications to ensure accuracy and compliance with VDH and State procurement policies.

Recommendation 12: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager work with the VDH OPGS Director to ensure OEMS procurements comply with delegated procurement authority.

Recommendation 13: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager ensure that all OEMS contracts and modifications are fully signed and dated by all parties, and a complete listing and copies of the fully executed agreements are maintained on file in a central area in compliance with State record retention policies. Any unsigned drafts should be marked as Drafts and kept separately from the final contract versions.

FITCH

& ASSOCIATES

CONSULTANT REPORT

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Executive Summary

Under new leadership, the Virginia Department of Health (VDH) began comprehensive and regular budget reviews of programs in the spring of 2023. During the Office of Emergency Medical Services (OEMS) review, irregularities were found, leading to an in-depth investigation by the current VDH senior leadership team. By July 2023, OEMS was estimated to have unpaid debts and over-obligations totaling $33 million, and evidence of fraud led to the Associate Director's conviction for embezzling over $4.3 million. Poor financial decisions and weak oversight within OEMS, historical lack of senior leadership involvement from VDH central office, and disregard for Commonwealth of Virginia procurement policies and mandated EMS funding responsibilities led to a systemic failure and a financial crisis.

In January 2024, VDH contracted MedServ Management Services, an affiliate of Fitch & Associates (FITCH), to provide on-site leadership, assist in resolving the financial crisis, and provide both financial and operational recommendations.

Summarized Findings

This report identifies critical findings within OEMS and its oversight by VDH, including financial mismanagement, legal concerns, cultural challenges, operational inefficiencies, and ineffective oversight. Major points of significance regarding the findings are:

- **Financial:** Due to unpaid debt, over-obligations, and fraudulent spending, OEMS was unable to transfer $12.5 million to the Treasury from the Four-For-Life program at the end of Fiscal Year 2023 as required by the Appropriations Act. Further, OEMS continued to have significant unpaid obligations, prompting Governor Youngkin to approve an $8 million carryover of VDH's remaining balances from Fiscal Year 2023 into Fiscal Year 2024 and include an additional $25 million in his bi-annual budget to address the crisis.

- **Legal:** The Hybrid EMS Council model was established without following VDH's established decision process or undergoing legal review, raising concerns of the Hybrid Council model under Virginia Code. Issues include state employees being supervised by non-state Regional Boards, oversight of non-state employees, and fund allocation to non-profit Regional EMS Councils for expenses not aligned with procurement regulations.

- **Cultural:** EMS agencies perceive OEMS to be an enforcement agency, not a customer-centric entity. The agencies complain that OEMS central staff is often unresponsive and unreliable,

leading them to turn to Regional EMS Councils for assistance. In turn, inconsistent communication among the 11 Regional Councils leads to confusion and lack of accountability.

- **Operational:** The annual EMS symposium's costs escalated to over $1.6 million in 2022, with funds funneled through the Western EMS Council, bypassing state approval processes. Additionally, the Southwest region experienced a 27% decline in EMS providers from 2,198 in 2004 to 1,593 in 2024. This was attributed to changes in the education and the education coordinator process, which created staffing challenges in the rural communities.

- **Oversight:** Before recent changes, the EMS Advisory Board (EMSAB) incurred annual costs exceeding $400,000, with minimal turnover leading to stagnation. Comprising 28 members and 21 subcommittees, the board had limited influence in driving change. Additionally, OEMS leadership selectively followed the board's advice, contributing to conflict and mistrust between the two entities.

Summarized Pathway Forward

VDH leadership must stabilize the Office of Emergency Medical Services (OEMS) and establish a sustainable path forward. FITCH provided key decision points to enhance OEMS functionality and position within the Commonwealth.

Decision Point 1: OEMS Positioning for Strong Oversight

OEMS could either remain within the Virginia Department of Health (VDH), shift to the Public Safety Secretariat, merge with the Virginia Department of Fire Programs (VDFP) to create a combined Department of EMS & Fire, or be dissolved with its regulatory functions reassigned. These options aim to optimize oversight and integration with other state entities.

Decision Point 2: Regional Structure and Support

FITCH recommends reducing the current 11 Regional Councils to seven, aligning them with other public safety agencies. Two structural models were proposed: a decentralized model where state staff support both central and regional offices or an integrated model where regional offices have more autonomy with non-state staff. Both models could incorporate Community Integrated EMS initiatives to strengthen local services. The current Hybrid model should be discontinued to comply with Commonwealth procurement and hiring practices.

Decision Point 3: Policy and Regulatory Process Review

OEMS policies and guidelines are not consistently formalized through a documented process compliant with Virginia code. The public comment process established in the Administrative Process Act is not followed. This lack of formalization and clear documentation for policy and guidance document adoption can lead to inconsistent application and potential harm to individuals and agencies. The option presented will improve transparency, stakeholder engagement, and compliance with legislative requirements.

Decision Point 4: Community Input and EMS Oversight Enhancements

The EMS Advisory Board (EMSAB) is comprised of 28 members and lacks any authority other than advisory. FITCH recommends reducing the size of the EMSAB and affording the Board more authority to propose regulatory and legislative changes directly to the State Board of Health. This option aims to foster collaboration with local boards to better shape EMS policies and expectations.

Decision Point 5: Education, EMS Portal, and Departmental Functions

FITCH recommends revising the certification process for education coordinators, expanding testing access, and improving the acceptance of out-of-state continuing education credits. Additionally, FITCH proposes enhancements to the EMS portal to improve data management, as well as establishing appropriate oversight of the portal by subject matter experts. Divisions such as Regulation and Compliance Enforcement were recommended to facilitate the hiring of key open positions.

Improving financial transparency in revenue allocation from DMV and expanding the RSAF Grant Program were emphasized. FITCH also recommended implementing a funding escalator to account for rising costs and ensure equitable distribution of funds based on regional demographics.

Finally, the reassignment of the epidemiologist within VDH and creation of a data analyst position that is solely focused on patient care informatics would ensure that OEMS is better equipped to assess technology solutions and improve healthcare services.

Estimated Financial Impact

FITCH projects that reducing the regions to seven and decentralizing staff, while dependent on the chosen staffing model, could yield annual salary savings of $1.89 to $2.28 million. Additional changes in expenses could result in annual savings of $6.09 to $9.17 million. Thus, total potential annual savings for the Commonwealth could range from $7.99 to $11.45 million.

Critical Findings

FITCH's comprehensive analysis identified nine critical findings. These findings underscore issues that require immediate attention and action and provide the foundation for the pathway forward.

1. Failure of Fiscal Oversight and Control
2. Regional EMS Councils Are No Longer Relevant in Their Current State, Structure, And Function
3. Hybrid Councils Create Concerns in Current Structure
4. Current Culture Is Not Customer-Centric
5. No Systematic Mission, Expectations, or Controls
6. EMS Advisory Board Mission Needs to Evolve and is Costly in its Current Structure
7. Mission Creep and Mandates Have Increased Cost Without Additional Resources
8. Evolution Of the Virginia EMS System Necessitates Review of The OEMS Organization Position Within the Commonwealth Government Hierarchy
9. EMS Education Program Changes Have Negatively Impacted the Workforce

Critical Finding #1: Failure of Fiscal Oversight and Control

Before 2023, VDH senior leadership failed to properly oversee OEMS, while the former OEMS director failed to provide the financial oversight needed to ensure compliance with Commonwealth financial policies. These failures led to $33 million in unpaid debts and over-obligations, facilitated $4.3 million in embezzlement, and resulted in a fraud conviction of a former employee.

The Virginia EMS Symposium's costs increased annually, reaching $1.6 million in its final year before being suspended by the VDH. Regional EMS Councils were also used to bypass state purchasing guidelines, and poor internal controls led to further overspending and improper fund reallocations. Ongoing financial control issues have been noted in prior Commonwealth internal audit reports.

Four-for-Life revenue from the Department of Motor Vehicles has remained flat while OEMS operation costs have grown significantly. Without the recent suspension of the $12.5 million transfer from the Four-for-Life to the general fund, OEMS would be unable to sustain operation in its current form.

Critical Finding #2: Regional EMS Councils are No Longer Relevant in Their Current State, Structure, And Function

To remain relevant in the evolving EMS landscape, VDH and OEMS should revise the Regional EMS Councils and their service delivery models. While larger career EMS agencies find the Councils'

assistance limited, smaller and volunteer organizations rely heavily on their support. The current model was established when more volunteer EMS agencies were operating and dependent on the Council for support. This model has become outdated with the increase in career agencies and thus requires less reliance on Councils' services. With many functions now managed at the agency level, the Councils face challenges in maintaining relevance. This situation has been further complicated by the creation of hybrid models, where some Councils include OEMS employees and receive increased funding.

The hybrid and traditional Councils differ in their operational and funding structures, contributing to inconsistency in services and expenditures, totaling $5,619,055 annually. Such inconsistencies have led EMS agencies to seek services from different Councils based on their needs, highlighting the necessity for a more unified and adaptable model. Additionally, the Councils' unclear mission, coupled with inadequate funding, exacerbates these issues.

Critical Finding #3: Hybrid Councils Create Concerns in Current Structure

The Hybrid EMS Council model was established without adhering to VDH's existing decision process or legal review, raising concerns about its compliance with Virginia Code. Regional EMS Councils, as defined by Virginia Code § 32.1-111.4:2, are independent entities. Although VDH and OEMS have the authority to create councils, this authority does not cover supervision of state employees by non-state Regional Boards, oversight of non-state employees, or fund allocation to non-profit Regional EMS Councils for expenses not aligned with procurement regulations. Given the significance of the above referenced issues, VDH should reassess the viability of continuing the Hybrid EMS Council model.

Critical Finding #4: Current Culture Is Not Customer-Centric

FITCH's discussions with EMS agencies revealed complaints about the OEMS central office staff, including unreliable communication and negative interactions. As a result, EMS agencies often turned to the Regional EMS Councils for assistance, only to face criticism from the OEMS for these interactions. This lack of responsiveness and customer service from the OEMS has eroded trust and created the perception that the office is more focused on enforcement rather than support.

OEMS messages are often interpreted and relayed differently by each Council. This variability leads to inconsistent information across agencies and fosters confusion, creating an "us-vs-them" environment between the OEMS and the Councils. The lack of clear and uniform communication further diminishes accountability, exacerbates the divide between the OEMS and EMS providers, and creates confusion for the agencies and providers.

Critical Finding #5: No Systematic Mission, Expectations, or Controls

The OEMS was found to be isolated from the VDH, Regional EMS Councils, and the broader EMS system, thus leading to a lack of understanding of local EMS agencies' needs. This disconnect also hampers the OEMS's grasp of the impact of its policies statewide. Additionally, ineffective communication with the Regional EMS Councils has fostered an adversarial relationship, with conflicting perceptions that the Councils overstep in their duties and the OEMS is generally uncooperative

Internally, the OEMS suffers from siloed divisions and poor communication, compounded by unclear or misaligned policies and expectations. The resulting frustration and stagnation in initiatives have directly contributed to mismanagement of resources, poor accountability, and lack of transparency, all undermining long-term success.

Critical Finding #6: EMS Advisory Board Mission Needs to Evolve and is Costly in its Current Structure

The EMS Advisory Board (EMSAB) currently lacks functionality and effective mechanisms for system change. Its success depends on collaboration with OEMS and the 11 Councils, a process proven ineffective given the current communication issues.

While advisory boards are standard in many EMS systems, the EMSAB faces significant challenges. Member turnover is minimal, leading to stagnation and disengagement. Without comprehensive reform, EMSAB lacks the capacity to drive necessary changes.

The EMSAB and its committees are also costly, with annual expenses exceeding $400,000 for meetings and member reimbursements prior to recent changes instituted in Fiscal Year 2024 by VDH.

To be effective, the EMSAB must redefine its mission and composition to align with OEMS' core objectives and budget. It should have the authority to review and propose changes to Virginia's EMS policies and regulations and make such recommendations to the State Board of Health. FITCH recommends a relationship between OEMS and EMSAB be developed, similar to that between VDH and the State Board of Health.

Critical Finding #7: Mission Creep and Mandates Have Increased Cost Without Additional Resources

The OEMS has experienced mission creep by expanding its primary role of planning and coordinating an effective statewide EMS system. This expansion includes taking on non-core programs such as Emergency Medical Dispatching and PSAP accreditation, as well as providing statewide Electronic

Patient Care Reporting (ePCR) programs to agencies. In addition, the state legislature expanded the core mission of the OEMS to handle Trauma Designation for hospitals.

These expanded duties for OEMS's operational controls have led to financial issues as no additional funds were allocated to cover the management of these programs. For example, the Trauma Center Designation program incurs costs of approximately $500,000 annually with no corresponding support from the Trauma Center Fund.

Critical Finding #8: Evolution Of the Virginia EMS System Necessitates Review of The OEMS Organization Position Within the Commonwealth Government Hierarchy

As EMS evolves, there is increasing debate about the optimal placement of the OEMS within the government hierarchy to benefit the EMS system. Interviews with agencies, local leaders, and stakeholders have highlighted challenges within the OEMS. Moving forward, the Commonwealth will need to consider the expansion of municipal and fire-based services handling EMS, hospital needs, patient movement activities, the emergence of community paramedicine, hospital and home programs, and expansion into public health activities following the COVID-19 pandemic.

Critical Finding #9: EMS Education Program Changes Have Negatively Impacted the Workforce

Recent changes in EMS education have negatively impacted the workforce, particularly in recruiting and training volunteers crucial to many smaller organizations. These issues reflect a lack of foresight and planning by OEMS. Specific changes made by OEMS include:

- Transition from NREMT skills-based testing to Virginia-specific competency-based scenarios
- Introduction of the Education Coordinator credential, which has complicated certification processes
- Reduction in Emergency Medical Responder (EMR) certifications, leading to fewer volunteers in rural areas
- Lack of accountability for education programs performing below the 16th percentile benchmark

Such changes, which affect staffing and resource availability, must be carefully weighed against their intended goals. Significant modifications should include thorough planning and, if feasible, a phased implementation to mitigate unintended consequences. Given the ongoing decline in EMS providers, these changes appear counterproductive and contrary to the OEMS' mission.

Methodology

The FITCH strategy involved providing daily operational support to OEMS while evaluating and developing future options. Initial objectives included placing an experienced leader to aid the Interim Director and guide OEMS toward its future state. FITCH assessed existing programs, the office structure, and financial modeling to support OEMS' core functions while identifying improvement opportunities that support and maintain the statewide EMS system. The team collaborated with VDH and the EMS Next Steps Workgroup to collect data, assist with findings, and report recommendations.

FITCH employed three distinct approaches to support this review:

1. Directly engage with office leadership to address current issues and operational challenges
2. Interact with stakeholders across OEMS, Regional EMS Councils, EMS agencies, and other groups to gather evaluation context
3. Survey EMS agencies to assess future needs and provide a qualitative review

FITCH engaged with office staff to understand office operations and its community interactions, supported leadership transitions, and assisted with daily activities. Additionally, FITCH implemented improvements in office workflows, financial reporting, policy adjustments, and both office and council reporting structures. These efforts aimed to enhance operational efficiency and prepare OEMS for future challenges.

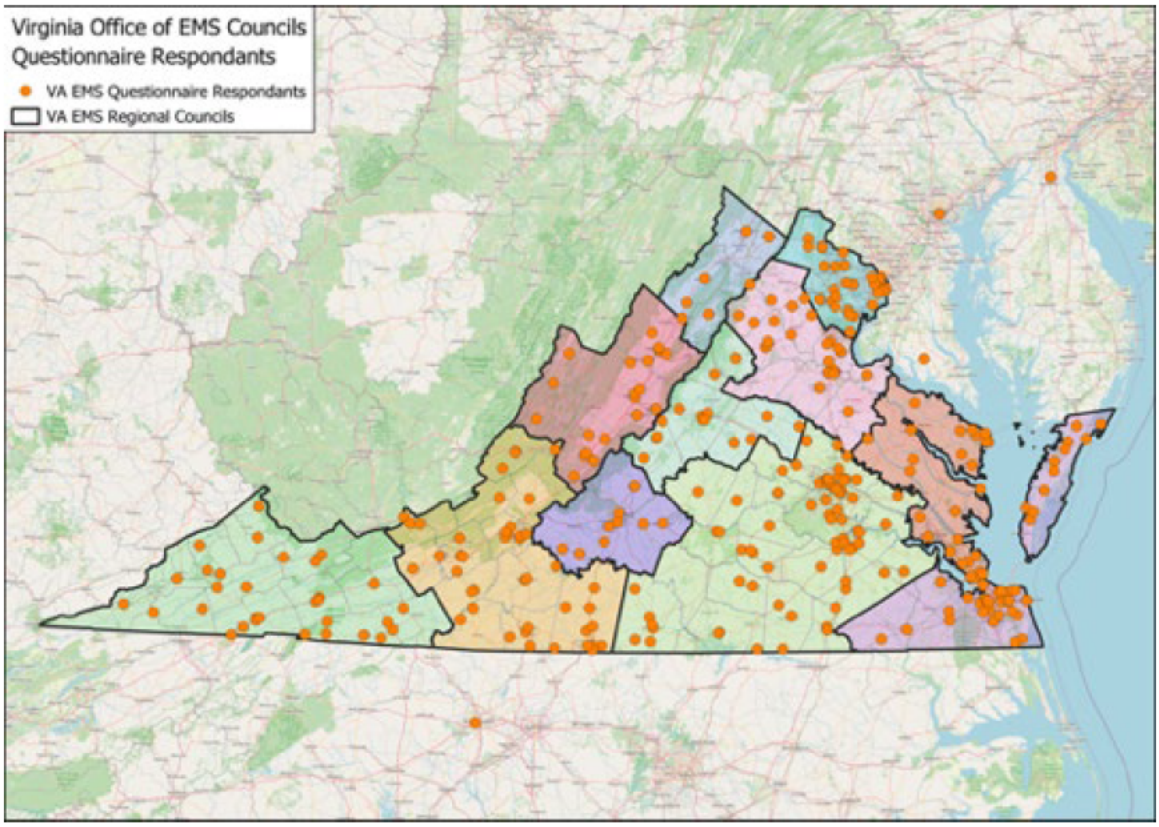
To better understand community and EMS agency needs, FITCH deployed team members to engage with a broad range of stakeholders across the Commonwealth. Key stakeholders included, but were not limited to:

- All Regional EMS Councils
- Many EMS agencies, including both public and private
- State agencies, including Virginia Department of Emergency Management and Virginia Department of Fire Programs
- Virginia Association of Volunteer Rescue Squads
- Virginia Fire Chiefs Association
- Education staff, both internal to the OEMS and external
- VDH and other government stakeholders
- The State Emergency Medical Services Advisory Board
- The EMS Next Steps Workgroup

The goal of these meetings was to identify current challenges from stakeholders' perspectives and assess their needs for OEMS support. FITCH also gathered feedback and opinions on how to best evolve the EMS system to address stakeholder concerns and adapt to future changes.

FITCH developed and administered a survey to EMS agencies and leaders to determine future roles for OEMS and Regional EMS Councils. The survey aimed for a 95% confidence level with less than a 5% margin of error. From 567 licensed agencies, FITCH received 355 responses, surpassing the required 230 responses for a 95% confidence level at a 3.2% margin of error. From the 940 individual recipients, 441 responses were obtained, exceeding the 273 needed for a 95% confidence level at a 3.41% margin of error. A comprehensive survey report was produced to guide the future design of OEMS.[1]

Figure 1: Survey Respondent Locations[2]



[1] https://www.surveymonkey.com/mp/sample-size-calculator/

[2] There were 940 requests for responses sent to 567 agencies. Of the 567 licensed agencies in the state, FITCH received 355 unique agency responses, which exceeded the required 230 to achieve a 95% confidence level with a 3.2% margin of error. Additionally, out of the 940 survey recipients, 441 responses were received, which surpassed the 273 needed to achieve a 95% confidence level with a 3.41% margin of error.

Office of Emergency Medical Services

Overview

The Office of Emergency Medical Services (OEMS) was established in 1974 to formalize and enhance Emergency Medical Services across Virginia. OEMS is an office within the VDH, which is led by the Commissioner of Health, reporting to the Secretary of Health and Human Resources. OEMS is led by a Director who reports to the Deputy Commissioner of Population Health and Preparedness, who then reports to the Commissioner.[3]

FITCH reviewed OEMS divisions, Regional EMS Councils, the State EMS Advisory Board and committees, regulatory issues, education, NREMT testing, EMS portal and data availability, other OEMS services and functions, and the EMS agencies and workforce.

OEMS has eight operating divisions, each with distinct responsibilities. However, they operate in silos with limited communication beyond their own division. These divisions include:

- Regulations and Compliance Enforcement
- Emergency Operations
- Community Health and Technical Resources
- Accreditation, Certification, and Education
- Trauma and Critical Care
- Administration and Fiscal
- EMS System Funding
- Patient Care Informatics and Epidemiology

Regulation and Compliance Enforcement

The Regulation and Compliance Enforcement Division oversees the licensure of EMS agencies, endorsement of EMS physicians, and permitting of EMS vehicles, aircraft, and watercraft. It also enforces regulations and maintains legal and professional standards for EMS operations, as detailed in the Code of Virginia (§ 32.1-111.6:1 – 9) and the Virginia Administrative Code (12VAC5-31).

[3] www.vdh.virginia.gov

Due to financial constraints, the division has transitioned from routine to less stringent spot inspections conducted during EMS vehicles' operational activities, including at hospitals. This shift has elicited significant negative feedback from EMS agencies who perceive these inspections as problematic, particularly when conducted post-patient transport. Agencies reported dissatisfaction with customer service, citing a focus on problem identification rather than solutions, and difficulty in contacting representatives. Despite these issues, field program representatives received praise for their service from agencies and Councils.

Emergency Operations

The Division of Emergency Operations aims to enhance emergency response capabilities within the Virginia EMS system and promote provider health and safety. Its responsibilities include developing comprehensive emergency plans, coordinating with local, state, and federal agencies, and ensuring effective response strategies as outlined in the Virginia Emergency Operations Plan. The division also oversees the EMS-focused Public Safety Answering Point (PSAP) accreditation program and ensures compliance with emergency medical dispatch (EMD) protocols, as per Code of Virginia § 56-484.16:1, despite lacking additional funding for this mandate.

Additionally, the division also manages the State EMS Plan, Trauma Triage Plan, Stroke Triage Plan, and crisis intervention requirements per Code of Virginia § 32.1-111.3. It employs a communications technician to assist with EMS radio systems statewide. There is some overlap with functions of the Virginia Department of Emergency Management (VDEM), which recently assumed 9-1-1 Advisory Board responsibilities. Enhanced coordination with VDEM and exploration of further alignment in disaster response will benefit EMS operations.

Community Health and Technical Resources

The Community Health and Technical Resources Division integrates public health initiatives with EMS services and collaborates on the state EMS plan with the Emergency Operations Division. It develops public health programs such as injury prevention and education campaigns under the community paramedicine/mobile integrated healthcare category. The Technical Assistance section supports EMS agencies with technology, data management, and grant applications, ensuring efficient and effective operations.

The division is involved in EMS workforce development, including the creation of the Virginia EMS Officer I and II training curriculums and the EMS Safety Officer program. While some programs may overlap with national certification processes, they are tailored to Virginia’s needs and may not align with other state departments like the Virginia Department of Fire Programs.

Additionally, the division oversees the grant-funded EMS for Children program which aims to enhance pediatric care through federal funding. Prior to the March 2024 organizational changes, this division managed traditional Regional EMS Councils, which presented challenges due to differing management and funding structures. The division's functions are outlined in the Code of Virginia §§ 32.1-111.3.A.1, 3, 6, 9, 14, 17 and include the development of the state telehealth plan per § 32.1-122.03:1.

Accreditation, Certification, and Education

The Accreditation, Certification, and Education (ACE) Division is essential to EMS personnel development and certification in Virginia. It manages certification and continuing education for all EMS professionals, ensuring that providers meet required standards. Staffed by four positions with two vacancies, the division handles certifications, education programs, and policy updates, with two individuals primarily managing the EMS portal, education coordination, and inter-state communication.

The division's functions are defined in:

- § 32.1-111.5 (Certification and recertification of EMS providers; appeals process)
- Part III, EMS Education and Certification, 12VAC5-31-1305 – 1720

However, the division faces issues due to its reliance on just two individuals for its broad scope of responsibilities. One of these individuals is nearing retirement, raising concerns about succession planning. Feedback from leaders and FITCH indicated problems with the EMS portal, including its user-unfriendliness, lack of updates, and inadequate reporting capabilities. These issues hinder data collection and reporting that are essential for program development and grant reporting. A concern voiced among EMS agencies is that the individual currently managing the EC program is not a certified EMS provider in the Commonwealth, however this is no longer an issue with the position being vacated.

The expansion of the Education Coordinator (EC) program statewide has faced notable challenges, particularly in rural communities, due to limited local support and stringent requirements. FITCH recommends enhancing support and oversight from the Office of Emergency Medical Services (OEMS) and increasing local involvement to address these issues.

Trauma and Critical Care

The Trauma and Critical Care Division manages and coordinates care for trauma and critically ill patients, ensuring an efficient statewide trauma system through protocol development and guideline enforcement. It oversees the trauma center designation plan and trauma triage plan, as specified in Code of Virginia §§ 32.1-111.3 A10, A12, and B1-B3, and supports the statewide stroke triage plan under §§ 32.1-111.3 C1 and C2.

A 2015 assessment by the American College of Surgeons (ACS) identified inconsistencies in applying trauma center standards and noted that some centers sought additional ACS-COT verification.

The division administers state trauma funds primarily derived from fees for reinstating revoked or suspended drivers' licenses, especially from repeat DUI offenders. The fund accumulates about $9 million annually, which is distributed to certified trauma centers based on the Trauma Fund Distribution Policy.

Administration and Fiscal

The Administration and Fiscal Division of OEMS provides essential administrative and financial support, including invoice processing, accounts receivable management, budgeting, purchasing, and contracting. The division manages fleet and logistics operations as well.

The implementation of the Shared Business Services (SBS) model in year 2020 resulted in less stringent controls and segregation of duties. This model focuses on developing processes that ensure segregation of duties and compliance with budgetary management standards established by the Commonwealth. The Division utilizes manual Microsoft Excel spreadsheets to facilitate all its financial management and bookkeeping tasks, thus increasing the risk for human errors, both unintentional or possibly intentional.

EMS System Funding

The EMS System Funding Division, staffed by two individuals, administers the Rescue Squad Assistance Fund (RSAF) and provides guidance to the Financial Assistance Review Committee (FARC). The RSAF, funded by the Four-For-Life program, supports nonprofit EMS agencies as per § 32.1-111.12 of the Code of Virginia. The division also manages the "Return to Locality" program, which allocates 26% of Four-For-Life funds for training and equipment for local nonprofit EMS agencies under § 46.2-694.13e.

Four-For-Life funds are distributed according to a fixed fee structure, with $4 of the $6.25 vehicle fee allocated as follows:

- 30% to OEMS for RSAF
- 26% to localities for training and equipment

Concerns with the RSAF include the exclusion of private, for-profit entities and large metro departments, which some agencies argue impair their ability to meet capital needs. The funding distribution model does not increase with inflation or vehicle value; rather, it is based solely on new vehicle registration, which is relatively flat year over year.

Patient Care Informatics and Epidemiology

The Patient Care Informatics and Epidemiology Division is responsible for two code-mandated functions: developing a comprehensive EMS patient care data collection and performance improvement system (§ 32.1-111.3.11) and creating a trauma registry (§ 32.1-116.1). Although there is no requirement for patient care reporting programs for EMS agencies, they must submit data to the state system. The division ensures compliance with NEMSIS standards and maintains the State Trauma Registry. Staffed with two epidemiologists, the division supports data gathering, reporting, and FOIA requests, and provides information to EMSAB, VDH, and other entities. Despite its role, there is a noted deficiency in the dissemination of useful information, highlighting a need for improved customer service and more valuable data for the EMS community.

Other System Components

Regional EMS Councils

The concept of Regional EMS Councils emerged in the early 1970s to provide local support and coordination for EMS agencies, aiming to enhance overall care. Formally recognized by the Code of Virginia in 1978 (§ 32.1-111.4:2), there are currently 11 Regional EMS Councils. According to a 2000 Joint Legislative Audit and Review Commission (JLARC) report, these Councils are responsible for developing and implementing efficient regional EMS systems, including training, medical protocols, and emergency plans.

The Virginia Department of Health (VDH) designates these Councils, reviews their applications every three years, and sets conditions for their renewal. Each Council is composed of representatives from various local agencies and other professionals and is required to adopt a regional EMS plan in cooperation with VDH. In 2009, a lobbyist was hired by the Regional EMS Councils to advocate for a legislative change to the budget code, which fixed the number of Regional EMS Councils at 11. This effort was successful, and the provision has been included in the budget code since then.

Councils are 501(c)(3) nonprofit organizations under contract with OEMS, expected to meet specific objectives to receive state funding. They must match state funds with local funds, though local governments are not legally required to provide these funds. A new hybrid model has emerged where some Council staff are directly employed by OEMS, creating a dual-reporting structure.

The impact of the Councils varies across the state. Larger career EMS agencies in urban areas have decreased reliance on Councils for education and training, while smaller rural agencies continue to depend on them for these services.

Agencies cited the statewide drug box replacement program and regional EMS medical protocols as key reasons for maintaining Regional Councils. However, by the end of 2024, the drug box replacement program will end due to DEA and board of Pharmacy changes. This leaves regional EMS medical protocols as the main reason for the continuation of Regional Councils.

Funding Challenges

The Regional EMS Councils face significant challenges due to funding constraints impacting their operations and development. A primary challenge is their reliance on state funds, which means any reduction directly affects their ability to function. The cessation of OEMS payments in 2023 worsened

the situation, forcing many Councils to deplete their reserve funds for essential expenses, pushing several towards closure.

The lack of a legislative basis for funding, as outlined in § 32.1-111.4:2, means there is no guaranteed financial support, further straining their stability and service capacity. To manage these issues, contractual agreements include clauses to address financial uncertainties: the "Availability of Funds" clause stipulates that OEMS commitments are contingent on available funds, and the "Cancellation of Agreement" clause allows the OEMS and contractors to terminate contracts with 60 days' notice, providing some flexibility in response to funding volatility. Despite these provisions, the dependence on state funds, the impact of payment stoppages, and the absence of a funding mandate underscore the pressing need for an evolution of the current council model.

State EMS Advisory Board and Committees

The State Emergency Medical Services Advisory Board (EMSAB) was created under the Code of Virginia, § 32.1-111.4:1 and is comprised of 28 members appointed by the Governor. Membership includes representatives from the Regional EMS Councils, medical associations, and EMS organizations. The primary role of the EMSAB is to advise the State Board of Health on the administration of the statewide emergency medical care system. This includes reviewing and recommending changes to the statewide Emergency Medical Services Plan and examining the annual financial report of the Virginia Association of Volunteer Rescue Squads. The EMSAB reviews status reports from the OEMS on the Rescue Squads Assistance Fund, regional EMS Councils, and emergency medical services vehicles.

As part of the advisory board structure, there are 21 committees that function in support of the EMSAB providing for a wide array of stakeholder input. These committees include:

- Advisory Board Executive Committee
- Communications Committee
- Emergency Management Committee
- EMS for Children Committee
- Financial Assistance and Review Committee
- Legislative & Planning Committee
- Medevac Committee
- Medical Direction Committee
- Provider Health and Safety Committee
- Rules and Regulations Committee
- Training and Certification Committee
- Transportation Committee
- Trauma System Committees

- Workforce Development Committee
- Trauma Administrative and Governance Committee
- System Improvement Committee
- Injury and Violence Prevention Committee
- Prehospital Care Committee
- Acute Care Committee
- Post-Acute Care Committee
- Emergency Preparedness and Response

Hosting costs for EMSAB meetings were previously high, exceeding $400,000 annually, due to expenses associated with meeting logistics, travel reimbursement, and meals for attendees. However, following cost containment strategies implemented in FY 2024, these expenses have been reduced to approximately $150,000 per year. This reduction is indicative of broader fiscal constraints and efforts to manage the OEMS budget more efficiently.

Despite these efforts, the EMSAB faces significant challenges. The large size of the board, including its committees, with over 75 members, has led to inefficiencies in decision-making. The board's extensive membership and numerous committees often result in difficulties in reaching consensus and managing complex logistical and organizational issues. This has impeded the board's ability to fulfill its mission effectively, as decision-making can become bogged down by minor details and procedural hurdles. Moreover, the EMSAB has been reminded on several occasions by previous OEMS leadership that its role is advisory and it lacks the authority to regulate or directly influence the OEMS operations.

EMS agencies perceive the EMSAB as having limited impact on improving the OEMS and the EMS system in Virginia. This perception is worsened by the board's lack of transparency and accessibility. EMSAB meetings are neither recorded nor available online, and delays in posting minutes hinder remote agencies' ability to stay informed. The in-person meeting format in Richmond further limits participation from across the state, leading to a sense of exclusion. To improve effectiveness and inclusivity, the EMSAB needs to update its format and communication strategies, ensuring equal engagement opportunities for all EMS agencies and providers in the Commonwealth.

Changes in EMS Agencies, Volume, and Workforce

Summary

The ACE Division provided EMS agency data in an aggregated format but did not supply raw data, preventing FITCH from analyzing the number of providers by agency type or certification level. As a result, FITCH could not verify the accuracy or activity status of the reported provider numbers. Despite this limitation, FITCH analyzed the available data and provided summary findings.

Since 2019, EMS agencies have decreased by 6.45% (38 fewer agencies), with community and non-profit agencies dropping by 15.29% (39 fewer agencies). Meanwhile, government non-fire and fire department agencies increased by 6.9% (7 agencies), and hospital-based EMS agencies doubled to a total of eight (4 new agencies). During this period, EMS call volume increased by 20.88% (295,162 more since 2017), and the provider workforce grew by 7.9% (2,774) additional providers. However, there was a 43.9% reduction (340 fewer) in Emergency Medical Responder (EMR) certifications, likely reflecting a decline in volunteerism.

Interviews with Councils, agencies, and providers indicated a perception of fewer EMS providers compared to previous years. However, the workforce has expanded, and the loss of volunteers continues to create gaps that the current growth has not fully addressed.

The following tables reflect the FITCH analysis of the available data.

The figure below reflects the change in number of agency types.

Figure 2: Number of EMS Agencies by Type

Agency Type	2019	2020	2021	2022	2023	2024	Change	% Change
Total EMS Agencies	589	585	570	564	559	551	(38)	(6.45%)
Community, Non-Profit	255	254	245	234	227	216	(39)	(15.29%)
Fire Department	188	190	187	190	193	193	5	2.65%
Government, Non-Fire	47	43	43	43	46	49	2	4.25%
Hospital	4	5	6	9	8	8	4	100%
Private, Non-Hospital	95	93	89	88	85	85	(10)	(10.52%)
Tribal	0	0	0	0	0	0	0	
Federal EMS Agencies					15	15	15	
Active Vehicle Permits	4283	4326	4170	4144	3994	4007	(276)	(6.44%)

Of note, the data was aggregated by OEMS, and FITCH did not receive the raw data for independent analysis.

The figure below illustrates EMS call volume across the state, including both emergency responses (primarily 911 calls) and non-emergency responses (such as hospital transfers, nursing home transports, and dialysis patient transports).

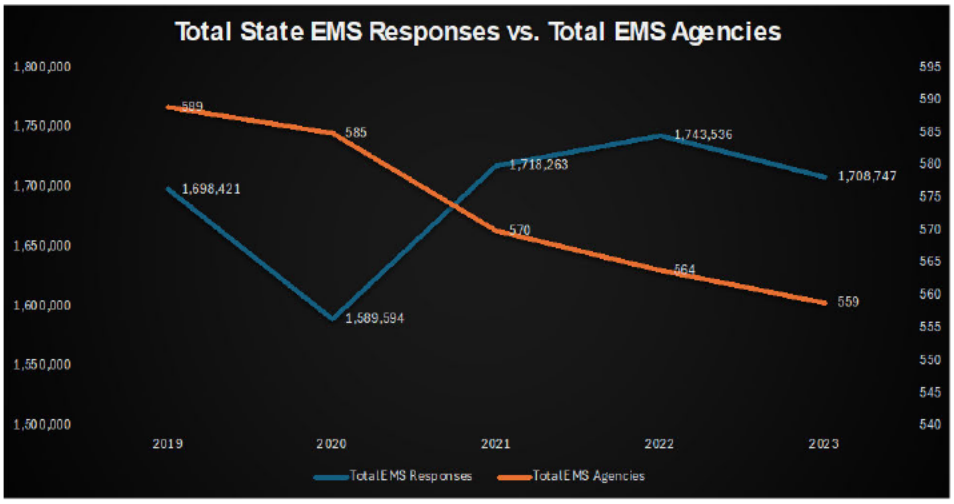
Figure 3: EMS Response Data

Years	Total Emergency Responses	Total Non-Emergency Responses	Total EMS Responses	Percent Change from 2017
2017	1,121,273	***292,312***	1,413,585	
2018	1,159,293	***412,116***	1,571,409	11.16%
2019	1,204,619	***493,802***	1,698,421	20.15%
2020	1,139,957	***449,637***	1,589,594	12.45%
2021	1,300,001	***418,262***	1,718,263	21.55%
2022	1,356,210	***387,326***	1,743,536	23.34%
2023	1,335,764	***386,810***	1,708,747	20.88%

Again, the data was aggregated by OEMS, and FITCH did not receive the raw data for independent analysis.

The EMS responses relative to the number of agencies show that critical issues emerged between 2020 and 2021.

Figure 4: EMS Responses Vs. Total EMS Agencies



FITCH would have compared provider numbers against call volume, but OEMS does not track active versus inactive providers, which could impact the analysis.

The figure below shows the average number of EMS providers by certification type.

Figure 5: Number of EMS Providers by Certification Type

Certification	2017	2018	2019	2020	2021	2022	2023	Change	% Change
Total Providers	34952	35518	36187	36471	36663	37217	37726	2774	7.9%
EMR	775	710	649	594	512	442	435	(340)	(43.9%)
EMT	22855	23353	23856	23956	24144	24616	25264	2409	10.5%
Advanced EMT	2027	1931	1995	2121	2227	2335	2406	379	18.7%
Intermediate	2883	2760	2521	2348	2146	1983	1815	(1068)	(37.0%)
Paramedic	6413	6764	7165	7543	7585	7843	8241	1828	28.5%

The decision to stop certifying at the Intermediate level resulted in a 37% decrease in certified personnel, with 1,068 Intermediate providers' status remaining unclear—whether they obtained another EMS certification or left EMS entirely. Additionally, OEMS does not track active versus inactive providers. FITCH evaluated the provided data and noted discrepancies within the information from the ACE Division EMS portal.

Figure 6: EMS Portal Provider Data Discrepancy

Certification	2017	2018	2019	2020	2021	2022	2023	Change	% Change
Total Providers	34953	35518	36187	36562	36614	37219	38161	3208	9.1%
Discrepancy	1	0	0	91	-49	2	435	434	1.2%

The 1.2% overall difference is concerning because the ACE Division promotes the EMS portal system as the primary and most accurate repository for all Accreditation, Certification, and Education data.

A data request was submitted to the ACE Division to address concerns raised in meetings regarding the difficulty of obtaining Education Coordinator certification for the Education and Ancillary levels. The table below displays the number of Education and Ancillary providers.

Figure 7: Number of Education and Ancillary Providers

Certification	2017	2018	2019	2020	2021	2022	2023	Change	% Change
ALS Coordinator	120	99	83	75	69	53	45	(75)	-62.5%
Education Coordinator	572	605	595	655	686	725	731	159	27.8%
Emergency Ops. Inst.	81	50	70	68	91	128	103	22	27.2%
EMS Physicians	225	228	222	221	224	225	224	(1)	-0.4%

The table shows a 27.8% increase in Education Coordinators from 2017 to 2023, adding 159 more in the Commonwealth. In contrast, ALS Coordinators saw a 62.5% decrease due to the sunsetting of this certification and the introduction of the Education Coordinator level.

Financial Review

Financial Discrepancies Discovered

In mid-2023, VDH and OEMS identified $33 million in financial discrepancies caused by overspending, poor fiscal management, and fraud. As a result, funding for all but essential obligations, such as payroll, was frozen, severely impacting programs like the Rescue Squad Assistance Fund (RSAF) and Return to Locality (RTL) program. The EMS Next Steps Workgroup was formed to assist in prioritizing and managing OEMS payments.

An extensive investigation followed. The Office of Internal Audit was tasked with auditing OEMS financial records, and VDH assigned a new Business Manager to assess the situation and help stabilize finances. However, the leadership structure in OEMS remained unchanged at that time.

FITCH identified key causes:

- Years of minimal Virginia Department of Health (VDH) oversight
- Lack of internal policies, financial controls, and adherence to procurement policies
- Absence of modern accounting or financial management software
- Challenges with Manual Financial Tracking and Invoice Management
- Use of Regional Councils to circumvent procurement policies
- Escalating costs of the Virginia EMS Symposium
- Funding to struggling Regional Councils by OEMS
- Hybrid Regional EMS Councils Model adds cost and disparity
- Unfunded mandated programs
- Expansion of EMS Advisory Board costs
- Expensive facilities and assets
- A fixed revenue mechanism unable to accommodate normal expenditure increases

Governor Youngkin and the Legislature allocated $33 million over two years to address debts and over-obligations. However, FITCH now projects that the $33 million additional allocation will be insufficient to cover all debts and obligations over the two-year period without significant changes. Additionally, after this two-year period, if no changes occur within OEMS, the significant annual shortfall will continue.

Identified Key Causes

Years of Minimal Virginia Department of Health (VDH) Oversight

OEMS operated mostly independent for years with minimal oversight from the VDH, leading to unchecked spending and financial decisions that were not in the best interest of the organization or the public. Before current leadership uncovered years of overspending, there was little focus on reallocating funds, implementing checks and balances, or scrutinizing expenditures. Previous internal audits showed minimal improvement, and corrective actions were neglected. This lack of oversight, coupled with absent or unethical management, compromised the financial integrity and efficiency of OEMS, resulting in wasted resources that could have been better allocated to essential services, equipment, and training, ultimately undermining its mission.

Lack of Internal Policies, Financial Controls, and Adherence to Procurement Policies

FITCH's evaluation uncovered serious deficiencies in OEMS's financial governance, including a lack of controls that heightened the risk of overspending and fraud. FITCH and VDH discovered the absence of internal guidelines and policies for financial controls, raising concerns about compliance with Commonwealth procurement standards. Contracts with Councils were modified to bypass procurement policies, such as the $6 to $9 million ESO[4] contract through the Western EMS Council.[5] Additionally, spending approvals were concentrated in single points, and invoices were not properly matched within the Commonwealth's accounting system to ensure funds were spent on approved and budgeted items.

In response, VDH and FITCH implemented comprehensive reforms to enhance transparency, accountability, and efficiency. Key measures included establishing internal policies for financial discipline, instituting monthly financial review meetings, and enforcing rigorous internal controls to monitor transactions and prevent unauthorized spending. The policy framework also required multiple approvals for significant expenses, ensuring a robust system of checks and balances.

Challenges with Manual Financial Tracking and Invoice Management

The Commonwealth uses a centralized accounting system for the government; however, at the agency level, leadership is reliant on spreadsheets to track finances to monitor revenues and expenditures. VDH and OEMS leadership now meet daily to review financial positions and allocate resources, but this process is hampered by the limitations of manually updated Microsoft Excel spreadsheets, creating

[4] Patient care reporting system

[5] The ESO contract was entered into with no clear understanding of the final cost with the relationship. The terms of the agreement allowed for agencies across the commonwealth the option to join. The range for total cost depended on the number of agencies that chose to join the contract as the OEMS committed to paying for all of these agencies to join, there was no accurate forecast on the cost to the Commonwealth.

transparency issues. FITCH found 527 unpaid invoices within the first week of this engagement and worked with VDH, OEMS, and the EMS Next Steps Workgroup to document and prioritize payments. This manual approach slows decision-making, increases the risk of human error, invites fraud, and lacks the audit trails provided by modern financial software, complicating the tracking of changes and the rationale behind financial decisions. As of this report, OEMS is up to date with its invoice tracking.

Use of Regional Councils to Circumvent Procurement Policies

OEMS operates under the regulatory constraints imposed by the Commonwealth, whereas the 11 EMS Councils function as 501(c)(3) nonprofit entities with contractual relationships with OEMS. This structural arrangement provided OEMS with the opportunity to bypass the stringent Commonwealth procurement policies.

To leverage this setup, OEMS utilized existing contracts with the Councils, which were initially established for operational collaborations and base funding. By amending these contracts, OEMS transferred purchasing responsibilities to the Councils, effectively allowing it to improperly sidestep the Commonwealth's procurement regulations. This indirect procurement strategy enabled OEMS to acquire specific items and services through the Councils, thus avoiding the procedural and approval constraints typically enforced within the Commonwealth's procurement framework.

Items and services procured through this method included:

- Symposium and associated expenses
- ESO software, a data repository and patient care reporting system, costing $6 to $9 million
- Information technology security and project implementation
- Costs associated with the Hybrid Council model, covering labor, materials, and infrastructure
- Vector Training
- Blackboard

While this approach allowed OEMS to meet its procurement needs, it also circumvented formal regulatory oversight, potentially leading to issues with the proper allocation of funds to cover associated costs.

Escalating Costs of the Virginia EMS Symposium

Established in 1980, the Virginia EMS Symposium evolved into a major event for EMS training, providing educational sessions, workshops, and networking opportunities for professionals across Virginia and beyond. However, the Symposium was predominantly paid for through the Western EMS Council, and costs rose, surpassing $1.6 million in 2022.

OEMS financial challenges uncovered in 2023 led to the cancellation of the Symposium. In its absence, Regional EMS Councils and Health Care organizations developed local symposiums to provide continuing education. These smaller, localized events were often valued more than the larger statewide symposium, highlighting the effectiveness of targeted regional training. Despite this, the value of convening EMS thought leaders in a single location remained significant.

The situation highlights the need for localized educational events and regional leadership meetings to foster collaboration and peer learning. Continuing virtual training is also essential for supporting EMS providers. The Commonwealth should continue supporting local training and education initiatives as opposed to the larger Symposium model.

Funding to Struggling Regional Councils by OEMS

The Regional EMS Councils were established as independent bodies with self-reliant financial resources to address local EMS needs and ensure high-quality service through innovation, oversight, and strategic planning in their respective regions. However, funding reductions from various EMS agencies, local communities, and supportive programs created significant operational challenges, leaving many Councils struggling to maintain service quality.

In response, OEMS stepped in to provide direct financial support with annual allocations ranging from $229,273 to $654,618 per Council, reflecting their varied needs, operational scales, and Council type. Traditional Councils receive base funding from agencies, localities, and the Commonwealth, while Hybrid Councils receive additional personnel and infrastructure funding from the Commonwealth. This funding range below does not include "pass-through" funds for specific projects, special grants, or other financial assistance, which are handled separately. This is representative of the Commonwealth's cost to support the 11 Regional Councils.

Figure 8: Annual Cost of Regional EMS Councils

Council Type	EMS Council	Salary $ w/ Benefits	Base Contract Annual	Annual Contract Addons	Total Annual Cost
Hybrid	Blue Ridge	$ 355,591	$ 250,000		***$ 605,591***
Hybrid	Central Shenandoah	$ 475,309	$ 250,000		***$ 725,309***
Hybrid	Rappahannock	$ 363,414	$ 250,000		***$ 613,414***
Hybrid	Southwest Virginia	$ 126,116	$ 250,000		***$ 376,116***
Traditional	Lord Fairfax		$ 272,121	$ 48,000	***$ 320,121***
Traditional	Northern Virginia		$ 346,537	$ 174,000	***$ 520,537***
Traditional	Old Dominion		$ 483,667		***$ 483,667***
Traditional	Peninsulas		$ 457,952	$ 99,383	***$ 557,335***
Traditional	Tidewater		$ 476,775	$ 56,298	***$ 533,073***
Traditional	Thomas Jefferson		$ 229,273		***$ 229,273***
Traditional	Western Virginia		$ 625,018	$ 29,600	***$ 654,618***
	Totals	***$ 1,320,430***	***$ 3,891,343***	***$ 407,281***	***$ 5,619,054***

The table excludes special add-on projects like ESO, Symposium, Regional IT, and Scholarships. The listed add-ons pertain only to specific positions (e.g., Medical Director, Administrative Assistant, QA/QI).

Hybrid Regional EMS Councils Model Add Cost and Disparity

In 2019, the OEMS established a strategic partnership with four Regional EMS Councils due to their inadequate financial resources. This collaboration provided OEMS staffing, educational funding, operational costs, and infrastructure support. However, it led to funding disparities among the 11 Councils resulting in tension and perceived inequalities.

A FITCH review revealed differences in funding across Regional EMS Councils. Contributions from EMS agencies and municipalities varied widely, with some regions allocating RTL funds to support their Councils, while others provided what they could afford. Many agencies reported insufficient value from these arrangements or believed they could manage independently, thus reducing or forgoing future payments to Councils.

To ensure fiscal accountability and transparency, it is recommended that future Commonwealth allocations to Regional EMS Councils include provisions for audits at any time during the contract period. Additionally, FITCH recommends that each Regional EMS Council conducts an annual internal financial

audit, with findings submitted to the OEMS. This policy aligns with practices used by organizations like the VCU Health System in Richmond, Virginia.[6]

Unfunded Mandates

Over the years, the OEMS has expanded its functions to include Trauma Fund Management, E911 Dispatch accreditation, Community Health and Technical Resources (CHaTR), and Emergency Preparedness. These expansions were often undertaken without securing long-term funding, leading to the implementation of legislatively mandated programs without a clear financial strategy. As a result, the added costs of managing new programs have exceeded the office's budget.

For example, the annual operational costs of Trauma Fund Management have escalated to $500,000 without a corresponding budget increase. This situation underscores the importance of financial planning and sustainability in public services, where program expansion is driven by legislative mandates rather than economic viability. Effective financial oversight is essential to ensure that service expansions are adequately funded and do not compromise organizational stability.

EMS Advisory Board Expansion Cost

The EMS Advisory Board (EMSAB) has expanded to 28 members across 21 specialized subcommittees. The OEMS traditionally covered all essential expenses for members to attend quarterly meetings in Richmond, including travel, accommodations, conference room leases, and meals. By 2023, these costs exceeded $400,000 annually, raising concerns about budgetary pressures and fiscal responsibility.

In response, VDH implemented strategic cost-reduction measures, cutting the annual meeting expenses to just over $150,000. However, this reduced amount remains a significant budget item, requiring ongoing scrutiny to ensure that spending directly enhances the quality and efficiency of emergency medical services. VDH continues to explore additional strategies to ensure that resources are allocated to serve the public's best interests, including virtual meetings and the reduction of EMSAB membership.

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[6] **State Code:** The Code of Virginia mandates that certain public institutions and entities, including VCU Health System, must have their financial statements audited annually. For example, Section 23.1-306 of the Code of Virginia requires the financial statements of public institutions to be audited annually by the Auditor of Public Accounts or a certified public accountant.
Contracts: Specific contracts between VCU Health System and state agencies may also include clauses requiring annual financial audits. These contracts are typically structured to ensure transparency and accountability, aligning with state requirements.

Expensive Facilities and Assets

The OEMS, located in Glen Allen, Virginia, occupies a large, costly office space. The OEMS also leases and maintains other facilities. In total, the annual leasing and maintenance expenses exceed $500,000. To reduce costs, VDH should consider relocating the OEMS to a shared facility with other VDH programs at the central office or co-locate with other Commonwealth entities. This move could significantly cut expenses and improve financial oversight.

The OEMS also manages an extensive fleet, including vehicles and ATVs, which has raised concerns regarding its alignment with the OEMS's coordination role. A fleet review will enhance resource allocation and efficiency. Despite previous VDH efforts, progress in reducing the fleet has been limited, highlighting the need for renewed focus on downsizing and optimization.

A strategic evaluation of both the office space and fleet management will yield substantial cost savings, better resource utilization, and improved operational efficiency. This requires a concerted effort to critically assess current practices and embrace changes that promote fiscal responsibility and effective public service.

Fixed Revenue Mechanism Unable to Accommodate Normal Expenditure Increases

Over a decade ago, the Four-for-Life program was established to support the OEMS by earmarking $4.00 from each vehicle registration fee collected by the DMV exclusively for EMS funding. This was later increased to $6.25 to meet growing demands. However, this funding remains tied to the original budget structure, which does not account for changes in the Consumer Price Index (CPI). As a result, the fixed nature of this funding is increasingly misaligned with rising costs, leading to over-expenditure and threatening the long-term sustainability of EMS programs.

The disparity between static funding and escalating costs highlights the need for a more adaptive funding model. Future OEMS funding must consider the dynamic economic environment, including inflation, to ensure EMS services can continue to meet community needs effectively. A model that adjusts for CPI and accommodates the expanding demands on EMS infrastructure would better sustain robust and responsive services, upholding the Commonwealth's commitment to public health.

Virginia State Police Med-Flight

The Virginia State Police (VSP) initiated air medical operations in 1987 with two helicopters serving Central and Southwest Virginia, facilitating rapid transport for critically injured patients. The Med-Flight program, while operating as a first-right-of-refusal service, is not always the closest due to legacy response protocols and differing billing practices. The Office of Emergency Medical Services (OEMS) allocates $3.1 million annually to Med-Flight, with $2.05 million from DMV funds and over $1 million from

RSAF grants, which reduces available EMS agency grants. In FY 2026, an estimated $1.3 million will be reallocated from trauma center funding to Chesterfield County for Med-Flight staffing as a result of language in the Appropriations Act signed.

Given the increase in helicopter EMS providers since Med-Flight's inception, the Virginia Department of Health (VDH) and stakeholders should reevaluate the funding structure. Specifically, the allocation of DMV, RSAF, and trauma center funds to Med-Flight warrants review to determine if it remains justified. Figures 9 and 10 illustrate the coverage areas of VSP Med-Flight helicopters and all licensed air medical helicopters, respectively, highlighting service distribution and geographical overlap.

Figure 9: Air Ambulance Locations

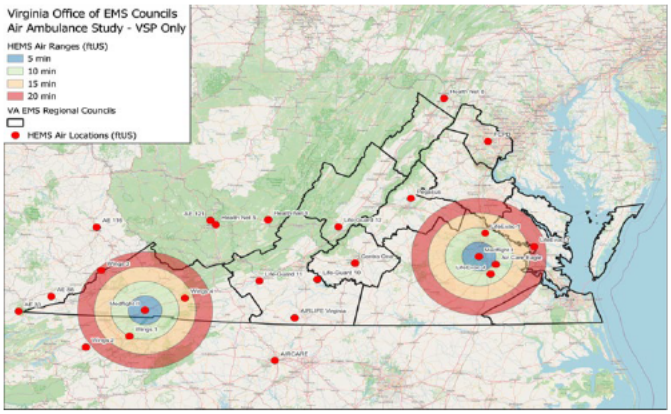
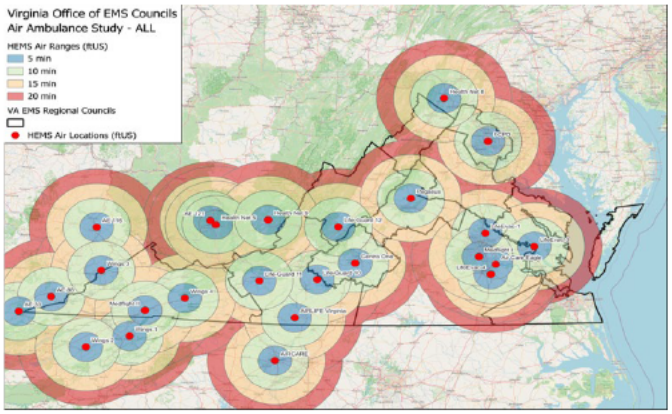


Figure 10: Air Ambulance Coverage



Review of Budgetary Actuals and Associated Expenditures

FITCH collaborated with both VDH and OEMS leadership to assess its financial performance and viability. The evaluation was hindered by insufficient documentation and policies. Additionally, OEMS had neglected accounts payable tasks for an unspecified period, complicating the financial assessment. This lack of information impeded FITCH's ability to fully grasp the financial challenges during their consultancy.

Complications also arose from how Regional EMS Councils managed expenditures, often categorizing purchases as "pass-throughs" rather than properly classifying them as OEMS expenses. This practice, combined with inadequate record-keeping, made it difficult for FITCH to accurately identify these transactions. Proper classification under "Cost to Run OEMS" would have provided a clearer picture of operational costs. The OEMS operates with an annual budget of $56 million, with $50.6 million allocated as pass-through funds for various programs. Total annual expenses, including salaries, amount to $7.8

million, resulting in a $2.4 million deficit. VDH and OEMS are projecting for Fiscal Year 2025 a deficit of $6 million.

In clarifying the financial breakdown, FITCH divided the expenses further to outline how funds are allocated and for which specific programs. It was found that an annual expenditure of $5.619 million within these pass-through dollars was allocated to Council funding but should be accounted for as a direct cost of running OEMS. Therefore, when considering both figures, the total annual operating cost of the OEMS is $13.4 million, not $7.8 million.

Revenues are Fixed and Inadequate

Analysis has shown that current revenues are insufficient to sustain the current OEMS operating mode. The primary revenue source for OEMS is based on Department of Motor Vehicles (DMV) vehicle registration fees. However, DMV revenue has remained flat for many years. This funding mechanism allows no annual adjustments for cost-of-living increases, additional mandates, or new programs.

The growing gap between fixed funding and escalating costs throws into sharp relief the necessity for a more adaptive funding strategy. Future considerations for funding OEMS must consider the current dynamic economic environment. An ideal model would reflect the current inflation rate and accommodate the expanding needs of the EMS infrastructure.

Expand Funding for Agencies and Workforce Development of Providers

VDH and the Commonwealth must develop a more robust financial strategy for distributing OEMS funds, ensuring precise and sufficient allocation to EMS agencies and regions. This strategy should address key concerns such as the need for more providers and the replacement of aging equipment.

Nationwide, EMS services face financial strain as operating costs exceed revenues from Medicare, Medicaid, and private insurance. This has forced local agencies to consider cutting coverage, reducing services, or even shutting down, placing the financial burden on municipalities and healthcare institutions. In Virginia, this has led to a 12% decrease in private EMS agencies and an 18% decrease in community and non-profit agencies, while hospital-based EMS agencies have increased by 50%.

Investing in workforce development and assets could greatly benefit the Commonwealth by expanding EMS coverage and addressing the critical shortage of EMTs, notably in the Southwestern region with a 27% reduction. Expanding the RSAF (Rescue Squad Assistance Fund) to include private and for-profit entities would ensure equitable access to funding and enhance service availability across all EMS services. Additionally, the program should ensure funds are distributed across diverse communities to provide equitable opportunities. This inclusive approach is crucial for sustaining and growing the EMS system, leading to a more resilient infrastructure.

Recent Interventions

Recent Interventions by VDH and FITCH Regarding OEMS Financial Oversight

Following the discovery of financial issues by VDH and in partnership with FITCH, several corrective measures are being implemented to improve fiscal oversight. Daily and monthly financial reviews have been introduced to ensure continuous monitoring and accountability, providing greater transparency and early detection of discrepancies. Additionally, contracts previously managed by Regional EMS Councils are being transferred back to OEMS or discontinued, centralizing control and streamlining operations.

The previous OEMS Director had 11 direct reports, leading to an unsustainable span of control and disorganized Council reporting. To improve oversight, communication, and accountability, VDH and FITCH restructured the reporting system, adding three Deputy Directors under the OEMS Director, creating a more manageable span of control.

To strengthen financial integrity, comprehensive policies, workflows, and control systems have been established, supported by the appointment of a dedicated Business Manager to help with the fiscal analysis to address irregularities and support ongoing financial operations. VDH and OEMS have also appointed a new Business Manager to oversee financial operations and implement best practices. The OEMS structure has been reorganized, with a Deputy Director now overseeing the Business Manager and optimizing grant funding processes, ensuring a strategic focus on financial management.

A key contractual adjustment includes the renegotiation of the $9 million ESO contract, which will now be managed directly by OEMS for better alignment with organizational goals. The appointment of the Business Manager in April 2024 further reinforces OEMS's commitment to sustainable financial practices, setting a foundation for transparency, efficiency, and effective resource management.

Pathway Forward

Overview

The pathway forward for the Commonwealth of Virginia, as outlined by FITCH, includes several crucial decision categories that are summarized by:

1. Improve EMS governance, including best practices
2. Immediate and midterm actions for consideration
3. Long-term strategies for improved operations and sustainability
4. Ensuring Continuity in Political Transitions

FITCH recommends options that address potential legislation, regulatory, structural, employee, and funding implications to tackle identified challenges. Given the stakeholders and system complexities, a broad, incremental strategy is essential to facilitate necessary adjustments. Complex issues are best addressed through careful, planned solutions that allow for execution and performance assessment.

Improve EMS Governance

The governance of the OEMS involves the leadership and oversight ensuring the efficient operation of Virginia's statewide EMS system. The OEMS sets the system's direction, establishes goals, and collaborates with regional councils to coordinate efforts. It is responsible for developing and enforcing standards for EMS personnel, training, and equipment to maintain consistent care quality, as well as managing funding and resource allocation for EMS agencies.

The Pillars of Effective EMS Governance

A well-functioning EMS system relies heavily on a robust governance framework. This framework should be built upon several key pillars including:

- Transparency and Accountability
- Strong Leadership and Oversight
- Collaboration and Stakeholder Engagement
- Legal and Regulatory Framework

Transparency and Accountability

Transparency and accountability are critical to a trustworthy EMS system. Key practices include publishing detailed budgets, reporting performance variances, and sharing expenditure reports. Open communication with stakeholders, such as through public meetings, websites, and social media, ensures clarity and accessibility. Independent audits further demonstrate fiscal responsibility.

Data sharing enhances transparency by providing performance metrics, including response times, survival rates, and protocol adherence. This promotes public trust, encourages engagement, and supports informed oversight.

Accountability is achieved through clear decision-making processes, published protocols, and performance monitoring against benchmarks. A system for reporting concerns ensures ethical standards and continuous improvement. Accountability fosters consistent care delivery, responsible resource use, and system enhancements.

Together, transparency and accountability build trust, engage stakeholders, and ensure high-quality EMS services through responsible governance and effective resource management.

Strong Leadership and Oversight

Effective OEMS governance relies on strong leadership and robust oversight mechanisms. Leaders must combine EMS expertise with management skills, including operations, clinical care, logistics, and system administration. They must also demonstrate the ability to lead and motivate a diverse team, communicate a long-term vision, and address emerging challenges.

High ethical standards are essential, with leaders promoting transparency, accountability, and responsible resource use. Effective oversight, such as through the Virginia State EMS Advisory Board, is crucial. The board should include independent stakeholders with expertise in EMS operations, finance, legislation, and regulation, providing objective policy advice and performance reviews.

Additional oversight mechanisms, including internal controls, clear spending procedures, and regular internal and external audits, help prevent mismanagement. Strong leadership and oversight ensure the EMS system is aligned with the needs of the Commonwealth, prioritizes high-quality care, and fosters public trust through evidence-based practices and resource efficiency.

This pillar of strong leadership and oversight provide clear direction, operational efficiency, and a focus on continuous improvement in EMS governance.

Collaboration and Stakeholder Engagement

Collaboration and stakeholder engagement are vital to effective EMS governance, promoting shared responsibility and informed decision-making. Within the EMS system, collaboration among public, private, and volunteer agencies ensures unified protocols and efficient resource use. Cooperation between EMTs, paramedics, dispatchers, and medical facilities enhances seamless patient care and communication.

Beyond the EMS system, partnerships with public health departments align EMS with broader health goals, while collaboration with emergency management agencies integrates EMS into preparedness and response plans. Stakeholder engagement, involving EMS personnel, community leaders, and citizen advocacy groups, ensures the system is responsive and accountable to diverse community needs.

The benefits of collaboration include a shared vision, coordinated efforts, and data-driven resource allocation. Open communication fosters trust, promotes best practices, and enhances public confidence in the EMS system.

Legal and Regulatory Framework

A robust legal and regulatory framework is essential for effective EMS governance, ensuring public safety and consistent high-quality care. State laws provide clear guidelines on licensing requirements for EMS agencies, personnel, and vehicles, defining scope of practice for various EMS roles and establishing equipment standards. Data reporting requirements mandate tracking performance metrics like response times and patient outcomes for continuous improvement.

Federal oversight, including National Highway Traffic Safety Administration (NHTSA) standards for ambulance design and Centers for Medicare & Medicaid Services (CMS) regulations for services under Medicare and Medicaid within the U.S. Department of Health and Human Services (HHS), complements state laws. Effective enforcement mechanisms include regular inspections, investigations of misconduct, and sanctions such as fines or license suspensions.

This framework ensures qualified personnel, uniform care standards, and accountability across EMS agencies. Balancing regulatory requirements with affordability and allowing for innovation ensures the framework remains adaptable and cost-effective while maintaining safety and care standards. A comprehensive legal structure supported by enforcement promotes a reliable and high-quality EMS system.

Other Governance Considerations

Quality Improvement and Innovation: Implement systems for continuous data collection and analysis of EMS performance metrics to identify improvement areas. Adopt new technologies, training methods, and operational strategies to enhance EMS effectiveness and efficiency.

Workforce Development and Training: Set clear training standards for EMS personnel and support ongoing professional development to ensure high-quality care and up-to-date skills.

Sustainability and Resource Management: Develop a sustainable funding model and optimize resource allocation, including personnel support and assets, to effectively meet community needs.

Integrating these focus areas with transparency, accountability, leadership, collaboration, and legal frameworks will strengthen EMS governance, ensuring high-quality, adaptable care and continuous improvement.

Immediate and Midterm Actions for Consideration

To enhance efficiency and effectiveness within OEMS, the following immediate and midterm interventions are recommended:

Organizational and Staffing Adjustments:

- Eliminate OEMS staff from non-essential committees
- Consider eliminating non-essential committees
- Refocus regulation and compliance on customer service
- Reduce EMSAB size and hold virtual meetings

Operational and Financial Revisions:

- Cut unnecessary expenses for EMSAB services and accommodations
- Move from spot to scheduled inspections
- Suspend strategic plan work until execution clarity is achieved
- Deploy updated financial software for improved financial management.

Structural and Functional Reviews:

- Assess communication technology roles in Emergency Operations Plans (EOP) and potential duplication with other state agencies

- Explore transferring EOP functions to entities like VDEM or VDH's Office of Emergency Preparedness
- Evaluate potential downsizing of the CHaTR Program
- Consider American College of Surgeons (ACS) designation rather than in-house designation

Contractual and Cost Evaluations:

- Review and renegotiate Council contracts to reduce costs and specify performance outputs
- Assess and potentially renegotiate or terminate vendor contracts, including the ESO ePCR contract
- Evaluate the feasibility of relocating the epidemiological team within VDH
- Determine the legality of Hybrid Councils and renegotiate traditional Councils if necessary

Long-term Strategies for Improved Operations and Sustainability

FITCH has identified five primary decision points for the Commonwealth to consider improving operations and ensuring long-term sustainability. These points offer options and action items for enhancing service delivery from OEMS to EMS agencies and providers, aiming to better serve residents and visitors. The decision points include:

1. OEMS Positioning for Strong Oversight
2. Regional Structure and Support
3. Policy and Regulatory Process Review
4. Community Input and EMS Oversight Enhancement
5. Education, EMS Portal, and Department Functions

Decision Point 1: OEMS Positioning for Strong Oversight

The Office of Emergency Medical Services (OEMS) currently operates under the Virginia Department of Health (VDH). However, with the evolving EMS landscape—marked by increased involvement of fire departments in EMS transport, hospitals managing patient transport, and emerging community paramedicine and public health roles—the optimal placement of the OEMS within the state government warrants reevaluation.

The EMS Agenda 2050 envisions a transformative future where EMS is a people-centered, community-based health management system, seamlessly integrated with the broader healthcare infrastructure. This future EMS model will not only manage acute care and chronic conditions, but also enhance community health and optimize resource use, reinforcing EMS as a vital safety net.

Figure 11: EMS Agenda 2050 Framework

Given these developments and the framework outlined by EMS Agenda 2050, there is a critical need to evaluate whether the OEMS's alignment with VDH is still appropriate or if reorganization under the Public Safety Secretariat might be more beneficial. Four potential options for restructuring the OEMS are presented for consideration, each with implications for legislative action and future operational effectiveness.

Option 1: Remain within the Virginia Department of Health

The Virginia Department of Health (VDH) oversees a broad range of healthcare entities across the Commonwealth, including the Office of Emergency Medical Services (OEMS). VDH's existing advisory board, which includes numerous subcommittees, supports both the department and OEMS, facilitating valuable feedback and collaboration.

VDH's alignment with various healthcare partners positions it well for addressing public health emergencies, emergency preparedness, and mass casualty situations. Given this integration, it would be advantageous for OEMS to remain within VDH. Enhancing stakeholder alignment by incorporating more public safety representatives on the EMS Advisory Board (EMSAB) could further improve coordination with community partners.

VDH has made considerable progress toward financial accountability and transparency within the OEMS with the full support and buy-in from VDH senior leadership. Adjusting the reporting structure of OEMS at this time may upset further progress towards those goals.

Considering the findings from recent surveys and the goals outlined in EMS Agenda 2050, FITCH recommends maintaining OEMS within VDH to support the evolving role of EMS within the broader healthcare continuum.

Legislative Action Required: None.

Option 2: Establish a Department within the Public Safety Branch of the Government

The Emergency Medical Services (EMS) industry plays a crucial role in public safety, handling over 1.3 million emergency responses annually within the Commonwealth. In addition to emergency responses, EMS manages hospital transfers and over 350,000 non-emergency requests each year.

Reorganizing the Office of Emergency Medical Services (OEMS) under the Department of Public Safety could enhance synergy with existing public safety agencies such as the Virginia Department of Fire Programs, Virginia Department of Emergency Management, and the Virginia State Police. This realignment could streamline coordination and oversight, potentially improving operational efficiency.

However, challenges include ensuring adequate engagement from the Public Safety Branch, which is already heavily involved in various activities. There would be a need to establish appropriate administrative codes, regulations, and policies to ensure consistency and effectiveness with changes in leadership.

Legislative Action Required: Yes, to transition OEMS from VDH and establish it as a new Department of EMS within the Public Safety Branch of government.

Option 3: Merge with the Virginia Department of Fire Programs (VDFP), creating a new Virginia Department of EMS & Fire Programs

In recent years, Fire Departments have significantly expanded their role in providing EMS transport services, surpassing fire-related activities in volume. Fire Departments now manage the majority of emergency 9-1-1 responses, highlighting their critical role in EMS.

Currently, the Virginia Department of Fire Programs (VDFP) primarily functions as a funding mechanism for fire education and certification but does not handle regulatory or compliance activities. Merging the Office of Emergency Medical Services (OEMS) with VDFP could streamline and consolidate services, particularly in education and training, reducing duplication and enhancing consistency for providers.

However, this merger would require VDFP to expand its scope to include regulatory and compliance functions, a significant shift from its current role. Additionally, merging the two entities could impact

funding management and necessitate a comprehensive review of legal and financial implications. Implementing this option would likely be complex and time-consuming.

Legislative Action Required: Yes, to consolidate OEMS with VDFP and establish a new Virginia Department of EMS and Fire Programs within the Public Safety Branch of government.

Option 4: Dissolve the OEMS completely, parsing the various regulatory requirements to other agencies.

This option is the most complex and involves redistributing the responsibilities of the Office of Emergency Medical Services (OEMS) to various existing agencies. Functions currently managed by OEMS overlap with several other entities within the Commonwealth of Virginia (COV), including:

- **Department of Health Professions (DHP)**: Since DHP certifies nearly all medical practitioners in the state, transferring EMS certification responsibilities to DHP would be logical.
- **Virginia Department of Fire Programs (VDFP)**: VDFP, which manages funding and education for fire services, could assume financial processing responsibilities for RSAF and RTL, aligning with its existing functions.
- **Virginia Department of Health (VDH)**: VDH's Office of Licensure and Certification, which oversees hospital licensing, could be extended to handle trauma center designations. Additionally, VDH's other funding departments could manage trauma fund distribution.

While this option might streamline operations by integrating EMS functions with related agencies, it has significant drawbacks. EMS may lose visibility at higher government levels, which could affect future funding opportunities and impede growth. Moreover, the reorganization could cause confusion among EMS providers and agencies regarding which state entity to approach for various issues.

Legislative Action Required: Yes, to dissolve OEMS and reallocate its functions to other departments.

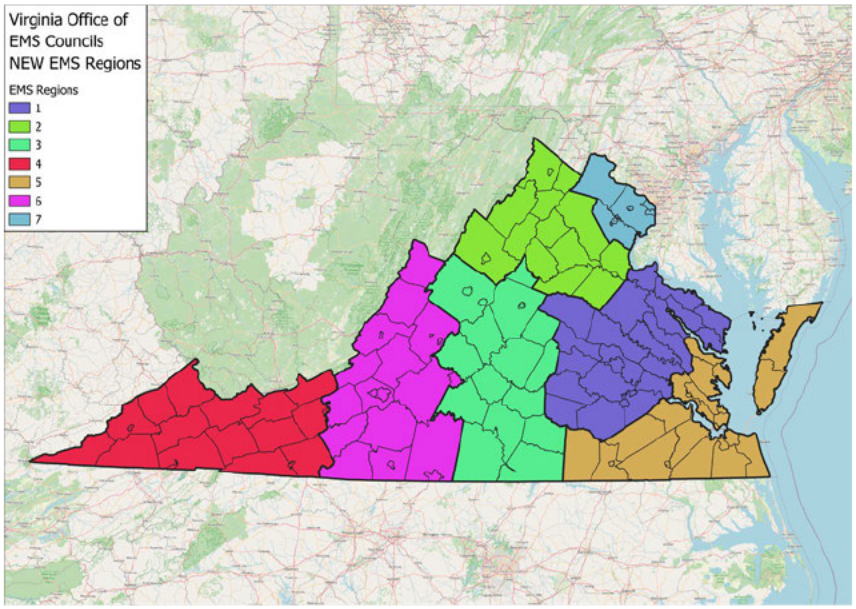
Decision Point 2: Regional Structure and Support

Virginia's EMS landscape is diverse, encompassing various community types and organizations, including volunteer, municipal, non-profit, for-profit, and federal entities. The centralized location in Richmond may not fully address the unique needs of different regions.

Currently, the Department of Emergency Management, State Police, and Virginia Department of Fire Programs operate across seven regions. However, more regions exist for Regional EMS Councils, as defined by legislation and budgetary documents. To improve efficiency and coordination, it is

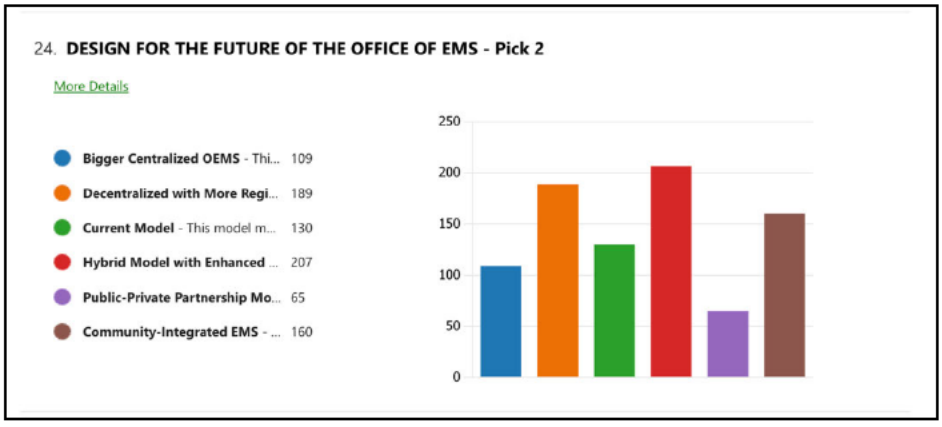
recommended to restructure Virginia's EMS system into seven regions. This alignment with existing state departments and regions aims to enhance strategic planning, streamline funding, and improve service coordination. The reorganization is expected to ensure consistent interactions with EMS agencies, achieve cost savings through shared staffing, and enhance overall service delivery.

Figure 12: Proposed EMS Regions



Legislative Action Required: Budget language must be struck that currently requires no less than the 11 existing councils. This would allow OEMS to reduce the number of Regional EMS Councils from 11 to seven and align these with existing public safety agencies. Further, co-locating the restructured EMS regions with other public safety entities would streamline operations and enhance coordination.

Figure 13: Survey Question 24 "Design for the Future of the OEMS"



FITCH has outlined two main options to improve the OEMS and Regional EMS Councils based on stakeholder feedback, which favors increased regional support and reduced central oversight.

Option 1 proposes a Decentralized structure, which emphasizes increased regional support by utilizing all state staff members within the regions. Option 2 suggests an integrated model, granting enhanced local autonomy by involving non-state staff. Both models shift responsibilities and resources to regional entities. Additionally, the Community-Integrated EMS Model advocates for deeper collaboration with public health, healthcare, and public safety partners to better integrate EMS into the broader community.

These three models—Decentralized, Integrated, and Community-Integrated—account for 65% of stakeholder preferences, underscoring the need for a flexible structure to adapt to evolving EMS requirements.

Option 1: Decentralized Structure, More Regional Support, All State Staff

The decentralized model enhances regional support by allocating more authority and decision-making to local regions while keeping staff as state employees. This approach leverages local expertise to address community-specific challenges, ensuring that those closest to the issues are involved in the solutions. The arrangement maintains state employment standards and benefits while allowing for tailored regional service management.

Under this model, FITCH proposes restructuring OEMS to align with its core mission by positioning necessary resources in seven distinct regions. Each region will be staffed with both an Education officer and a Compliance and Regulation officer, who will serve as the primary contact for EMS agencies. These staff members will collaborate with local advisory boards and medical directors' councils to coordinate support and address service needs.

The Regional Medical Director will have representation on the States Medical Advisory Committee, to ensure regional representation that is led by the State Medical Director. This representation will facilitate informed policy decisions on education, protocols, funding, and other local needs. There may be local Regional Boards or Councils that would be representative of the local agencies and work with the EMSAB to enhance the system.

While Regional EMS Councils may continue, they would no longer receive state funding. Instead, the state will assume the responsibilities for the new regional structure. State staff operating within the regions will be co-located with other state agencies, promoting coordination and cost efficiency through shared resources.

The responsibilities will be distributed as follows:

State Office:

- Support for the Medical Director and Regional Board or Council
- Development and maintenance of statewide protocols
- Oversight of data reporting and quality assurance
- Standardization of regulations and compliance
- Support for state-level education programs

Regions:

- Coordination and support for local education and training programs
- Assistance with regulation, compliance, inspections, and support for EMS agencies
- Support for local Medical Directors and regional boards or councils

Option 2: Integrated Model, Enhanced Local Autonomy, Non-State Staff

This model integrates centralized oversight with regional autonomy, balancing overarching standards with local responsiveness. The state would maintain central authority for compliance and standards, while the seven Regional EMS Councils gain enhanced autonomy to address local needs. Mixed staffing, with both state and local hires, would facilitate regional adaptability.

Under this structure, the state would establish an office focused on core mission areas, while collaborating with the Regional EMS Councils. The state would provide grants to these councils for specific activities, including staffing and service expectations. Each grant would outline positions, costs, expectations, and communication protocols.

Regional EMS Councils, which must operate as 501(c)(3) nonprofits or EMS agencies, would apply for these grants. The state would retain the right to audit funded entities to ensure compliance like the regulation in the agreement with the VCU health system. Each region would have an EMS Director, Education staff, and additional support staff, serving as local points of contact and extensions of the OEMS.

This model eliminates state employees within Regional EMS Councils, establishing clear lines of responsibility. Councils would be financially responsible for any activities beyond the grant's scope. Regional EMS Councils would have a Medical Director and advisory board, with representatives on the state's Medical Director and Regional Board to inform policy decisions on education and funding.

Responsibilities are allocated as follows:

State Office (State-funded):

- Support for the Medical Director and advisory board
- Development and maintenance of statewide protocols
- Oversight of data reporting and quality assurance
- Standardization of regulations and compliance
- Education program support

Regional EMS Councils (Grant-funded):

- Local education coordination and training
- Support for the local Medical Director and advisory board

Additional Considerations for Options 1 or 2: Community-Integrated EMS

The Commonwealth of Virginia should enhance the integration of EMS into local public health systems, moving beyond traditional emergency response roles to encompass broader health promotion and preventive care. This integration involves collaboration with public health, social services, and community organizations to provide a holistic approach to community wellness. According to the EMS Agenda 2050, EMS should be deeply embedded within the healthcare and public safety ecosystems, reflecting a shift towards proactive health management.

EMS personnel are increasingly involved in preventive measures, chronic disease management, and health education, reducing hospital admissions and supporting patient recovery through hospital-to-home programs. Their participation in public health initiatives, such as vaccine clinics, also enhances community health and trust. Despite these advancements, challenges remain due to historical barriers between the VDH and the OEMS, which have hindered seamless collaboration.

Addressing these challenges requires dismantling existing barriers and fostering continuous dialogue among stakeholders. An evolving EMS infrastructure must adapt to trends like community paramedicine and hospital-to-home care, ensuring adequate regulation, protocol adjustments, education, and funding to maintain high standards of care across the Commonwealth.

Legislative Action Required: Yes, redesign the OEMS to include only seven (7) regions and a decentralized office with either option presented.

Financial Considerations

FITCH conducted an extensive analysis to address the overspending issues faced by OEMS and identified potential cost-saving measures. The analysis involved a detailed review of current personnel costs and other expenses, with the goal of finding effective ways to reduce expenditures.

FITCH's review revealed a total expenditure of $5,784,204 for 49 positions, encompassing both salary and fringe benefits. Based on this review, FITCH proposed three distinct staffing options to help manage and reduce costs:

- Option 1: Small Central Office with Seven Regional Offices.
- Option 2: Small Central Office with Seven Regional Offices, excluding the administrative assistant.
- Option 3: Small Central Office with Seven Regional Offices, excluding the administrative assistant, emergency operations staff, and emergency medical dispatch functions.

The analysis aimed to identify potential cost savings through staffing adjustments and reductions in program expenses.

FITCH reviewed current and projected personnel costs by analyzing a list of all OEMS compensated positions. Each existing role was compared to those in the proposed staffing models. Assumptions were made to assess the needs for each future option. The figure below outlines the future staffing options.

Figure 14: Options Staffing Details

Option 1 - Small Central Office and Seven Regional Offices		Option 2 - Small Central Office and Seven Regional Offices (No AA)		Option 3 - Small Central Office and Seven Regional Offices (No AA - Eops and EMD Inc.)	
Staffing Plan		Staffing Plan		Staffing Plan	
1 - OEMS Director		1 - OEMS Director		1 - OEMS Director	
2 - Regional Coordinators		2 - Regional Coordinators		2 - Regional Coordinators	
7 - Regional Office Director		7 - Regional Office Director		7 - Regional Office Director	
7 - Program Representative		7 - Program Representative		7 - Program Representative	
2 - Division Directors Reg & Comp, ACE		2 - Division Directors Reg & Comp, ACE		2 - Division Directors Reg & Comp, ACE	
5 - Admin Assistants Shared in Regions		1- Admin Assistant		3 - EOPs and EMD	
1 - Business Manager		1 - Business Manager		1 - Business Manager	
3 - Data/IT, Portal		3 - Data/IT, Portal		3 - Data/IT, Portal	
2 - Certification Staff (cards, etc.)		2 - Certification Staff (cards, etc.)		2 - Certification Staff (cards, etc.)	
7 - Regional Educators		7 - Regional Educators		7 - Regional Educators	
1 - RSAF/RTL Manager		1 - RSAF/RTL Manager		1 - RSAF/RTL Manager	
1 - Fiscal Techs		1 - Fiscal Techs		1 - Fiscal Techs	
Location	Total Staff	Location	Total Staff	Location	Total Staff
Central Office	18	Central Office	18	Central Office	18
Regional	21	Regional	17	Regional	19
Total	*39*	*Total*	*35*	*Total*	*37*

FITCH estimates an annual personnel cost savings of $1.89 to $2.28 million from staffing reductions and reallocations. Key changes include:

- Trauma Program: Trauma program costs including staff, contractors for inspection teams, and another administrative burden, could be covered by the Trauma Fund. This would require legislative allowance.
- Epidemiology: Staff would be integrated into the VDH epidemiology team, eliminating costs for OEMS.
- Regional Educators: Seven regional educators would enhance the education department and local training efforts.
- Data/IT & Analytics: Ensure there are two IT staff assigned to OEMS to manage the EMS portal, departmental reports, and analytics.
- Regional Planning: Local and regional planners would support EMS system development and management.
- Program Representatives: Each regional office would have a representative for compliance and regulation duties.
- Regional Office Directors: Seven directors would serve as primary contacts for agencies and OEMS.

Figure 15: Estimated Personnel Cost Reductions

Models for Consideration	Current		Proposed		Differences	
	Count of FTE's	Sum of Total Personal Cost of Employees	FTE Count	Cost (FTE*Average Personnel Cost by Employee)	FTE Count Change	Cost (FTE*Average Personnel Cost by Employee)
Option 1 Small Central Office and Seven Regional Offices	49	$ 5,784,204	40	$ 3,889,964	9	$ (1,894,240)
Option 2 Small Central Office and Seven Regional Offices (No AA)	49	$ 5,784,204	35	$ 3,502,079	14	$ (2,282,125)
Option 3 Small Central Office and Seven Regional Offices (No AA Ops and EMD Inc)	49	$ 5,784,204	38	$ 3,779,453	11	$ (2,004,750)

FITCH conducted a budget review of OEMS to identify cost-saving opportunities. Although precise expenditure details were challenging to isolate due to invoice management issues, FITCH identified several areas for potential savings:

1. Regional EMS Councils: Reducing the number of Councils to seven could cut expenditures by approximately $1.5 million annually.
2. Office Relocation: Moving OEMS from its oversized Glen Allen office to the VDH office in Richmond at the Madison Building and reducing lease and maintenance payments to regional councils could save approximately $500,000 annually in lease and maintenance costs.
3. Staff Co-location: Regional staff could be co-located with VDEM, VDFP, or local health districts. If not feasible, placement with regional Councils or other agencies is a consideration.
4. Trauma System Costs: Covering site visit honorariums of approximately $50,000 annually through the Trauma Fund or other sources could lead to direct savings.

5. ESO Contract Adjustment: Transitioning from a statewide ePCR to a NEMSIS data repository could reduce costs by up to $4 million annually.
6. Med-Flight Program: Discontinuing or restructuring the Med-Flight program, which costs about $3.07 million annually, could yield additional savings of $2,052,723 and $1,021,539 from the RSAF grant process.

Considering overlaps with private programs and the potential to eliminate the service, overall savings could range between $6 million and $9.17 million annually. These adjustments could collectively reduce OEMS expenditures significantly.

Figure 16: Estimated Other Expenses Cost Reductions

Item	Amount
Reduction to Seven Councils	$ 1,517,873
Med-Flight Reduction (Med-Flight and RSAF Grant)	$ 3,074,262
Office, Leases and Maintenance Reduction	$ 525,000
Trauma Site Visit Honorarium	$ 50,000
ESO Reduction (no ePCR)	$ 4,000,000
Expense Reduction from all Categories	$ 9,167,135
Expense Reduction from all Categories minus Medflight	$ 6,092,873

Depending on which of the three OEM staffing options are chosen and decisions regarding other identified expense items, FITCH estimates potential annual cost savings can range from $7.99 million to $11.45 million, as highlighted in the figure below.

Figure 17: Summary of Savings for Options

	Option 1 - Small Central Office and Seven Regional Offices	Option 2 - Small Central Office and Seven Regional Offices (No AA)	Option 3 - Small Central Office and Seven Regional Offices (No AA - Eops and EMD Inc.)
Staffing Cost Reduction	$ (1,894,240)	$ (2,282,125)	$ (2,004,750)
Total Savings Without Medflight Reduction	$ (6,092,873)	$ (6,092,873)	$ (6,092,873)
Reduction of Cost Without Medflight Reduction	*$ (7,987,113)*	*$ (8,374,997)*	*$ (8,097,623)*
	Option 1 - Small Central Office and Seven Regional Offices	**Option 2 - Small Central Office and Seven Regional Offices (No AA)**	**Option 3 - Small Central Office and Seven Regional Offices (No AA - Eops and EMD Inc.)**
Staffing Cost Reduction	$ (1,894,240)	$ (2,282,125)	$ (2,004,750)
Total Savings With Medflight Reduction	$ (9,167,135)	$ (9,167,135)	$ (9,167,135)
Reduction of Cost With Medflight Reduction	*$ (11,061,375)*	*$ (11,449,259)*	*$ (11,171,885)*
Minimum Reduction in Costs	*$ (7,987,113)*		
Maximum Reduction in Costs	*$ (11,449,259)*		

Decision Point 3: Policy and Regulatory Process Review

Divisions within the Office of Emergency Medical Services (OEMS) manage multiple policy manuals. These have been updated without undergoing any formal review or public comment process. Two main issues were identified: 1) Policy changes are not consistently formalized through a documented process

involving the EMS Advisory Board (EMSAB), and 2) The OEMS does not always elevate EMSAB recommendations to the Board of Health or to VDH.

The lack of formalization and clear documentation for policy and guidance adoption can lead to inconsistent application and potential harm to individuals and agencies. A more structured approach with formal procedures and communication is needed to ensure that OEMS policy changes are well-documented, communicated, and effectively managed. The following option should be considered:

Option: Introduce an OEMS formal approval process for policy or guideline modifications.

This would involve:

- Utilizing VDH's current approval processes through the Commissioner's office for policy and guidance document modifications.
- OEMS following the public comment process established in the Administrative Process Act for all OEMS policy guidance documents that have been modified and/or revised.
- Securing approval from the EMS Advisory Board for guidelines and policy adjustments prior to final adoption of the policy/guidance document.
- Documenting the date and time of changes and communicating them effectively to relevant agencies and stakeholders.

Adoption of this option will improve transparency, stakeholder engagement, and compliance with legislative requirements.

Decision Point 4: Community Input and EMS Oversight Enhancements

The EMS Advisory Board (EMSAB) provides advice and counsel to the OEMS and VDH on planning, developing, and maintaining the statewide EMS system. Appointed by the Governor, the board comprises 28 members from various community sectors and operates through 21 sub-committees. The EMSAB's responsibilities include:

- Advising on the administration of Title 32.1, Chapter 4, Article 2.1 of the Code of Virginia.
- Reviewing and recommending changes to the statewide emergency medical services plan.
- Evaluating reports on the EMS system's status, including the Financial Assistance and Review Committee, the Rescue Squad Assistance Fund, and regional EMS Councils.
- Reviewing the annual report of the Virginia Association of Volunteer Rescue Squad
- Providing information to the Governor, state legislators, and local officials
- Managing the nomination process for the EMS Representative to the State Board of Health

- Performing additional duties as requested by the Governor, State Board of Health, State Commissioner of Health, or OEMS

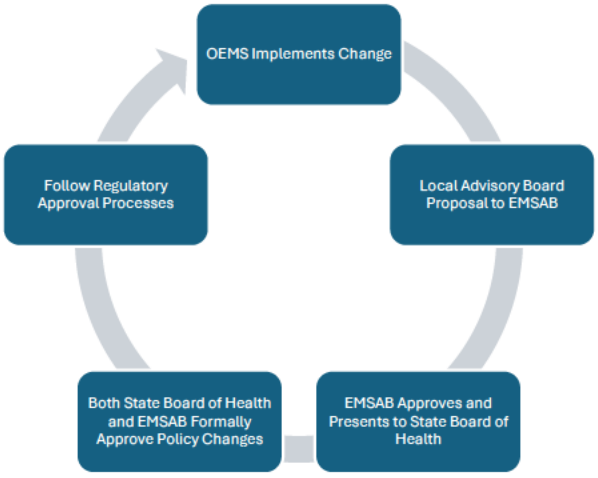
Additionally, each of the 11 Regional EMS Councils has its own advisory board, which varies in oversight and support depending on its type.

A key concern identified by FITCH is that the EMSAB is not fully utilized. As an advisory body, it lacks the authority to enforce regulatory or code changes. Previous leadership often bypassed the EMSAB, making independent decisions on system modifications, leading to a lack of collaboration and utilization of the board's expertise.

Considerations for the Future

The Commonwealth of Virginia should consider granting the EMS Advisory Board (EMSAB) the authority to propose regulations and code changes for consideration by the State Board of Health. This adjustment would enable local advisory boards and Councils to collaborate with the EMSAB. If approved, these changes could be implemented by the OEMS, providing a structured process for regulatory updates and ensuring clear expectations and cost estimates for modifications.

Figure 18: Proposed EMSAB Process



Additionally, the EMSAB should independently manage its own administrative functions, such as minutes, agendas, and logistical coordination, rather than relying on OEMS staff. The board's size and subcommittees, having grown over time, might require reassessment for better representation and cost efficiency.

For better alignment, the Virginia Department of Health (VDH) should integrate regional OEMS personnel into local health department offices. This would streamline coordination, enhance operational

efficiency, and unify command structures. Such integration would improve communication, resource allocation, and the overall quality of emergency and health services.

Decision Point 5: Education, EMS Portal, and Department Functions

Education

Council representatives raised concerns to FITCH regarding rising EMT candidate failure rates. FITCH's research indicates that Virginia's pass rates have remained near the national average, but a significant issue persists: a growing number of students either did not take or failed the exam. Since 2013, the lowest combined rate of failure and non-testing occurred in 2017, with 732 students (23%). By 2023, this figure increased to 1,209 (32%). Overall, 10,575 individuals have either failed or never tested since 2013, representing a missed opportunity for increasing the EMS workforce. See the figures below:

Figure 19: NREMT EMT: Rates of Success, Not Tested and Failed

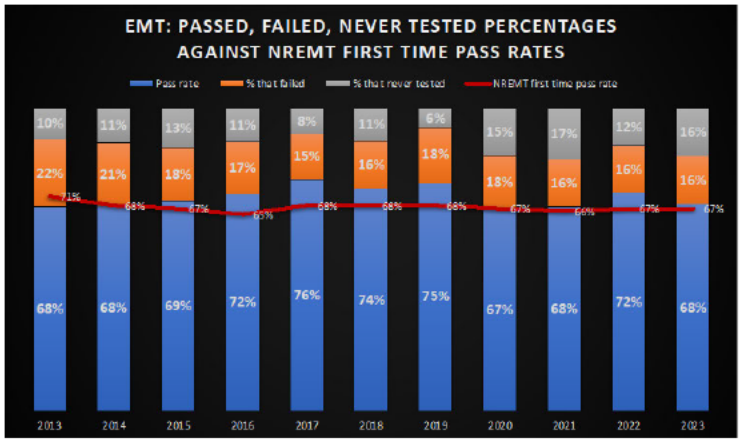
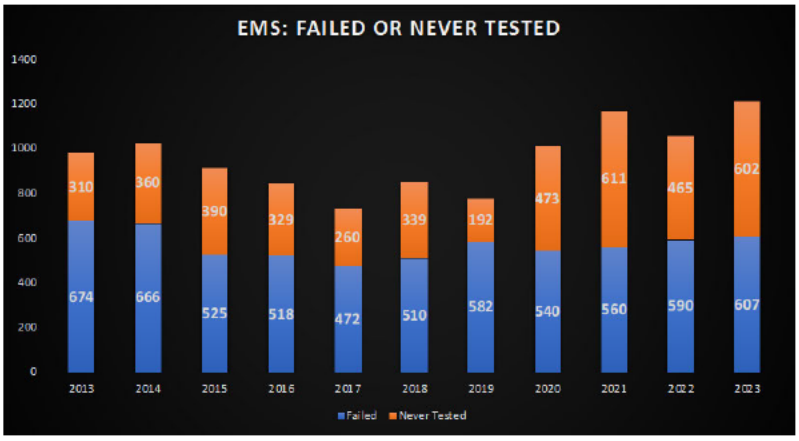


Figure 20: NREMT EMT: Number of Not Tested and Failed



Discussions with EMS representatives highlighted two main issues behind declining EMT numbers and increased non-testing students: the challenging NREMT exam misaligned with the curriculum and problems with the OEMS Education Coordinator process. The Director of ACE links these trends to the COVID-19 pandemic, which disrupted EMS education, while stakeholders cite inadequate OEMS regional support.

The Education Coordinator process, intended to raise the standard for EMS educators, is seen as cumbersome and inconsistent with national norms. Most states require EMS instructors to complete a 40-hour Instructor Methodology course and hold an EMS certification to ensure they possess necessary

teaching skills. Some states waive this requirement for candidates with prior teaching experience, advanced degrees (e.g., nursing, physician assistant, physician), or EMS Instructor credentials from another state. However, Virginia's Education Coordinator credential provides no concessions for previously credentialed instructors, with many requirements tied to the candidate's education level. Comparatively, states like Kentucky, Tennessee, and North Carolina follow more standardized practices aligned with the National Association of EMS Educators (NAEMSE).78

The 2022 EMS Training Program Administration Manual (TPAM), published by OEMS, is the primary document for EMS education, certification, and credentialing. It covers certification levels, accreditation, continuing education, and training funds. However, many users find it overly long, difficult to navigate, and prone to changes without input, negatively impacting agencies. System-wide changes affecting policy or process should include a dedicated procedure for provider input and approval, as outlined in Decision Point 3. An example of process changes negatively impacting the system was evident in Southwest Virginia, where EMS provider numbers dropped 27% from 2004 to 2024 due to changes in the education and Education Coordinator processes. Additionally, applying out-of-state continuing education (CE) credits requires subjective approval from Education Coordinators, discouraging participation in external conferences. A more streamlined and transparent process for accepting out-of-state CEs is needed.

Per TPAM policy 1561, the EMS Training Fund supports the Virginia EMS Scholarship Program, managed by OEMS. It provides scholarships for current and aspiring EMS providers enrolled in approved Virginia certification programs for EMR, EMT, Advanced EMT, and Paramedic levels, designed to offset National Registry of EMTs (NREMT) testing costs. The program awarded about $2.7 million annually but has been suspended since December 2023. VDH is working on a process to resume funding without routing funds through a Regional Council.

To qualify for funding, EMS programs must maintain NREMT pass rates above the 16th percentile, assessed twice yearly. High school EMT programs often fall below this benchmark due to low student and school motivation, limiting the entry of new EMTs into the workforce. Currently, 24 programs are

[7] **Kentucky** - https://kbems.ky.gov/Education/Pages/Educator-Evaluator.aspx
Tennessee - https://www.tn.gov/content/dam/tn/health/healthprofboards/Instructor%20Application%20Packet%20EMS.pdf
West Virginia - https://www.wvoems.org/media/446555/educational%20institure%20instructor%20endorsement%20and%20education%20approval%20policy%20and%20procedures%20v1%2011082021%20(1)%20%2011.9.21.pdf
North Carolina - https://info.ncdhhs.gov/dhsr/EMS/pdf/cred/instructorapp.pdf
Maryland - https://www.law.cornell.edu/regulations/maryland/title-30/subtitle-04

[8] https://www.vdh.virginia.gov/emergency-medical-services/education-certification/documents-forms-downloads/ems-training-program-administration-manual/

ineligible for funding, and no support is provided for underperforming programs, which could benefit from a more supportive approach. The latest 16th percentile report is available on the OEMS website.9

The OEMS uses both state competency tests and NREMT cognitive exams for EMT certification in Virginia. Pre-pandemic, the EMT pass rate averaged 71%, but between 2020 and 2023, it fell to 69%, with an annual average 40.87% (228) increase in candidates who never tested and a 4.42% (25) rise in failures, contributing to the EMT shortage. In contrast, Advanced EMT and Paramedic levels saw less dramatic shifts, though Paramedic failures rose by 67% post-pandemic, requiring further investigation. Limited access to testing centers may explain these trends. Implementing Regional Councils as Pearson Vue testing centers, as done in other states, could improve testing access, address failure rates, and generate additional revenue through other certification exams.

EMS Portal

The OEMS has made significant progress with its EMS portal, intended as a comprehensive repository for EMS accreditation, certification, and education. However, recent staff reductions have exacerbated management issues. The portal, which contains all EMS-related information vital to the ACE Division, has become increasingly challenging to manage due to the reduced staff.

Site visits revealed difficulties in generating basic data, such as geographic and demographic details about EMS providers in the Commonwealth. Additionally, there is limited data on active versus inactive staff. The staff's ability to produce these reports is hampered by both their small numbers and the labor-intensive nature of the task. The portal's complexity and user-unfriendly design further complicate navigation and data retrieval, as reported by many users.

To resolve these issues, immediate updates to the EMS portal are necessary. Improvements should focus on enhancing usability and accessibility, including streamlining data extraction processes, improving the user interface, and developing dashboards for key performance indicators. Ensuring frequent updates to data repositories and effective communication with users will be crucial for making the portal a functional and supportive tool for its users.

Regulation and Compliance Enforcement Considerations

The Division Director has highlighted that two program representatives are scheduled to retire this year and emphasized the critical need to fill these positions. Given the central role these positions play in OEMS's field operations, FITCH recommends that VDH prioritize hiring individuals who excel in customer

[9] https://www.vdh.virginia.gov/content/uploads/sites/23/2018/07/EMT-Published.pdf.

service and communication. Additionally, it is essential to ensure that the new hires are adaptable and align with the evolving pathway forward model.

This role is unique in requiring a balance between customer focus and regulatory duties. Current challenges highlight the need for a review, as this division must remain customer-focused while also fulfilling its regulatory responsibilities.

Emergency Operations Division Considerations

The EMD program aligns with the VDEM as part of the state 9-1-1 board's jurisdiction. This integration consolidates all Public Safety Answering Point (PSAP) topics, including protocols and operational matters, under the 9-1-1 board and VDEM's oversight, potentially enhancing the coordination of emergency dispatch services statewide.

Regional planning initiatives could be integrated into VDEM's existing regional offices, which are already central to various planning activities. This approach could streamline operations and leverage current resources and expertise. However, this integration risks diminishing the specialized focus on EMS by combining it with broader emergency management activities. On the positive side, this alignment may improve collaboration and communication with local emergency response agencies, fostering more responsive and practical planning. This could enhance the effectiveness of emergency response plans and ensure a more coordinated and efficient emergency response infrastructure for communities.

Community Health and Technical Resources Division Considerations (CHaTR)

The division's focus prompts several questions regarding its alignment with mobile-integrated health and the broader EMS Agenda 2050 goals. The division, which has traditionally managed Councils, continues to prioritize this role despite recent reorganization. Additionally, its telehealth initiative, operating under the CHaTR scheme, directs funds to the state telehealth board, raising concerns about the efficiency of this resource allocation.

Furthermore, CHaTR's efforts to develop curricula for EMS Officers I, II, and the new EMS Safety Officer appear redundant, as NEMSMA has already established training programs for these roles. There may be merit in redirecting the division's focus towards community initiatives and aligning more closely with the objectives outlined in EMS Agenda 2050. This refocusing could enhance the division's contribution to advancing the overarching goals of mobile-integrated health and community-centered emergency medical services.

Accreditation, Certification, and Education Division Considerations

The absence of a succession plan within the ACE Division poses a critical risk to the EMS system, particularly regarding certification processes. With only two full-time staff members, the division's operations could be severely impacted if either were to leave, especially given that one holds extensive, specialized knowledge crucial to the division's functions. Such a loss could lead to

immediate operational challenges and hinder the division's ability to maintain effective service delivery.

To address this vulnerability, the development of a comprehensive succession plan is essential. This plan should encompass several key elements:

1. **Identification of Successors:** Determine potential internal candidates who could step into critical roles or outline a clear strategy for external recruitment if necessary.
2. **Knowledge Transfer:** Implement structured processes for transferring specialized knowledge. This could involve mentoring programs, detailed documentation of processes, and systematic cross-training initiatives to ensure that key information is shared and retained within the division.
3. **Operational Continuity:** The plan must ensure smooth operations during transitions by preparing for temporary coverage and managing critical functions without disruption. It should include realignment to the updated regional model to distribute workload efficiently among staff and create processes that enhance division continuity. This approach will maintain operational stability while improving efficiency during changes.
4. **Resilience and Morale:** Developing a succession plan will bolster the EMS system's resilience by ensuring continuity of essential services. It also demonstrates a commitment to employee development and organizational stability, which can positively impact morale within the ACE Division and the wider OEMS.

Overall, creating and implementing a succession plan is a strategic necessity. It safeguards the certification processes and the integrity of the EMS system against potential disruptions from personnel changes. Immediate action is required to prepare for unforeseen staff departures and to uphold the EMS system's reliability and efficiency.

Trauma and Critical Care Division Considerations

The potential transfer of the Trauma and Critical Care division within VDH, rather than relocating the trauma designation process to an external body, offers an opportunity to address long-standing resource allocation issues. OEMS previously secured the trauma designation to increase funding, but none of the additional funds reached EMS to manage the program, revealing inefficiencies in the current

setup. Moving this responsibility to another division within VDH could better align resources with the needs of trauma care systems, encouraging collaboration across departments, streamlining processes, and improving patient outcomes through a more integrated approach.

This shift also provides a chance to reassess and modernize the trauma designation criteria and processes, making them more adaptable to the evolving healthcare landscape. By transferring these responsibilities and considering use of the ACS verification instead of in-house verification, VDH could align with current best practices but also prepared to meet future challenges. This reorganization could lead to a more dynamic, responsive trauma care system that optimizes resource distribution and maintains high standards of care across the state.

Administration and Fiscal Division Considerations

The Administration and Fiscal Division is at a critical point where a thorough review and update of its policies and procedures is essential. This process is more than just a refinement; it aims to align the division's operations with proper standards and regulatory demands. By addressing any gaps in the existing policy framework, the division ensures compliance with legal requirements and positions itself to tackle future challenges effectively. This comprehensive review is key to enhancing operational resilience and adapting to the evolving landscape.

In addition to updating current policies, developing new ones is crucial to address emerging needs and trends. These policies should focus on modern challenges, including technological advancements and regulatory shifts, to future-proof the division. Moreover, the clear segregation of work duties and responsibilities is necessary to prevent task overlap, reduce inefficiencies, and enhance communication. By defining roles and expectations, the division can streamline operations, promote accountability, and foster a more productive, collaborative environment that ultimately boosts overall work performance and efficiency.

EMS System Funding Division Considerations

EMS agencies have expressed distrust toward OEMS regarding the allocation of DMV revenue to the grant program, as the total amount returned to localities is often less than expected. This discrepancy arises because agencies such as the DMV, Treasury Department, and others deduct small percentages as transaction fees before disbursement. As a result, localities may receive less funding than they calculate based on vehicle registrations in their area. To address this concern, the division should develop a transparent process that tracks and shows each financial transaction, detailing how much was received and how much was deducted along the way. This approach will foster transparency and help rebuild trust between OEMS and EMS agencies.

Additionally, the division should explore the possibility of expanding the RSAF grant program to better meet the needs of all EMS agencies. An equitable distribution of funding is critical, especially when considering demographic differences across localities. By ensuring that funding decisions are fair and data-driven, the division can support a more balanced allocation of resources that adequately addresses the diverse needs of EMS agencies statewide. This would not only promote fairness but also enhance the efficiency and effectiveness of emergency medical services delivery.

Patient Care Informatics and Epidemiology Division Considerations

OEMS plays a crucial role in emergency medical services and response, but its involvement in epidemiological functions overlaps with the core responsibilities of other VDH departments. To enhance operational efficiency and prevent redundancy, it is advisable to reassign the epidemiologist from OEMS to a department within VDH where epidemiology is a primary focus. This shift would consolidate expertise in disease surveillance and epidemiological research, leading to a more cohesive and effective public health strategy.

FITCH recommends that this reassignment be accompanied by replacing the epidemiologist with an analyst with OEMS. This change is not merely administrative but aims to streamline services and eliminate overlapping functions. By placing the epidemiologist in a department that specializes in epidemiology, VDH can optimize its resources and strengthen its capacity for disease monitoring and research. Meanwhile, OEMS can benefit from an analyst who is better suited to support its specific needs, ensuring both OEMS and VDH can concentrate on their distinct yet complementary responsibilities effectively.

Ensuring Continuity in Political Transitions

Maintaining the positive momentum of OEMS during political transitions and changes in executive leadership requires proactive strategies and the development of an annual strategic plan. Below are some best practices to consider while crafting such a strategic plan to help ensure continuity.

Building a Strong Foundation

To secure the implemented changes, they should be embedded within existing Virginia codes, regulations, or OEMS policies. This formalizes the improvements and makes them less susceptible to reversal due to political shifts. Detailed documentation is crucial. Creating comprehensive reports outlining the implemented changes, their rationale, and the positive impact on OEMS performance, supported by data and metrics is imperative.

Building Consensus and Advocacy

Seek buy-in from stakeholders, such as the Virginia Association of Volunteer Rescue Squads (VAVRS), legislators, and emergency medical professionals who can advocate for continued implementation of the changes. Identify individuals within OEMS who understand and value the changes to serve as champions during the transition.

Effective Communication During Transitions

Proactively brief the incoming administration on the implemented changes, emphasizing their positive impact on Virginia EMS performance. Highlight the improved performance and standing of OEMS due to the changes, aligning them with broader government priorities. Present these as a success story to build upon.

Long-Term Strategies for Sustainability

Establish a culture of continuous improvement within the organization to prevent changes from being tied solely to a specific administration. Ensure transparency by making data on OEMS performance publicly available. Design changes with sustainability in mind, aiming for seamless integration into existing workflows to reduce disruption.

Conclusion

FITCH has outlined a strategic roadmap for the Commonwealth, emphasizing a comprehensive and incremental approach to address complex challenges in oversight, regional support, policy revision, community involvement, education, and emergency services. The recommendation includes a range of options for legislative, regulatory, structural, employee, and funding changes, highlighting the need for a flexible and adaptive strategy. This approach allows for continuous evaluation and adjustment to meet the Commonwealth's evolving needs effectively.

The focus on industry best practices and the recommendation for immediate and midterm strategic actions ensure that the plan is both robust and forward-thinking. By implementing a carefully phased strategy, the Commonwealth can navigate its challenges with agility and achieve positive outcomes in governance and community services. This methodology promotes ongoing improvement and responsiveness, positioning the Commonwealth for sustained success and enhanced service delivery.

APPENDIX A
Agency Survey Review

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Agency Survey Review

To grasp EMS agencies' perspectives on the current OEMS and Regional EMS Councils, as well as their anticipated needs from the OEMS, FITCH created a survey that was distributed state-wide among EMS agencies. Given the number of EMS agencies and the project's limited timeframe, FITCH and the VDH determined that this survey would efficiently collect extensive feedback. The aim was to reach a 95% confidence level with a margin of error below 5%, ensuring state-wide representation and inclusion of various types of EMS agencies. This approach was chosen to understand the system's requirements thoroughly and to enable the development of statistically meaningful future system models.

FITCH sent out 940 requests for responses to 567 agencies. However, because the OEMS did not have a consolidated distribution list, FITCH used other channels, such as the Regional EMS Councils and the VDFP, to ensure reaching the widest audience. Out of the 567 licensed agencies in the state, FITCH received 355 unique agency responses, which exceeded the required 230 to achieve a 95% confidence level with a 3.2% margin of error. Additionally, out of the 940 survey recipients, 441 responses were received, which surpassed the 273 needed to achieve a 95% confidence level with a 3.41% margin of error.

To ensure responses were evenly distributed, FITCH mapped them across the state. It's important to note that some came from beyond the state boundaries. These are from agencies licensed to operate within Virginia.

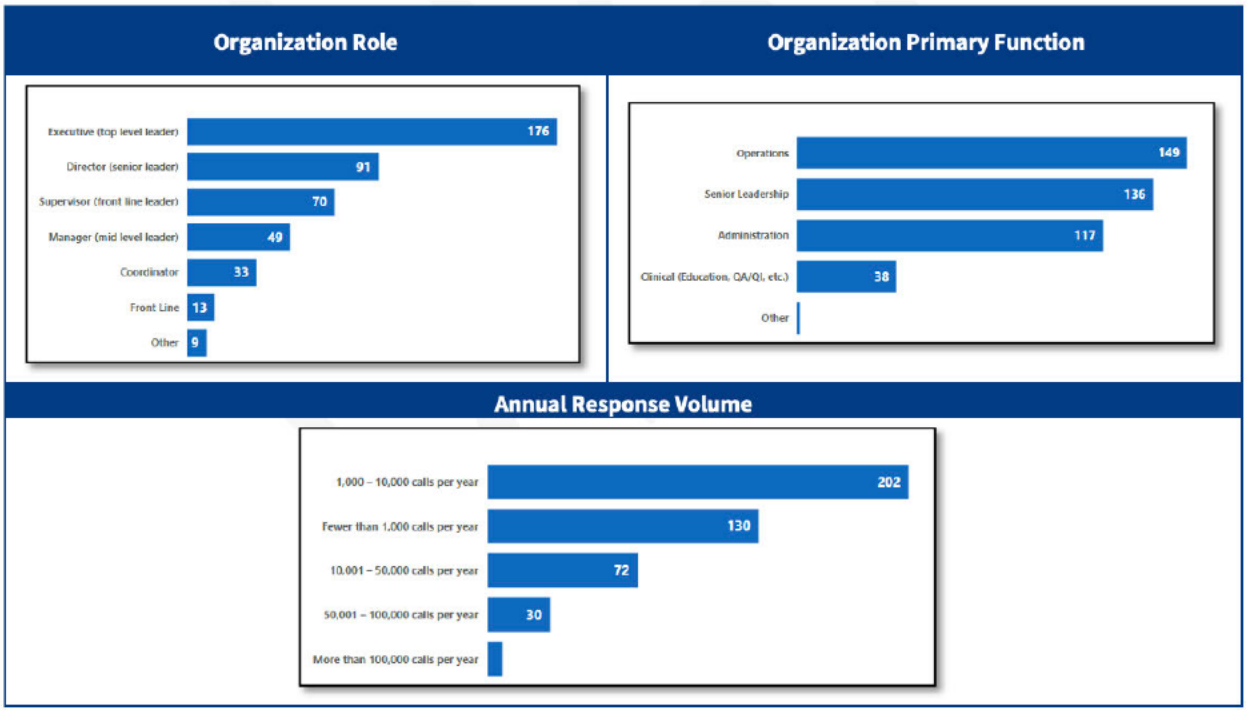
FITCH conducted an analysis of the types of agencies represented by the respondents to ensure a diverse representation. The table below displays the kind of agency alongside the total number of respondents.

Figure 1: Survey Respondent Agency Type

Agency Type	Number of Responses
Volunteer Organization	147
Locality (City or County) Fire Department Based - Career/Paid and Volunteer	83
Locality (City or County) Fire Department Based - Career/Paid	59
Non-governmental For Profit	39
Non-governmental Not For Profit	29
Locality (City or County) Operated Third Service (non-Fire Department based) - Career/Paid	23
Locality (City or County) Operated Third Service (non-Fire Department based) - Career/Paid and Volunteer	20
Locality (City or County) Fire Department Based - Volunteer	10
Quasi-Governmental	9
Hospital	7
Locality (City or County) Emergency Services Department Based- Career/Paid and Volunteer	6
Other	5
Federal	4
Total Responses	**441**

An analysis was conducted to understand the roles of respondents and the volume of EMS responses managed by their agencies. It was found that most respondents held leadership positions. Their annual EMS response volume was also collected to guarantee that FITCH's data set was adequately represented. The findings are detailed below.

Figure 2: Individual Respondent Analysis



When analyzing the responses, FITCH used cross-tabulation tables to compare the responses with the types of agencies. Through discussions with providers, FITCH found that different types of agencies had different needs based on their size and resources. This approach helped FITCH rank the systems' needs based on the survey responses. FITCH evaluated responses from five key areas, including:

- Essential Functions of OEMS
- Role of the EMS Regional Councils
- Essential Qualities of the OEMS
- Priorities of the OEMS
- Deign of the Future of the OEMS

The complete analysis of the 25 questions is provided in Appendix A. It is worth mentioning that FITCH removed the question related to strengths within the OEMS. The question was designed in a way that required respondents to provide five answers. However, feedback overwhelmingly indicated that there were not five strengths to mention. Respondents had to mark something to submit, so this question and its responses were removed from the analysis.

Essential Functions of the OEMS

Question: What are the top five functions you believe are essential for the Office of EMS to effectively support and manage EMS services?

The purpose of this question was to identify the core functions that agencies require from the OEMS currently and in the future. There were 19 possible responses, and FITCH asked agencies to provide their top 5 choices.

Respondents ranked their needs from the office as follows:

1. Certify personal
2. License and Inspect Ambulance Service
3. Facilitate State Funding Programs
4. Continue Education
5. Investigate Regulator Complaints

Role of the Regional Councils

Question: What do you see as the top 5 roles that the Regional Council fill?

The purpose of this question was to understand the functions that agencies expect from the Regional EMS Councils. Given the current system design and to better inform the role of any future regional system, FITCH believed it was best to hear from respondents about their needs. Respondents were asked to provide their top 5 out of 15 possible responses.

Respondents ranked their needs from the Regional EMS Councils as follows:

1. Develop and Maintain Regional EMS Protocols
2. Provide Continuing Education
3. Function as an Extension of the OEMS
4. Coordinate Regional Planning
5. Support Regional EMS Supply and Exchange Programs

Essential Qualities of the OEMS

Question: What are the top 5 qualities you believe are essential for the Office of EMS to support and manage EMS services effectively?

This question was designed to understand the qualities that respondents felt were important to them when interacting with the OEMS. It focuses on the customer's needs and how best for the OEMS to

provide customer service. There were 12 possible responses, and FITCH asked the agencies to offer their top 5.

Respondents ranked the desired qualities as follows:

1. Accountability
2. Responsiveness
3. Collaboration
4. Competence
5. Leadership

Priorities of the OEMS

Question: What should be the top priorities for the Office of EMS over the next five years?

This question aimed to identify the top priorities identified by respondents in terms of the support they need from the State, VDH, and OEMS. The focus was on understanding the needs of the customers and how these agencies can best provide support. Respondents were asked to rank 10 possible responses in order of importance.

Respondents ranked the priorities as follows:

1. Expanding Training and Development Opportunities
2. Enhanced Statewide EMS Coordination
3. Identify and Supporting new Funding Mechanisms for EMS Funding
4. Advancing Legislative Support for EMS
5. Improving EMS Response to Under-served Areas

Design for the Future of the OEMS

This question was designed to gather insights on the preferred system design for the OEMS in the future. Fitch analyzed the responses based on agency type and the respondents' views on the potential future design. The survey presented six options; each agency was asked to rank its top 3 choices.

Respondents ranked the preferred system design as follows

1. Hybrid Model with Enhanced Local Autonomy
2. Decentralized with More Regional Involvement, All State Staff
3. Community/Integrated EMS Model

Respondent Comments

The survey included a section for comments. The aim was to gather more information and allow for detailed feedback. Here is a summary of the common themes and key points from the respondents' feedback.

Question: Do you have any other comments or suggestions that could help shape the strategic vision of the Office of EMS?

- Accountability and Support: Propose an "account manager" role within VAOEMS for streamlined communication and consistent agency support. Advocate for transparency and collaboration with EMS regions and field involvement.
- Basic Care and Training: Focus on basic care and training to ensure patient survival until hospital arrival.
- Disorganization and Leadership: Address disorganization within OEMS by introducing forward-thinking leaders and physicians for a redesigned prehospital care system and encouraging proactive legislative changes.
- Efficiency and Speed: Encourage OEMS to make quick, decisive actions recognizing the commitment of EMS providers.
- EMS Symposium: Highlight its role in networking, education, and collaboration, advocating for its return.
- Ethics and Integrity: Address past unethical certifications and the need for strict EMS regulations adherence.
- Future Vision and Relationships: Push for a clear understanding of EMS roles, closer agency relationships, customer service-oriented mindset, and strategic council alignment.
- Inter-Departmental Collaboration: Suggest enhanced partnership between the Secretary of Health and Human Services and the Secretary of Public Safety to support local fire-based EMS.
- Interfacility EMS Agencies: Point out the importance of interfacility EMS agencies in managing hospital transitions and reducing overload.
- Legislative Support: Call for legislative changes recognizing EMS as an essential service in Virginia, helping ensure funding pathways.
- Modernization and Fresh Approach: Shift from outdated symposium-focused training to a modernized, collaborative EMS system.
- Optimism and Challenges: Acknowledge current system failures while expressing hope for the future of OEMS, emphasizing support for volunteer agencies and what it will mean with/if volunteerism continues to reduce across the state.

- Personnel and Communication: Underline the importance of solid hiring practices post-current educations leadership retirement and commend effective communication with inspectors and regulatory staff.
- Regional Representation and Support: Stress the need for regional EMS Council support, particularly in rural areas, highlighting the importance of communication and collaboration.
- Regulatory and Protocol Consistency: Advocate for a unified set of state-wide protocols and a system to track patient progress from pickup to discharge.
- Technology and Training: Encourage the development of volunteer agencies offering EMT to paramedic courses while focusing on patient care.

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Commonwealth of Virginia Office of EMS Consultant Report

FITCH & ASSOCIATES

Virginia
OFFICE OF EMERGENCY MEDICAL SERVICES
Virginia Department of Health

September 18, 2024

Executive Summary

FITCH & ASSOCIATES

- OEMS uncovered $33M in unpaid debts, over-obligations by July 2023
- Director, Associate Director resigned amid financial mismanagement
- Associate Director convicted for $4.3M embezzlement by September 2023
- Weak oversight in OEMS and VDH led to crisis
- FITCH through MedServ, contracted in January 2024 to provide onsite leadership, assist in resolving the financial crisis, provide recommendations

- **Financial:** OEMS failed $12.5M transfer, prompting $8M carryover, $25M allocation.
- **Legal:** Both hybrid EMS models bypassed legal review, and State employees were supervised by non-state boards. Compliance concerns were raised related to adherence to the State Code.
- **Cultural:** OEMS's perceived as an enforcement agency, non-customer centric, and poor responsiveness drove agencies to rely on Regional EMS Councils, eroding trust and making OEMS appear more as an enforcement body than a supportive partner.
- **Operational:** In 2022, EMS symposium costs soared to $1.6M while funding was through the Western EMS Council. Changes in education and the education coordinator process created staffing challenges in rural communities. The SW region has experienced a 27% decline since 2004.
- **Oversight:** Before recent changes, the EMS Advisory Board's annual costs topped $400,000, with 28 members and 21 subcommittees showing limited influence and selective OEMS adherence to its advice, fostering conflict and mistrust.

Critical Findings

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FAILURE OF FISCAL OVERSIGHT AND CONTROL

- VDH senior leadership and the former OEMS director failed to oversee financial controls, resulting in $33M in unpaid debts, $4.3M in embezzlement, and a fraud conviction.
- Virginia EMS Symposium costs soared to $1.6M annually, with mismanagement and overspending exacerbated by unfunded programs and improper expense approvals.
- DMV revenue is stagnant, with a projected $6M deficit for FY 2025.

HYBRID COUNCILS CREATE CONCERNS IN CURRENT STRUCTURE

- The Hybrid EMS Council model was established without VDH's decision process or legal review, raising compliance issues with Virginia Code.
- VDH's authority does not cover supervising state employees by non-state boards or managing non-profit councils.
- VDH should reconsider the Hybrid EMS Council model due to non-compliance with decision-making and legal standards.

REGIONAL EMS COUNCILS ARE NO LONGER RELEVANT IN THEIR CURRENT STATE, STRUCTURE, AND FUNCTION

- VDH and OEMS should update the Regional EMS Councils to match the evolving EMS landscape, as the current model is outdated.
- Hybrid and traditional Councils differ in operations and funding, causing inconsistencies in services and $5,619,055 in annual expenditures.
- Inconsistent funding and unclear missions lead EMS agencies to use multiple Councils, highlighting the need for a unified model.

CURRENT CULTURE IS NOT CUSTOMER CENTRIC

- The EMS agencies reported unreliable communication and negative interactions with OEMS, leading to criticism and a perception of enforcement rather than support.
- The lack of responsiveness from OEMS has not only eroded trust but also forced agencies to seek help from Regional EMS Councils, highlighting the crucial role these councils play in providing support.
- Inconsistent OEMS & Council inconsistent messaging confuses and exacerbates the divide between OEMS and EMS providers.

Critical Findings

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NO SYSTEMATIC MISSION, EXPECTATIONS, OR CONTROLS

- OEMS is isolated from VDH and EMS Councils, leading to a disconnect from local needs and policy impacts.
- Poor communication has created an adversarial relationship between OEMS and Regional EMS Councils.
- Internal issues, including siloed divisions and unclear policies, result in mismanagement, frustration, and lack of transparency.

MISSION CREEP AND MANDATES HAVE INCREASED COST WITHOUT ADDITIONAL RESOURCES

- OEMS has expanded beyond its core role to include programs like Emergency Medical Dispatching, PSAP accreditation, and Trauma Designation.
- This mission creep has caused funding issues, with no additional funds allocated for these expanded duties, including the $500,000 annual cost for Trauma Center Designation.

EMS ADVISORY BOARD MISSION NEEDS TO EVOLVE AND IS COSTLY IN ITS CURRENT STRUCTURE

- EMSAB lacks functionality and an effective mechanism for system change, and before recent changes, costs exceeded $400,000 annually.
- Minimal turnover and stagnation hinder its ability to drive change.
- EMSAB needs a redefined mission, alignment with OEMS objectives, and authority to propose regulatory changes akin to VDH's relationship with the State Board of Health.

EVOLUTION OF THE VIRGINIA EMS SYSTEM NECESSITATES REVIEW OF THE OEMS ORGANIZATION POSITION WITHIN THE COMMONWEALTH GOVERNMENT HIERARCHY

- Debate exists on the best placement of OEMS within the government to support EMS.
- Challenges within OEMS highlight the need for structural changes.
- Commonwealth should address expanding EMS services, hospital needs, community paramedicine, & public health activities.

Critical Findings

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EMS EDUCATION PROGRAM CHANGES HAVE NEGATIVELY IMPACTED THE WORKFORCE

- The introduction of the Education Coordinator credential has complicated certification processes.
- Reduction in Emergency Medical Responder (EMR) certifications has decreased volunteer numbers in rural areas.
- Lack of accountability for underperforming education programs has exacerbated staffing issues.
- These changes require thorough planning and phased implementation to avoid negative impacts and better align with OEMS's mission.

Methodology

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FITCH Strategy Overview:

- Provided daily operational support to OEMS and developed future options.
- Initial objectives: Place an experienced leader, support the Interim Director, and guide OEMS towards its future state.

FITCH Approach:

- Engaged directly with OEMS leadership to address issues and operational challenges.
- Interacted with stakeholders (Regional EMS Councils, EMS agencies, state agencies) to gather context.
- Surveyed EMS agencies to assess future needs and provide qualitative insights.

Key Stakeholder Engagement:

- Engaged with Regional EMS Councils, public and private EMS agencies, state agencies (e.g., Virginia Department of Emergency Management), and associations (e.g., Virginia Association of Volunteer Rescue Squads).
- Consulted with education staff, VDH, government stakeholders, the State Emergency Medical Services Advisory Board, and the EMS Next Steps Workgroup.

Methodology

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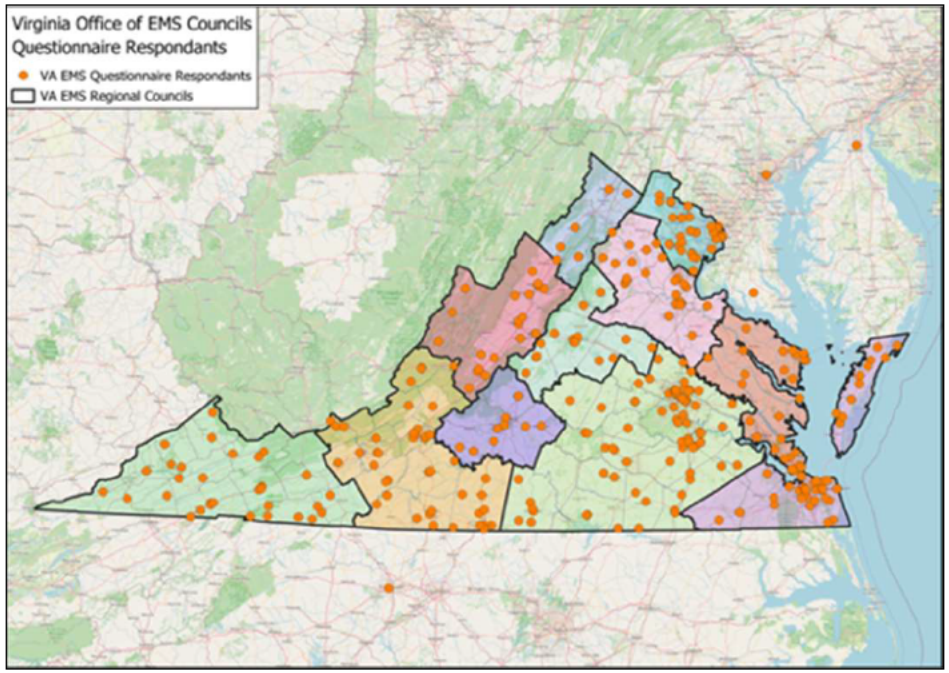
Survey Findings:

- Administered surveys to EMS agencies and leaders for OEMS and Regional EMS Councils insights.
- Achieved a 95% confidence level with a 3.2% margin of error from 355 responses out of 567 agencies and 441 responses from 940 individual recipients.
- Produced a comprehensive survey report to guide the future design of OEMS.

Survey Respondent Locations:



Office of Emergency Medical Services

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Establishment and Structure:

- Founded in 1974 to enhance Emergency Medical Services across Virginia.
- Part of the Virginia Department of Health (VDH), led by the Commissioner of Health, reporting to the Secretary of Health and Human Resources.
- Directed by a leader who reports to the Deputy Commissioner of Population Health and Preparedness.

FITCH Review Scope:

- Examined OEMS divisions, Regional EMS Councils, State EMS Advisory Board and committees.
- Reviewed regulatory issues, education, NREMT testing, EMS portal, data availability, and other OEMS functions.
- Assessed EMS agencies and workforce.

OEMS Divisions:

- Regulations and Compliance Enforcement
- Emergency Operations
- Community Health and Technical Resources
- Accreditation, Certification, and Education
- Trauma and Critical Care
- Administration and Fiscal
- EMS System Funding
- Patient Care Informatics and Epidemiology

Regional Councils

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Origins and Recognition:

- Regional EMS Councils established in the early 1970s; formally recognized by Code of Virginia in 1978 (§ 32.1-111.4:2).
- In 2009, a lobbyist secured a legislative change to fix the number of Regional EMS Councils at 11, a provision included in the budget code since.
- Develop and implement regional EMS systems, including training, medical protocols, and emergency plans (per the 2000 JLARC report).

Regulation and Funding:

- VDH designates and reviews Councils every three years, setting conditions for renewal.
- Councils are 501(c)(3) nonprofits under contract with OEMS, required to match state funding with local funds (local funds not legally mandated).
- Hybrid model: Some Council staff are directly employed by OEMS, creating a dual-reporting structure.

Impact and Dependence:

- Larger urban EMS agencies have reduced reliance on Councils; smaller rural agencies remain dependent for education and training.
- Key reasons for maintaining Councils: Statewide drug box replacement program will expire by 2024 and regional EMS medical protocols.
- Regional EMS medical protocols remain the primary reason for continuing Councils.

Funding Dependence:

- Regional EMS Councils heavily rely on state funds, making them vulnerable to funding reductions.
- The cessation of OEMS payments in 2023 forced many Councils to use reserve funds, pushing some towards closure.

Lack of Legislative Basis:

- No guaranteed financial support as § 32.1-111.4:2 does not provide a legislative funding basis, straining stability and service capacity.

Contractual Agreements:

- "Availability of Funds" clause: OEMS commitments are contingent on available funds.
- The "Cancellation of Agreement" clause: Allows OEMS and contractors to terminate contracts with 60 days' notice, offering flexibility amid funding uncertainties.

Need for Model Evolution:

- Dependence on state funds, payment stoppages, and lack of funding mandate highlights the need for a revised council model.

State EMS Advisory Board

FITCH & ASSOCIATES

Establishment and Structure:

- Created under Code of Virginia, § 32.1-111.4:1.
- Comprised of 28 members appointed by the Governor, including representatives from Regional EMS Councils, medical associations, and EMS organizations.
- Advises the State Board of Health on the statewide emergency medical care system.

Roles and Responsibilities:

- Reviews and recommends changes to the statewide Emergency Medical Services Plan.
- Examines annual financial reports of the Virginia Association of Volunteer Rescue Squads.
- Reviews status reports on the Rescue Squads Assistance Fund, regional EMS Councils, and emergency medical services vehicles.

Committee Structure and Costs:

- 21 committees provide stakeholder input.
- High hosting costs previously exceeding $400,000 annually reduced to approximately $150,000 in FY 2024 through cost containment strategies.

Challenges:

- Large size and numerous committees lead to inefficiencies and difficulties in decision-making.
- Perceived limited impact on improving OEMS and EMS system.
- Lack of transparency: Meetings not recorded or available online and delays in posting minutes.
- Only an advisory board and reminded as such form OEMS.
- In-person meetings in Richmond limit participation and inclusivity.

Improvement Opportunities:

- Review the size and scope of the EMSAB, (later in Decision Points).
- Update format and communication strategies.
- Increase transparency and accessibility.
- Ensure equal engagement opportunities for all EMS agencies and providers.

Changes in EMS Agencies, Volume, and Workforce

FITCH & ASSOCIATES

Decrease in EMS Agencies (2019-Present):

- Overall decrease: -6.45% (38 fewer agencies).
- Community and non-profit agencies: -15.29% (39 fewer agencies).
- Government non-fire and fire department agencies: +6.9% (7 more agencies).
- Hospital-based EMS agencies: Doubled to +8 (4 new agencies)

Increase in EMS Call Volume:

- 20.88% increase since 2017 (295,162 more calls).

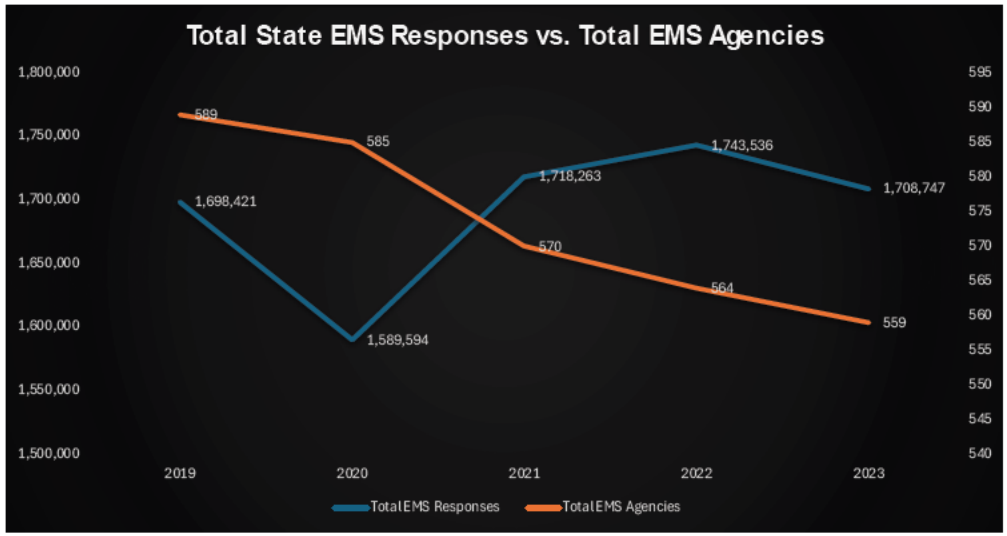
Growth in Provider Workforce:

- 7.9% increase (2,774 additional providers).

Reduction in Emergency Medical Responder (EMR) Certifications:

- 43.9% reduction (340 fewer certifications).
- Likely reflects a decline in volunteerism.

EMS Responses Vs. Total EMS Agencies YOY Change



Limitation: OEMS does not track active vs. inactive providers, affecting analysis. FITCH lacked raw data; aggregated data showed a 1.2% discrepancy.

Financial Review
Overview

FITCH & ASSOCIATES

Mid-2023 Financial Issues:

- VDH and OEMS identified $33M in financial discrepancies due to overspending, poor management, and fraud.
- Funding was frozen for all non-essential obligations, affecting programs like RSAF and RTL.
- EMS Next Steps Workgroup formed to prioritize and manage OEMS payments.

Investigation and Support:

- Office of Internal Audit audited OEMS financial records.
- VDH appointed a new Business Manager to stabilize finances.
- Leadership structure in OEMS remained unchanged at the time.

Budget and Funding Challenges:

- Governor Youngkin and the Legislature allocated $33M over two years to address debts.
- FITCH initially projected a $2.4M annually overspent; the 2025 review estimates a $6M annually overspent.
- Without significant changes, the $33M will be insufficient beyond the two years.

Financial Review
Identified Key Causes

FITCH & ASSOCIATES

Years of Minimal VDH Oversight:

- OEMS operated independently with minimal VDH oversight, leading to unchecked spending and poor financial decisions.
- Lack of focus on fund reallocation, checks and balances, and expenditure scrutiny.
- Minimal improvement from previous audits and neglected corrective actions compromised OEMS's financial integrity.

Lack of Internal Policies and Financial Controls:

- Serious deficiencies in financial governance were identified, including absent internal guidelines and poor adherence to procurement standards.
- Contracts, such as the $9M ESO contract, bypassed procurement policies.
- Concentrated spending approvals and mismatched invoices in accounting systems.

Challenges with Manual Financial Tracking:

- Reliance on Microsoft Excel spreadsheets for financial tracking, causing transparency issues.
- Manual tracking led to unpaid invoices and increased risk of error and fraud.
- VDH and OEMS now meet daily to review finances; as of the report, invoice tracking is current.

Use of Regional Councils to Circumvent Procurement Policies:

- EMS Councils used to bypass Commonwealth procurement policies.
- Contracts with Councils were amended to handle procurement, including items like ESO software and IT security.
- Avoidance of formal oversight led to misallocation of funds.

Escalating Costs of the Virginia EMS Symposium:

- Virginia's EMS Symposium costs rose to over $1.6 in 2022, primarily funded by the Western EMS Council.
- The symposium was canceled in 2023 due to financial challenges, but local symposiums and virtual training emerged as alternatives.

Financial Review
Identified Key Causes

FITCH & ASSOCIATES

Funding to Struggling Regional Councils by OEMS:

- **Establishment of Regional EMS Councils:**
  - Created as independent bodies to address local EMS needs with self-reliant financial resources.
- **Challenges Due to Funding Reductions:**
  - Funding cuts from EMS agencies, local communities, and supportive programs impacted service quality.
- **OEMS Financial Support, Hybrid Funding, and Disparities:**
  - Annual allocations range from $229,273 to $725,309 per Council based on needs and operational scale.
  - Traditional Councils receive base funding; Hybrid Councils receive additional personnel and infrastructure funding.
- **Special Projects Excluded:**
  - Funding excludes "pass-through" projects like ESO, Symposium, Regional IT, and Scholarships.
- **2019 OEMS Partnership with Four Councils:**
  - OEMS collaboration to support financially struggling Councils with staffing, educational funding, and infrastructure.

- **FITCH Recommendations for Fiscal Accountability:**
  - Future Commonwealth allocations should include provisions for audits.
  - Annual internal financial audits are recommended, with findings submitted to OEMS.

Council Type	EMS Council	Salary $ w/ Benefits	Base Contract Annual	Annual Contract Addons	Total Annual Cost
Hybrid	Blue Ridge	$ 355,591	$ 250,000		***$ 605,591***
Hybrid	Central Shenandoah	$ 475,309	$ 250,000		***$ 725,309***
Hybrid	Rappahannock	$ 363,414	$ 250,000		***$ 613,414***
Hybrid	Southwest Virginia	$ 126,116	$ 250,000		***$ 376,116***
Traditional	Lord Fairfax		$ 272,121	$ 48,000	***$ 320,121***
Traditional	Northern Virginia		$ 346,537	$ 174,000	***$ 520,537***
Traditional	Old Dominion		$ 483,667		***$ 483,667***
Traditional	Peninsulas		$ 457,952	$ 99,383	***$ 557,335***
Traditional	Tidewater		$ 476,775	$ 56,298	***$ 533,073***
Traditional	Thomas Jefferson		$ 229,273		***$ 229,273***
Traditional	Western Virginia		$ 625,018	$ 29,600	***$ 654,618***
	Totals	***$ 1,320,430***	***$ 3,891,343***	***$ 407,281***	***$ 5,619,054***

Financial Review
Identified Key Causes

FITCH & ASSOCIATES

Unfunded Mandates and Financial Challenges in OEMS

- Program Expansion Without Funding
- OEMS expanded programs (Trauma Fund, E911, CHaTR, etc.) without securing long-term funding, resulting in financial strain.
- Example: Trauma Fund Management now costs $500,000 annually with no budget increase.

EMS Advisory Board Expansion

- EMSAB expanded to 28 members across 21 subcommittees.
- Meeting costs peaked at $400,000 in 2023, later reduced to $150,000 with cost-saving measures.

Costly Facilities and Fleet

- OEMS spends over $500,000 annually on office space and maintains a large fleet, including ATVs.
- VDH should consider office relocation and downsizing the fleet for cost savings.

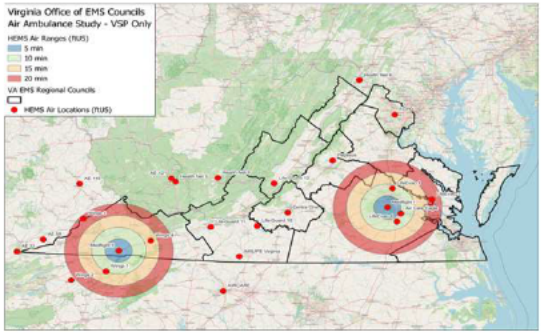
Fixed Revenue Mechanism

- "Four-for-Life" program funding is fixed at $6.25 per vehicle registration.
- Funding does not adjust for inflation, leading to misalignment with rising operational costs.

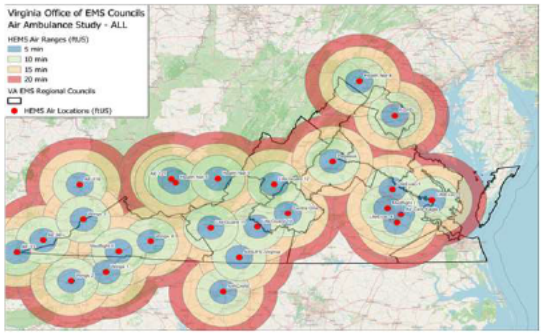
Virginia State Police Med-Flight Program

- OEMS allocates $3.1M annually to Med-Flight, which will increase in FY2026 by an additional 1.2M mainly from Hospitals.
- Funds sourced from DMV, RSAF, and trauma center grants, impacting EMS agency grants.
- Operates as a first-right-of-refusal service but is not always the closest provider due to outdated response protocols and differing billing practices.
- A reevaluation of funding allocation and service overlap is needed.

MedFlight Air Ambulance Locations



Air Ambulance Locations Across the State



Financial Review
Budgetary Actuals and Associated Expenditures

FITCH & ASSOCIATES

Financial Documentation Issues

- FITCH's evaluation faced challenges due to insufficient documentation, neglected accounts payable, and poor record-keeping at OEMS.

Misclassification of Expenses

- Regional EMS Councils often categorized purchases as "pass-throughs" instead of OEMS expenses, complicating accurate financial assessment.
- $5.619M of pass-through funding should be counted as part of OEMS operational costs, raising total costs to $13.4M, not $7.8M.

Budget Deficit

- OEMS operates with an annual budget of $56M.
- Annual expenses include $7.8M in salaries, leading to an initial estimated $2.4M deficit.
- Internal projections $6M is expected for FY 2025.

Fixed and Inadequate Revenues

- Primary revenue from DMV registration fees remains flat, with no adjustments for inflation, new programs, or cost-of-living increases.
- A more adaptive funding model is needed to sustain operations.

Expand Funding for Agencies and Workforce Development

- There is an urgent need for a more robust financial strategy to support EMS agencies and workforce development, especially in regions facing EMT shortages.
- Nationwide financial strain impacts EMS services, leading to closures or reduced coverage.
- EMS workforce shortages are critical in Virginia, with a 27% reduction in EMTs in the Southwestern region.
- RSAF should expand to include private and for-profit agencies to address funding gaps and equipment needs.

Recent Interventions, Short and Long-Term Recommendations

FITCH
& ASSOCIATES

Recent Interventions by VDH and FITCH Regarding OEMS Financial Oversight

FITCH & ASSOCIATES

Introduction of Daily and Monthly Financial Reviews

- Continuous monitoring and accountability to detect discrepancies early.
- Greater transparency and fiscal discipline.

Centralization of Contracts

- Contracts previously managed by Regional EMS Councils are now transferred back to OEMS or discontinued.
- Streamlined operations under OEMS control.

Restructuring Leadership

- Previous structure: OEMS Director had 11 direct reports, causing inefficiency.
- New structure: 3 Deputy Directors added, improving oversight, communication, and accountability.

Strengthened Financial Integrity

- Comprehensive policies, workflows, and control systems introduced.
- A dedicated business manager was appointed to conduct fiscal analysis and ongoing operations.
- Measures set a foundation for sustainable practices and effective resource management.

Optimization of Financial Operations

- The new business manager (appointed April 2024) now reports to the Deputy Director.
- Focus on optimizing grant funding processes and strengthening financial management.

Renegotiation of ESO Contract

- $9M ESO contract is now managed directly by OEMS and is in the process of renegotiation.
- Ensures better alignment with organizational goals and future sustainment.

Decision Point #1

OEMS Positioning for Strong Oversight

- **Remain within the Virginia Department of Health (VDH)** – requires no legislative action and supports the evolving role of EMS within the broader healthcare continuum

- **Establishing a Department within the Department of Public Safety** – requires legislative action to transition OEMS from VDH to a new Department of EMS and this alignment could streamline coordination and oversight.

- **Merge with the Virginia Department of Fire Programs (VDFP) creating a new Virginia Department of EMS & Fire Programs** – requires legislative action to transition OEMS to a new Department and implementing this would likely be complex, time-consuming, and require a significant review of legal and financial implications.

- **Dissolve OEMS completely, parsing the various regulatory requirements to other agencies** – requires legislative action to dissolve OEMS and reallocate OEMS functions to other departments. This reorganization could cause significant confusion within the EMS community.

Decision Point #2

FITCH & ASSOCIATES

Regional Structure and Support

- **Reducing the current 11 Regional Councils to 7** – Budget language must be stuck that currently requires no less than the 11 existing councils. This would allow OEMS to reduce the number of Regional EMS Councils from 11 to seven and align these with existing public safety agencies. Further, co-locating the restructured EMS regions with other public safety entities would streamline operations and enhance coordination.

- **Proposed organizational structure changes** – requires legislative action to redesign OEMS to include seven regions and a new structure.

    - **Option 1 –** Decentralized Structure, More Regional Support, All State Staff – leverages local expertise to address community-specific challenges, ensures those closest to the issues are involved in solutions, allows for OEMS to align with its core mission.

    - **Option 2 –** Integrated model, Enhanced Local Autonomy, Non-State Staff - integrates centralized oversight with regional autonomy, balancing overarching standards with local responsiveness. The state would maintain central authority for compliance and standards, while the seven Regional EMS Councils gain enhanced autonomy to address local needs.

Decision Point #3

FITCH & ASSOCIATES

Policy and Regulatory Process Review

Option: Introduce an OEMS formal approval process for policy or guideline modifications.

This would involve:

- Utilizing VDH's current approval processes through the Commissioner's office for policy and guidance document modifications.
- OEMS following the public comment process established in the Administrative Process Act for all OEMS policy guidance documents that have been modified and/or revised.
- Securing approval from the EMS Advisory Board for guidelines and policy adjustments, and if process requires approval from VDH and the State Board of Health prior to final adoption of the policy/guidance document.
- Documenting the date and time of changes and communicating them effectively to relevant agencies and stakeholders.

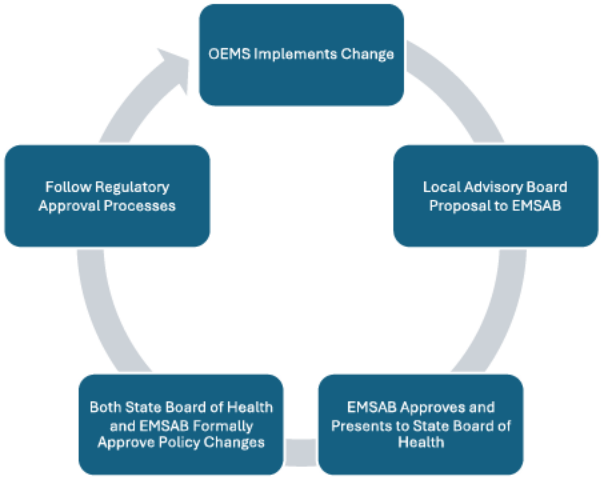
Adoption of this option will improve transparency, stakeholder engagement, and compliance with legislative requirements.

Decision Point #4

FITCH & ASSOCIATES

Community Input and EMS Oversight Enhancements

- Grant EMSAB authority to propose regulations for State Board of Health consideration.
- Enable collaboration between EMSAB, local advisory boards, and Regions.
- EMSAB to manage its own administrative tasks independently.
- Reassess EMSAB size and subcommittees for better representation and efficiency.



Decision Point #5

FITCH & ASSOCIATES

Education, EMS Portal, and Departmental Functions

- OEMS should revise the certification for education coordinators, expand testing access, accept out-of-state CE credits, improve the EMS Portal, and hire key positions in Regulation and Compliance Enforcement – requires no legislative changes.

- OEMS must create a succession plan with the ACE division as it poses a critical risk to the EMS system – requires no legislative action.

- OEMS should enhance the financial transparency in DMV revenue allocation, expand the RSAF Grant Program, implement a funding escalator to address rising costs, and ensure equitable distribution of funds based on regional demographics – requires no legislative changes.

- VDH should reallocate the epidemiologist and replace them with a data analyst focused on patient care informatics, which would enhance OEMS's data analysis and care outcomes – requires no legislative changes.

Financial Impact

FITCH & ASSOCIATES

- FITCH conducted an extensive analysis to address OEMS's overspending and identify cost-saving measures.
  - The analysis reviewed current personnel costs and other expenses to find effective expenditure reductions.
  - FITCH's review revealed total expenditures of $5,784,204 for 49 positions, including salary and fringe benefits.

- Based on this review, FITCH proposed three staffing options to manage and reduce costs.
  - Option 1: Small Central Office with Seven Regional Offices.
  - Option 2: Small Central Office with Seven Regional Offices, excluding the administrative assistant.
  - Option 3: Small Central Office with Seven Regional Offices, excluding the administrative assistant, emergency operations staff, and emergency medical dispatch functions.

- The analysis aimed to identify potential cost savings through staffing adjustments and reductions in program expenses.

Financial Impact

FITCH & ASSOCIATES

Staffing Options and Cost Reductions

Option 1 - Small Central Office and Seven Regional Offices		Option 2 - Small Central Office and Seven Regional Offices (No AA)		Option 3 - Small Central Office and Seven Regional Offices (No AA - Eops and EMD Inc.)	
Staffing Plan		**Staffing Plan**		**Staffing Plan**	
1 - OEMS Director		1 - OEMS Director		1 - OEMS Director	
2 - Regional Coordinators		2 - Regional Coordinators		2 - Regional Coordinators	
7 - Regional Office Director		7 - Regional Office Director		7 - Regional Office Director	
7 - Program Representative		7 - Program Representative		7 - Program Representative	
2 - Division Directors Reg & Comp, ACE		2 - Division Directors Reg & Comp, ACE		2 - Division Directors Reg & Comp, ACE	
5 - Admin Assistants Shared in Regions		1- Admin Assistant		3 - EOPs and EMD	
1 - Business Manager		1 - Business Manager		1 - Business Manager	
3 - Data/IT, Portal		3 - Data/IT, Portal		3 - Data/IT, Portal	
2 - Certification Staff (cards, etc.)		2 - Certification Staff (cards, etc.)		2 - Certification Staff (cards, etc.)	
7 - Regional Educators		7 - Regional Educators		7 - Regional Educators	
1 - RSAF/RTL Manager		1 - RSAF/RTL Manager		1 - RSAF/RTL Manager	
1 - Fiscal Techs		1 - Fiscal Techs		1 - Fiscal Techs	
Location	**Total Staff**	**Location**	**Total Staff**	**Location**	**Total Staff**
Central Office	18	Central Office	18	Central Office	18
Regional	21	Regional	17	Regional	19
Total	***39***	***Total***	***35***	***Total***	***37***

Models for Consideration	Current		Proposed		Differences	
	Count of FTE's	Sum of Total Personal Cost of Employees	FTE Count	Cost (FTE*Average Personnel Cost by Employee)	FTE Count Change	Cost (FTE*Average Personnel Cost by Employee)
Option 1 - Small Central Office and Seven Regional Offices	49	$ 5,784,204	40	$ 3,889,964	-9	$ (1,894,240)
Option 2 - Small Central Office and Seven Regional Offices (No AA)	49	$ 5,784,204	35	$ 3,502,079	-14	$ (2,282,125)
Option 3 - Small Central Office and Seven Regional Offices (No AA - Eops and EMD Inc.)	49	$ 5,784,204	38	$ 3,779,453	-11	$ (2,004,750)

Other Expenses Cost Reductions

Item	Amount
Reduction to Seven Councils	$ 1,517,873
Med-Flight Reduction (Med-Flight and RASF Grant)	$ 3,074,262
Office, Leases and Maintenance Reduction	$ 525,000
Trauma Site Visit Honorarium	$ 50,000
ESO Reduction (no ePCR)	$ 4,000,000
Expense Reduction from all Categories	$ 9,167,135
Expense Reduction from all Categories minus Medflight	$ 6,092,873

Financial Impact

FITCH & ASSOCIATES

	Option 1 - Small Central Office and Seven Regional Offices	Option 2 - Small Central Office and Seven Regional Offices (No AA)	Option 3 - Small Central Office and Seven Regional Offices (No AA - Eops and EMD Inc.)
Staffing Cost Reduction	$ (1,894,240)	$ (2,282,125)	$ (2,004,750)
Total Savings Without Medflight Reduction	$ (6,092,873)	$ (6,092,873)	$ (6,092,873)
Reduction of Cost Without Medflight Reduction	***$ (7,987,113)***	***$ (8,374,997)***	***$ (8,097,623)***

	Option 1 - Small Central Office and Seven Regional Offices	Option 2 - Small Central Office and Seven Regional Offices (No AA)	Option 3 - Small Central Office and Seven Regional Offices (No AA - Eops and EMD Inc.)
Staffing Cost Reduction	$ (1,894,240)	$ (2,282,125)	$ (2,004,750)
Total Savings With Medflight Reduction	$ (9,167,135)	$ (9,167,135)	$ (9,167,135)
Reduction of Cost With Medflight Reduction	***$ (11,061,375)***	***$ (11,449,259)***	***$ (11,171,885)***

Minimum Reduction in Costs	***$ (7,987,113)***
Maximum Reduction in Costs	***$ (11,449,259)***

Conclusion

- Outlined a strategic roadmap for the Commonwealth, emphasizing a comprehensive and incremental approach to address complex challenges in oversight, regional support, policy revision, community involvement, education, and emergency services.
- The recommendations include a range of options for legislative, regulatory, structural, employee, and funding changes, highlighting the need for a flexible and adaptive strategy.
- The plan's focus on industry best practices and recommendations for immediate and midterm strategic actions ensure it is robust and forward-thinking.
- By implementing a carefully phased strategy, the Commonwealth can navigate its challenges with agility and achieve positive governance and community service outcomes.
- This methodology promotes ongoing improvement and responsiveness, positioning the Commonwealth for sustained success and enhanced service delivery.

Office of EMS Internal Audit Report – Corrective Action Plan

Leadership Recommendations

#	Recommendation	Concur/ Do Not Concur	Responsible Position	Projected Implementation Date	Management Response
1	We recommend the OEMS Director communicate with all OEMS Deputy Directors and OEMS staff a commitment to working with VDH leadership and Central Operations administrative offices such as Office of Financial Management (OFM), Office of Human Resources (OHR), Office of Procurement and General Services (OPGS) on improving collaboration and adhering to all Code of Virginia requirements, and VDH and State policies and procedures.	Concur	OEMS Director	Ongoing	VDH leadership gave a clear directive to OEMS leadership that they are to work hand in hand with VDH leadership and Administrative offices to improve operations at OEMS. VDH leadership also gave a clear directive to OEMS leadership that they are responsible for the fiscal and operational accountability of OEMS. Starting in the Summer of 2023, the VDH COO held weekly meetings with the OEMS team at the VDH Central Office as the financial state of OEMS became apparent. These meetings continued through 2023. In January of 2024, daily stand-up meetings were introduced to the OEMS leadership team, coordinated by the Assistant Deputy Commissioner for Population Health and Preparedness, prior to the appointment to the Interim OEMS Director role. These were attended by the OEMS Deputy Directors, a Fitch and Associates representative, and the Assistant Deputy Commissioner. These daily meetings laid the foundation of collaboration between VDH leadership and OEMS leadership. When the Assistant Deputy Commissioner began as the Interim OEMS Director in March 2024, weekly, then bi-weekly meetings were set up with all staff in addition to the daily leadership meetings. These meetings, which still continue, are designed to instill trust, collaboration and open dialogue between the Office of EMS and the VDH leadership team. Furthermore, in an effort to create more collaboration between VDH and OEMS, as well as a budget positive action, the OEMS team will be moving to the Central VDH Office, occupying the first floor Mezzanine in a remodeled space beginning in the summer of 2025. Current rent in Glen Allen is over $22,000 per month and this will allow the use of those funds for programmatic activity. It will also encourage greater collaboration between OEMS and their VDH leadership and colleagues.

#	Recommendation	Concur/ Do Not Concur	Responsible Position	Projected Implementation Date	Management Response
2	We recommend the OEMS Director and Deputy Director Trauma and Administration determine and communicate clear delineation of responsibilities and proper segregation of duties regarding administration functions such as Budget, Procurement, Accounts Payable, Human Resources, in both a process and position level.	Concur	OEMS Director & Deputy Director Trauma & Administration	10/2023	In October 2023, VDH leadership placed a temporary Business Manager into the Office of EMS to start the process of separating duties and clearly defining roles and responsibilities to ensure adherence to VDH and State policy. On 2/10/24, VDH hired a permanent Business Operations Manager through a wider initiative to improve fiscal accountability across the Agency. To allow for a successful transition of duties, the new Business Operations Manager was afforded a 6-week transition and training period where they were able to work with the temporary business manager and wider Agency Fiscal support staff to ensure continuity of operations, and continued adherence to State Policy. The Interim Office Director and OEMS leadership team has worked to ensure that duties are segregated, and that the Office follows all State and VDH policies and procedures. Roles and responsibilities have been clarified and EWPs have been updated.
3	We recommend the Chief Operating Officer and Deputy Commissioner for Administration evaluate Central Operations processes to remove inefficiencies, establish performance metrics, and regular evaluation of metrics for procurement, financial, and human resources transactions for OEMS programs through Budget/Financial meetings, Monthly Operating Review meetings or such.	Concur	COO and Deputy Commissioner for Administration (CFO)	Ongoing	Towards the end of FY23, VDH Operational leadership instigated budget reviews of each Office. It was this process that initially highlighted the financial concerns that realized the discovery of fraudulent activities. Since the instigation of this process, the Office of EMS has met routinely with VDH fiscal, HR and Senior leadership to discuss the challenges the office is facing. The Interim Director routinely meets with the Chief Operating Officer to raise concerns and to advocate for change, where change is required. In addition to these meetings, which were initially held weekly, then biweekly and have now been returned to a monthly status, the Office works directly with administrative leadership to ensure fiscal and HR accountability. The Interim Office Director has taken an active role in ensuring that the issues and challenges that are raised at daily meetings are escalated and addressed in a timely manner. Across VDH, each Office now participates in Monthly Operating Reviews where each Office Director meets with Senior VDH Operational and Administrative leadership monthly to review Finances, Human Resources data, Objectives with Key Results, and their Employee Engagement plans. Administrative functions of the greater VDH are addressed through the newly created "Healthy Financial Operations" Steering committee where Agency leaders work through Administrative process issues, to include retention and recruitment of administrative staff, travel reimbursement, invoice processing, grant administration, and other matters.

#	Recommendation	Concur/ Do Not Concur	Responsible Position	Projected Implementation Date	Management Response
4	We recommend the OEMS Director, Deputy Director Trauma and Administration, Chief Operating Officer and Deputy Commissioner for Administration establish a method for communication between OEMS and Central Offices operations regarding administrative transactions, with built in accountability for who is responsible at each step in the process.	Concur	OEMS Director, Deputy Director Trauma and Administration, Chief Operating Officer and Deputy Commissioner for Administration	8/1/2023 and ongoing	In September of 2023, a temporary pause was placed on all transactions at the Office of EMS while a realignment of fiscal priorities was conducted. During this realignment phase, a temporary process was instigated to ensure fiscal transparency of all transactions being made. The temporary business manager (followed by the permanent Business Operations Manager) was required to validate all expenditures created in F&A with further review being completed by the Interim Office Director. Once transactions were verified, a further oversight step was introduced prior to payment release. The OEMS leadership team meets daily to discuss payments being made, and budget to actual information is shared with every team member at the All staff meetings that occur on a bi-weekly basis. In addition to this, all budget managers have received guidance from the BOM on their budgets, codes and what can be expended in their budget. Budget to actual information is routinely shared with EMS Leadership and the Deputy leadership to ensure that there is transparency and fiscal accountability.
5	We recommend the OEMS Director and Deputy Director Trauma and Administration work with the HR Business Partner assigned to OEMS to determine whether the OEMS Associate Director position needs to be eliminated. If the position is maintained, what the roles and responsibilities of the OEMS Associate Director (08316) position should be, and the **EWP** is revised to ensure the roles and responsibilities are clearly stated prior to filling the position.	Concur	OEMS Director and Deputy Director Trauma and Administration	3/13/2024	In March of 2024 the OEMS Organizational chart was updated to create the OEMS leadership team to ensure better oversight of positions. Instead of the Director having 11 direct reports, the span of control was reduced to 4 direct reports, including three Deputy Directors, with better alignment and grouping of work areas. In addition to this, the role of Associate Director was eliminated, spreading the accountability for the Office across three Deputy Directors. This allowed for more comprehensive oversight of programmatic and financial aspects in the day-to-day operations of the Office.
6	We recommend the OEMS Director and Deputy Director Trauma and Administration work with the HR Business Partner assigned to OEMS to review the Human Services Program Coordinator (02322) and OEMS Business Manager (EM039) positions to ensure the roles and responsibilities are clearly stated and revise the EWP, as necessary	Concur	OEMS Director and Deputy Director Trauma and Administration	2/10/2024 & 09/01/2024	VDH leadership hired a new Business Operations manager on 02/10/2024. This role was provided with a fully standardized EWP that fully outlined the roles and responsibilities associated with that position. As part of a wider initiative to ensure accountability and responsibility at all levels within the Office, a full review of all other OEMS position EWPS is being completed during September 2024.
7	We recommend the OEMS Director and Deputy Director Trauma and Administration work with the HR Business Partner assigned to OEMS review and revise the reporting structure for the OEMS Business Manager (EM039) position, as needed	Concur	OEMS Director and Deputy Director Trauma and Administration	3/13/2024	The Business Operations Manager role was restructured with other key organizational roles on 03/13/2024. The role was assigned to the Director of Trauma and Administration. Once a permanent Director of OEMS is appointed, the role will report directly to them. It is anticipated that the Director position will be in filled by the end of calendar year 2024.

#	Recommendation	Concur/ Do Not Concur	Responsible Position	Projected Implementation Date	Management Response
8	We recommend the OEMS Director and Deputy Director Trauma and Administration work with the HR Business Partner assigned to OEMS to revise the OEMS Business Manager (EM039) EWP to clearly state what positions the OEMS Business Manager will manage.	Concur	OEMS Director and Deputy Director Trauma and Administration	3/13/2024	In March 2024, the Office of EMS organizational chart was restructured to ensure better accountability at all levels within the organization. The Director previously had 11 direct reports that did not provide for appropriate span of control. Following the restructure, the Director had just 4 Direct Reports allowing for greater oversight. This allowed the Director to be able to focus much more closely on fiscal control and programmatic oversight. Further changes are proposed once the Director role is permanently filled, with the Business Operations Manager directly reporting to the Director and any positions reporting to the BOM will be defined.
9	We recommend the Deputy Commissioner for Administration and Deputy Director Trauma and Administration ensures the OEMS Business Manager is properly trained and given the resources to assume their role and responsibilities according to their EWP.	Concur	Deputy Commissioner for Administration and Deputy Director Trauma and Administration	2/10/2024	The Business Operations Manager (BOM) hired 2/10/2024 has a standard EWP with the financial expectations required for this position updated prior to hire. The BOM received extensive training and support through the onboarding and training team during the onboarding process. This training consisted of learning VDH, and State financial controls and policies and procedures put into place by the State to ensure good fiscal oversight. In addition to this classroom training, the BOM spent an additional six weeks shadowing the interim Business Manager at OEMS to ensure that the best practices implemented were continued and built upon. This included ensuring that there was thorough understanding of the budget including designated uses of the funds that were coming into the Office. The BOM continues to interact with BOMs from other VDH Offices and with the Assistant Deputy for Administration through regularly held forums and information sharing opportunities.
10	We recommend the Deputy Director Trauma and Administration and OEMS Business Manager ensure OEMS SPCC cardholders only charge their SPCC for purchases that support OEMS objectives and programs.	Concur	Deputy Director Trauma and Administration and OEMS Business Manager	2/10/2024	The Deputy Director for Trauma and Administration has put controls into place to ensure that SPCC Cards are only used to procure programmatically required items. OEMS has implemented the Bank of America Works tool with regard to the use of their two SPCC cards. The supervisor of the cardholder utilizes the Bank of America Works system to approve all of the charges which have attached receipts, to ensure the charges are appropriate, with monthly reconciliation.

#	Recommendation	Concur/ Do Not Concur	Responsible Position	Projected Implementation Date	Management Response
11	We recommend the Deputy Director Trauma and Administration and OEMS Business Manager ensure OEMS SPCC cardholders include an invoice or PO # on all SPCC logs.	Concur	Deputy Director Trauma and Administration and OEMS Business Manager	Immediate and ongoing	OEMS has implemented the Bank of America Works tool regarding the use of their two SPCC cards. The supervisor of the cardholder utilizes the Bank of America Works system to approve all of the charges which have attached receipts, to ensure the charges are appropriate, with monthly reconciliation. All purchases are appropriately tracked and aligned to an invoice of purchase order number.
12	We recommend the Deputy Director Trauma and Administration and OEMS Business Manager ensure OEMS SPCC cardholders reconcile SPCC charges at least monthly and by year end.	Concur	Deputy Director Trauma and Administration and OEMS Business Manager	2/10/2024	OEMS has implemented the Bank of America Works tool with regard to the use of their two SPCC cards. The supervisor of the cardholder utilizes the Bank of America Works system to approve all of the charges which have attached receipts, to ensure the charges are appropriate, with monthly reconciliation. These charges are now reconciled monthly.

Budget Recommendations

#	Recommendation	Concur/ Do Not Concur	Responsible Position	Projected Implementation Date	Management Response
1	We recommend the OEMS Director, Deputy Director Trauma and Administration, and OEMS Business Manager ensure that all OEMS Division Directors responsible for fiscal decisions regarding their division have input on creating the budget, have access to their budgets with funds coming in and going out, and regular communication from the OEMS leadership regarding status updates of their budgets. This will ensure that there is ongoing communication on the needs of the Divisions, including any increase in OEMS costs of doing business are potentially included in the budget.	Concur	OEMS Director, Deputy Director Trauma and Administration, and OEMS Business Manager	7/1/2024	The OEMS Interim Director has ensured that all Deputy Directors, and Division Directors are part of the Business Operations Manager's budget building process. Work started in this process for the current fiscal year on 7/1/24 and following receipt of Cash Balances from the VDH Office of Financial Management (OFM). Work is continuing to ensure that the FY25 budget is completed properly. Upon completion of this activity, the budget will be fully communicated to all staff at the "All hands meeting", and updates given monthly on the budget to actual expenses being incurred. This will ensure that every team member has accountability and buy-in for long term fiscal accountability across the Office.
2	We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration and OEMS Business Manager establish segregation of duties and an internal review, approval, and reporting process for OEMS transactions to ensure accountability at all levels for fiscal decisions made for OEMS programs and activities	Concur	OEMS Director, Deputy Director Trauma and Administration, and OEMS Business Manager	2/10/2024	The Interim Office Director and OEMS leadership team has worked to ensure that duties are segregated, and that the Office follows all State and VDH policies and procedures. Roles and responsibilities have been clarified and EWPs have been updated. The OEMS is utilizing the VDH Invoice Portal to track invoices received. These are approved by the Division Directors before following the VDH standard process of approval. Once approved for payment release, there are additional steps in place to check that the Office has sufficient funding available before a request is made to the Accounts Payable (AP) team and the Deputy Commissioner of Administration for funds to be released, which is an additional step to the standard VDH process. At the end of FY25, budgets should be sufficient to reduce this additional release steps. These expenses are also communicated to all staff regularly at the All Staff meetings.

#	Recommendation	Concur/ Do Not Concur	Responsible Position	Projected Implementation Date	Management Response
3	We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration and OEMS Business Manager work with the Deputy Commissioner for Administration and OFM Deputy Director for Budget to determine and communicate clear delineation of responsibilities for creating, approving, and monitoring the OEMS budget and the special funds that they have.	Concur	OEMS Director, OEMS Deputy Director Trauma and Administration and OEMS Business Manager	Ongoing	In October 2023, upon the appointment of a temporary Business Manager a review was completed to thoroughly track the expenditures versus income received and to create a plan to move forward including paying vendors. Once the initial crisis management steps were completed, the BOM and Assistant Deputy Commissioner worked closely with the OEMS Leadership team to create a process for determining the remaining budget for FY24, and to put controls in place to ensure expenditures were all accounted for. In February 2024, a permanent Business Operations Manager was assigned, who then became responsible for developing and monitoring budgets moving forward. Daily meetings have been held by the Interim Office Director with the OEMS leadership team, including the Business Operations Manager to ensure that spending priorities and money available is monitored daily. An FY25 budget has now been created and will be used as the basis for spending moving forward. Budget to actual expenditures will be communicated to all staff at the All Staff meeting to ensure that the full financial picture is communicated to all staff members. In addition, all staff with spending authority will receive additional budget information at least monthly, which will be reviewed with the Business Manager to ensure that spending is kept within budget limits. Once the process is fully established the cadence of the monitoring will be appropriate.
4	We recommend the OEMS Director, Deputy Commissioner for Administration and OFM Deputy Director for Budget establish an escalation process, including accountability for actions taken when OEMS Office Director, Deputy Director Trauma and Administration and/or OEMS Business Manager is not properly or timely responding to budget concerns or when the Offices operate in a deficit.	Concur	OEMS Director, Deputy Commissioner for Administration and OFM Deputy Director for Budget	8/1/2023	The OEMS Leadership team meets at 8:30 am daily to discuss budget oversight and programmatic issues. All issues relating to budget are discussed during those meetings, and concerns are escalated as needed to OFM staff. In addition to this, budgets and spending are communicated openly to all staff, to ensure that all staff are informed to the fiscal accountability of the Office. In addition to this Office level review, weekly meetings were created by the VDH leadership team with the OEMS leadership team to create sound fiscal oversight of spending and budgets. Following the appointment of the Assistant Deputy Commissioner to Interim Director these meetings have shifted to become a Monthly Operating Review in line with other Offices. Any issues in the OEMS budget during the year are brought to the Acting Office Director immediately. The issues are also escalated to the OFM Deputy Director for Budget.

#	Recommendation	Concur/ Do Not Concur	Responsible Position	Projected Implementation Date	Management Response
5	We recommend the OEMS Director, Deputy Commissioner for Administration and OFM Deputy Director for Budget ensure that the Budget Analyst assigned to OEMS is properly trained to understand how OEMS is funded with the special funds and the unique requirements for spending to ensure compliance with the Code of Virginia requirements.	Concur	OEMS Director, Deputy Commissioner for Administration and OFM Deputy Director for Budget	Ongoing	The OFM budget analyst assigned to OEMS has been trained on what the OEMS funds are to be used for and how to monitor them and how to review and analyze OEMS spending vs its budget. The analyst is involved in reviewing and approving the OEMS budget and will have a clear understanding of what is included and not included. Any issues in the OEMS budget during the year are brought to the Acting Office Director immediately. The issues are also escalated to the OFM Deputy Director for Budget. Furthermore, an effort is underway to ensure that code mandated programs are funded to the degree which OEMS is required and programs require for effectiveness. One code mandated program that will shift in the coming year is the access to the Patient Care Repository (PCR). Code requires that OEMS provide access to a Data Repository system. OEMS has provided and paid for that system, but gone above code requirement and paid for any EMS agency in the Commonwealth to have an Electronic Patient Care Record provided free of charge as well. That will change in July 2025. VDH took over the contract for the PCR through ESO that was routed Western EMS Council in July 2024. VDH is in a 12-month sole-source contract with ESO to continue those same services, allowing any EMS agency in the Commonwealth to maintain that system free of charge through June 2025. An RFP is being initiated in September 2024 to procure services on a state contract for the Data Repository with the requirement beginning in July 2025 that EMS agencies will be required to pay for their own EPCR system.
6	We recommend the OEMS Director, Deputy Director Trauma and Administration and OEMS Business Manager optimize the OEMS budget to account for expected revenue in each fund and have the proper percentages for each Four-For-Life project budgeted for each fiscal year.	Concur	OEMS Director, Deputy Director Trauma and Administration and OEMS Business Manager	10/2023	The BOM reviews projected revenues to actual revenues received on a monthly basis and highlights any concerns in revenue decrease to the OEMS leadership team for review. Budgets have been created to ensure that only items allowed to be allocated to each fund code are budgeted and spent. Spending is reviewed daily at the OEMS leadership team meeting to ensure that budgets are on target. In addition to this, budgets to actuals (both revenue and pending) are communicated with all budget holders and at all staff meetings. This ensures that all staff at OEMS have a transparent view on the budget and all understand their part on ensuring that budgets are maintained appropriately.
7	We recommend the OEMS Director, Deputy Director Trauma and Administration and OEMS Business Manager consult with the Deputy Commissioner for Administration, OFM Director, and OFM Deputy Director for Budget to review and correct all instances where employees and contractors are being incorrectly paid with OEMS funds and ensure that this is no longer occurring.	Concur	OEMS Director, Deputy Director Trauma and Administration and OEMS Business Manager	7/1/2024 and ongoing	Following a wider restructuring and reorganization of the cost allocation of the VDH central fiscal, HR and OIM charges, controls have been put in place to ensure better transparency of charges that are incurred by all offices. Only those resources actually allocated and working for an office should now be charged to that Office's cost code. In addition to this central control, the BOM for OEMS reviews every expenditure and cross references to the allocated budget and where a discrepancy occurs action is taken by the BOM to investigate the expenditure and ensure that it is reallocated to the correct cost center through the journalling process. Where discrepancies occur, these are communicated to the OEMS Leadership team and full documentation of the journal is retained for audit purposes.

#	Recommendation	Concur/ Do Not Concur	Responsible Position	Projected Implementation Date	Management Response
8	We recommend the OEMS Deputy Director Trauma and Administration and OEMS Business Manager work with the Office of Financial Management Director and Budget Office Director to review all OEMS cost codes at the COA level, and eliminate any that are no longer used or needed.	Concur	OEMS Business Manager	5/2024 and ongoing	The BOM has reviewed all cost and task codes allocated to and associated with the OEMS. All cost and task codes are now programmatic and item specific and training has been given to all Deputy Directors to ensure that the correct codes are used. This has allowed the BOM to give much more detailed oversight into the items being purchased for the OEMS. All redundant codes have been eliminated to reduce the risk of coding error.

Trauma Center Fund Recommendations

#	Recommendation	Concur/ Do Not Concur	Responsible Position	Projected Implementation Date	Management Response
1	We recommend the OEMS Director and Trauma and Critical Care Division Director work with the OFM Director and OFM Deputy Director for Budget to establish a process to ensure all Trauma Center Funds are properly budgeted and timely disbursed to the qualifying Trauma Centers by the end of the fiscal year, possibly through quarterly payments.	Concur	OEMS Director, Business Operations Manager and Trauma Manager	4/2024.	Following a thorough review of the Trauma Center funding disbursement model, the VDH COO and OEMS Trauma leadership team met with representatives of the Virginia Hospital and Healthcare Association (VHHA), and the CFOs of all Trauma centers to discuss altering the way that payments are reviewed to ensure fiscal transparency. This included altering the annual payment to bi-annual, ensuring transparency in the information shared to how those payments were computed, and committing to set times of those payments with the goal April and October of each year. Additionally, the trauma admission data received now matches the time period of the actual trauma funds received, and when paid out the entirety of the fund balances will be dispersed. The VHHA and Trauma Center CFOs agreed to this change, and it was implemented in the Spring of 2024 with the next payment scheduled to go out in October of 2024.
2	We recommend the OEMS Director and Trauma and Critical Care Division Director ensure that Trauma Center Funds are only used to make disbursements to qualifying Trauma Centers, and Trauma Center funds are properly used for trauma specific activities only.	Concur	OEMS Director and Trauma Manager	Ongoing	The Business Operation Manager works closely with the Trauma and Data management Team to ensure that the data provided is accurate, and calculations regarding the percentage of the fund being allocated to each trauma center are accurate and transparent. Numerous meetings are held during the process, and prior to the data being finalized, the information is communicated to the wider OEMS leadership team for further review. The VDH Deputy Commissioner of Population Health and Preparedness will review the payment calculation method to ensure transparency and accuracy in payment plan prior to funds being released. When funds are dispersed the BOM will ensure that only Trauma funds are used for the disbursement and that all State policies are followed to record each transaction made. The Trauma Manager and BOM will develop an auditing method to ensure that finds dispersed to Trauma Centers are solely used for approved Trauma related purposes.
3	We recommend the OEMS Director, Deputy Director Trauma and Administration and Trauma and Critical Care Division Director review and provide justification for the Trauma Center Distribution Fund policy language, or remove it from the policy to remain consistent with Code of Virginia § 18.2-270.01.	Concur	OEMS Director and Trauma Manager	Fall 2024	The Trauma Center Distribution Fund policy is being updated to reflect the changes being made to the disbursement process that allows for better fiscal oversight and transparency to the trauma centers on how the money is being allocated. The policy will go through peer review by members of the various Trauma committees to ensure that it complies with all State Codes and meets the needs of the trauma centers with regard to being open and transparent, and setting clear expectation and time frames for financial disbursements to be made.

#	Recommendation	Concur/ Do Not Concur	Responsible Position	Projected Implementation Date	Management Response
4	We recommend the OEMS Director and Deputy Director Trauma and Administration ensure the Trauma and Critical Care Division Director is involved in the budget, expenditure, and reporting of Trauma Center Funds, and ensure that carryover funds are minimized.	Concur	OEMS Director and Trauma Manager	8/2023	The Business Operation Manager works closely with the Trauma and Data management Team to ensure that the data provided is accurate, and calculations regarding the percentage of the fund being allocated to each trauma center are accurate and transparent. Numerous meetings are held during the process, and prior to the data being finalized, the information is communicated to the wider OEMS leadership team for further review as well as review by the VDH Deputy Commissioner for Population Health and Preparedness. When funds are dispersed, care is taken by the BOM to ensure that only Trauma funds are used for the disbursement and that all State policies are followed to record each transaction made. The Deputy Director for Trauma and Administration will review the disbursements for accuracy, followed by approval by OFM AP.
5	We recommend the OEMS Director, Deputy Director Trauma and Administration and Trauma and Critical Care Division Director ensure that the required annual reports are submitted of the projected use and actual use of trauma funds by the November 15 and February 15 deadlines.	Concur	OEMS Director, Deputy Director Trauma and Administration	3/2024	The Trauma Division will review reports submitted by the Trauma Centers to ensure compliance with the policy for approved projected and actual use of Trauma Fund payments.
6	We recommend the OEMS Director, Deputy Director Trauma and Administration and Trauma and Critical Care Division Director ensure that financial audits are performed for Trauma Centers that receive $200K per year, or audits as needed for Centers that receive less than $200K.	Concur	OEMS Director, Deputy Director Trauma and Administration	07/2025	Upon successful implementation of the twice yearly payment to the Trauma system the OEMS Leadership team, and Specifically the Trauma and Administration Director, will work with the various Trauma committees of the EMS Advisory Board to review the audit process and reinstate auditing of hospitals receiving trauma funds in FY26.

Four for Life Recommendations

#	Recommendation	Concur/ Do Not Concur	Responsible Position	Projected Implementation Date	Management Response
1	We recommend the OEMS Director and Deputy Director Trauma and Administration establish written procedures for managing Four-for-Life funds to include controls and accountability to ensure compliance with the Code of Virginia requirements, and State and VDH internal policies and procedures	Concur	OEMS Director, Deputy Director Trauma and Administration, and OEMS Business Manager	Ongoing	During FY25, the Office of EMS will be establishing SOPs that will help with training and onboarding of new staff coming into the office to give greater awareness of the code mandated funding streams received by the office and the required limits to its spending. All accounts are regularly reviewed with transparency and compliance assured by the OEMS leadership team. On appointment of the BOM, a full and thorough training was given by the VDH budget team, the interim Business Manager, and the Assistant Deputy Commissioner on the funding streams utilized by the OEMS and what each could be used for. In addition to this thorough training, the BOM received State training on all other fiscal controls, such as the CAPP and DAMM manuals.
2	We recommend the State Health Commissioner and Deputy for Population Health and Preparedness establish a method of accountability for the OEMS Director, Deputy Director Trauma and Administration and OEMS Business Manager to ensure that Four-for-Life funds are properly managed and spent to ensure compliance with the Code of Virginia requirements for OEMS programs	Concur	State Health Commissioner and Deputy for Population Health and Preparedness	Ongoing	VDH leadership reviews the Office operations monthly through the VDH Monthly Operating Review process where OEMS leadership will discuss their financial status, human resources opportunities, a review of their stated objectives, and employee engagement activities. The Deputy Commissioner for Population Health and Preparedness will review the budget monthly to ensure compliance with Four-for-Life budgetary requirements according to the Code of Virginia.
3	We recommend the OEMS Director, Deputy Director Trauma and Administration, and OEMS Business Manager closely monitor spending in each project code for the Four-for-Life funds to ensure compliance with the Code of Virginia requirements for OEMS programs.	Concur	OEMS Director, Deputy Director Trauma and Administration, and OEMS Business Manager	Ongoing	During FY25 the Office of EMS will be establishing SOPs that will help with training and onboarding of new staff coming into the Office to give greater awareness of the code mandated funding streams received by the office and the required limits to its spending. All accounts are regularly reviewed with transparency and compliance assured by the OEMS leadership team. On appointment of the BOM, a full and thorough training was given by the VDH budget team, the interim Business Manager, and the Assistant Deputy Commissioner on the funding streams utilized by the OEMS and what each could be used for. In addition to this thorough training, the BOM received State training on all other fiscal controls, such as the CAPP and DAMM manuals. The Office of EMS follows these State Procedures. VDH leadership reviews the Office operations monthly through the VDH Monthly Operating Review process where OEMS leadership will discuss their financial status, human resources opportunities, a review of their stated objectives, and employee engagement activities. Additionally, the OEMS will submit an annual review to the Board of Health on its Four-for Life financial status to accompany the required state EMS plan.

#	Recommendation	Concur/ Do Not Concur	Responsible Position	Projected Implementation Date	Management Response
4	We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration and OEMS Business Manager develop a tool for OEMS Four-for-Life obligations for better tracking and monitoring, and annual reporting to the Board of Health of the OEMS Four-for-Life fund.	Concur	OEMS Director, OEMS Deputy Director Trauma and Administration and OEMS Business Manager	Ongoing	The OEMS will continue to report the required State EMS Plan to the Board of Health and include information on its Four-for Life financial status. VDH is in the process of procuring a financial management software to replace the antiquated F&A financial software which will provide an improved platform for tracking and monitoring.
5	We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration and OEMS Business Manager develop a written internal procedure to reconcile and monitor Return to Locality disbursements to avoid duplicate payments to localities.	Concur	OEMS Director, Deputy Director Trauma and Administration, and OEMS Business Manager	1/24	A close working relationship has been established between the Business Operations Manager and the EMS System Funding Manager with them both currently reporting to the same Deputy Director. This has ensured the removal of silos in the Office, creating a collaborative work environment that ensures that proper payments are being processed in a timely manner. Routine meetings are being held between the BOM and the System Funding Manger, with shared data to ensure that upcoming payments are being communicated and planned for. This reconciliation will eliminate the possibility of duplicate payments.
6	We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration and OEMS Business Manager make Return to Locality disbursements from the Four-for-Life fund only, and not other funds such as the RSAF.	Concur	OEMS Director, Deputy Director Trauma and Administration, and OEMS Business Manager	8/23	The BOM checks fund balances daily to ensure that expenditures made do not exceed revenues received. All payments from each fund source are reviewed regularly by the BOM and Deputy Director for Trauma and Administration ensuring that the proper controls have been put into place to ensure that Return to Locality (RTL) payments are only made from the correct fund. Prior to any funds being released from OEMS an additional verification step is completed by the Deputy Director for Trauma and Administration to ensure that payments being released are correctly coded. The Deputy Director for Trauma and Administration is completing this additional verification and has received training and guidance on what can been spent under each cost/task code.
7	We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration and OEMS Business Manager monitor spending to ensure no funding source in the Four-for-Life fund is overspent and journal entries to transfer money are not made without reasonable justification and written supporting documentation	Concur	OEMS Director, Deputy Director Trauma and Administration, and OEMS Business Manager	Ongoing	The BOM checks fund balances on a daily basis to ensure that expenditures made do not exceed revenues received. Revenue generated from the Four for Life is monitored on a daily basis and the Business Operations Manager plans expenditure according to revenue received. Any discrepancies found are escalated to the Office Director. Journaling will only be when necessary and with approval of the Office Director and AP in OFM.

#	Recommendation	Concur/ Do Not Concur	Responsible Position	Projected Implementation Date	Management Response
8	We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, OEMS Business Manager and OEMS Grants Manager/EMS System Funding review the Return to Locality Share of EMS Four-for-Life policy to make sure localities are compliant with the policy and properly using the funds outlined in the policy based on review of supporting documentation.	Concur	OEMS Director, Deputy Director Trauma and Administration, EMS Systems Funding Manager, and OEMS Business Manager	Ongoing	The Office of EMS completes annual checks to ensure that money allocated through the Four-For-Life Return to Locality program is being spent in accordance with policy. This process is completed annually and before any additionally money is released. The EMS System Funding Manager records these audits. The Deputy Director for Trauma and Administration will be responsible for ensuring the records are accurate and comply with the policy. The policy is being reviewed for any necessary updates.
9	We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, OEMS Business Manager and OEMS Grants Manager/EMS System Funding encourage the use of Return to Locality funds within one year, and discourage the carryover of funds for multiple years as outlined in the policy.	Concur	OEMS Director, OEMS Deputy Director Trauma and Administration, OEMS Business Manager and OEMS Grants Manager/EMS System Funding	Ongoing	The EMS System Funding Manager works closely with localities to ensure that funding is provided to localities when due, and that localities do not carry money over fiscal years. Previously OEMS practice allowed for jurisdictions to build up a surplus of RTL funds to allow the purchase of greater value items. This practice is being discouraged so as to ensure that OEMS is not unnecessarily holding locality money. OEMS is investigating which avenues can be taken to encourage use of funds when they are awarded. The Office of EMS will work with the EMS Advisory Board over the next twelve months to incorporate this into policy.

Regional Council Recommendations

#	Recommendation	Concur/ Do Not Concur	Responsible Position	Projected Implementation Date	Management Response
1	We recommend the OEMS Director and OEMS Deputy Director Operations work with the Chief Operating Officer to review the Regional Council Hybrid model, including but not limited to the reporting structure, assignment of staff, and payment of operating expenditures, to determine viability and sustainability as well as compliance to the Code of Virginia and the intended purpose of the Regional Councils.	Concur	Chief Operating Officer, OEMS Director, and OEMS Deputy Director for Operations	7/1/2025	Following VDH leadership investigation, it has been determined that appropriate legal approval was not sought within VDH or outside approving entities prior to the creation of Hybrid Regional EMS Councils and their subsequent contracts. This has led to State Employee's supervising non-profit employees and simultaneously being responsible to the Board of Directors that manage the not-for-profit aspect of the Councils. Additionally, it has led to expenditures being covered for the Hybrid Councils which are outside of the scope of the original intention of creating these agreements. VDH leadership will be working with the Office of EMS leadership team to restructure the Hybrid Offices to bring them into compliance with State Human Resources, procurement, and other compliance areas.
2	We recommend the OEMS Director and OEMS Deputy Director Operations establish a method for ensuring that all expenditures related to Regional EMS Councils can be traced to each individual Regional EMS Council.	Concur	OEMS Director and Deputy Director for Operations	8/2023	The OEMS Business Operations Manager has created a robust and transparent system in the Chart of Accounts of expense coding to ensure that all expenses can be tracked programmatically. All expenses relating to the operation of both Hybrid and Traditional Councils for which OEMS has been responsible have been divided out to ensure that full visibility of the cost of performing these programs can be captured. Training has been given to all OEMS staff with financial duties to ensure that they are aware of and using the correct expense tracking codes.
3	We recommend the OEMS Director and OEMS Deputy Director Operations review how Regional Councils (both traditional and hybrid) are funded for their activities and establish formal standardized policies and procedures with built in accountability for both OEMS and the Regional Council Directors.	Concur	OEMS Director and Deputy Director for Operations	Ongoing	Over the last twelve months, the Interim Director has worked to understand the various tasks and duties completed by the Regional EMS Councils as a starting basis for creating standardization and a baseline expectation across the State. In time for re-designation in July 2025, it is the intention of VDH Leadership to have a single standard that EMS councils will be held accountable to, with full fiscal transparency into what is being funded by the Office of OEMS and what is a Council Obligation.
4	We recommend the OEMS Director and the OEMS Deputy Director Operations work with the State Health Commissioner to determine if statewide projects should be managed by Regional Councils, and if so, an annual budget with established limits and accountability for what Regional Councils can be allowed to expense on behalf of Statewide projects should be determined.	Concur	State Health Commissioner, EMS Director and Deputy Director for Operations	Ongoing	Over the last twelve months, the Interim Director has worked to understand the various tasks and duties completed by the Regional EMS Councils as a starting basis for creating standardization and a baseline expectation across the State, including statewide projects. In time for re-designation in July 2025, it is the intention of VDH Leadership to have a single standard that EMS councils will be held accountable to, with full fiscal transparency into what is being funded by the Office of OEMS and what is a Council Obligation.
5	We recommend the OEMS Director and the OEMS Deputy Director Operations work to determine what State policies and procedures regarding procurement and asset management should be followed by Regional Councils in relation to OEMS funded transactions.	Concur	OEMS Director and Deputy Director for Operations	Ongoing	VDH is in the process of redetermining the model for the Regional Councils and State policies and procedures regarding procurement and asset management will be followed according to the chosen model.

#	Recommendation	Concur/ Do Not Concur	Responsible Position	Projected Implementation Date	Management Response
6	We recommend the OEMS Director and the OEMS Deputy Director Operations work with the Chief Operating Officer on resolving OEMS's contractual obligations and insufficient funding to meet them.	Concur	COO, OEMS Director, and Deputy Director for Operations	7/2024	Funding issues were resolved temporarily due to additional funding provided by the Governor and the General Assembly. Moving forward contracts will only be procured that fall within the OEMS budget limits. Following the decoupling of VDH from contracts operating through EMS Councils, VDH will ensure that all Statewide projects are managed and contracted through the Office of EMS only, following all State Procurement rules. As part of this process, numerous contracts such as Blackboard, "State IT Contract" and HandTevy have been eliminated while others, such as ESO and ImageTrend have been negotiated on an Emergency Sole Source Contract and contracted through the Office of EMS. As contracts end and opportunity allows, contracts will be sourced through State procurement processes such as RFP and Sole Source as appropriate to ensure that the use of Councils for the purpose of contracts is eliminated.
7	We recommend the OEMS Director and the OEMS Deputy Director Operations ensure all Regional Council expenditures have proper supporting documentation for their purchases on behalf of OEMS before paying invoices.	Concur	OEMS Director, and Deputy Director for Operations	8/2023	OEMS staff are now following State protocols in the requirements for full documentation prior to an invoice being paid. Only those agreed upon expenses that are supported with documentation are processed for payment. As contracts/MOUs are renegotiated with Regional Councils, clearer guidelines will be instigated in the items that are eligible for reimbursement through the Office of EMS. The Deputy Director for Operations, who now oversees all Regional Councils, will be responsible for reviewing all invoices prior to payment.
8	We recommend the OEMS Director and the OEMS Deputy Director Operations follow the VDH Travel policy for reimbursing non-employee travel	Concur	OEMS Director and Business Operations Manager	1/1/2024	As part of a wider VDH compliance initiative, the Office of EMS is following new procedures initiated by the Office of Financial Management with regard to the reimbursement of travel expenses. All staff and non-staff members are now submitting travel through newly created VDH Travel Portal and are reimbursed in line with VDH expectations. Moving forward, the Assistant Deputy Commissioner of Administration along with the OEMS BOM will ensure that staff and board members are trained in any new system being procured as part of larger Agency initiative.
9	We recommend the OEMS Director and the OEMS Deputy Director Operations ensure all Regional Council expenditures are supported by updated and fully executed procurement agreements.	Concur	OEMS Director and Deputy Director for Operations	1/1/2024	OEMS staff are now following State protocols in the requirements for full documentation prior to an invoice being paid. Only those agreed upon expenses that are supported with documentation are processed for payment. As contracts/MOUs are renegotiated with Regional Councils clearer guidelines will be instigated in the items that are eligible for reimbursement through the Office of EMS.

#	Recommendation	Concur/ Do Not Concur	Responsible Position	Projected Implementation Date	Management Response
10	We recommend the OEMS Director and the OEMS Deputy Director Operations ensure that invoices paid for Regional Councils have complied with the terms of the procurement contract both for the amount charged and completion of goods/services	Concur	OEMS Director and Deputy Director for Operations	1/1/2024	OEMS staff are now following State protocols in the requirements for full documentation prior to an invoice being paid. Only those agreed upon expenses that are supported with documentation are processed for payment. As contracts/MOUs are renegotiated with Regional Councils clearer guidelines will be instigated in the items that are eligible for reimbursement through the Office of EMS. The Deputy Director for Operations verifies the receipt of goods or services consistent with the executed contract and the BOM submits the invoice for payment to OFM AP team who authorizes the payment in Cardinal.
11	We recommend the OEMS Director and the OEMS Deputy Director Operations ensure Regional Council expenditures are coded consistently and accurately for ease of budget development and tracking	Concur	OEMS Director, Deputy Director for Operations, and Business Operations Manager	Ongoing	The OEMS Business Operations Manager has created a robust and transparent system of expense coding in the Chart of Accounts to ensure that all expenses can be tracked programmatically. All expenses relating to the operation of both Hybrid and Traditional Councils have been divided out to ensure that full visibility of the cost of performing these programs can be captured. Training has been given to all OEMS staff with financial duties to ensure that they are aware of and are using the correct expense tracking codes. The BOM in collaboration with the OEMS Leadership team will ensure that Councils remain within their OEMS allocated budgets, raising any issues with the Deputy Director for Operations in advance of any over expenditure occurring.
12	We recommend the OEMS Director and the OEMS Deputy Director Operations ensure Regional Council expenditures are reviewed and reconciled at least monthly to ensure that all expenditures have been accurately coded.	Concur	OEMS Director, Deputy Director for Operations, and Business Operations Manager	Ongoing	All expenditures are reviewed by the Business Operations Manager and the OEMS Director as vouchers are created. In addition, in FY25 weekly reports will be produced highlighting each Divisions spending. Additionally, there is a monthly reconciliation report completed by the BOM and submitted to OFM for review.

Western Council Recommendations

#	Recommendation	Concur/ Do Not Concur	Responsible Position	Projected Implementation Date	Management Response
1	We recommend the OEMS Director and the Deputy Director Operations evaluate OEMS' operating relationship with WVEMS to ensure that funds transferred to WVEMS are spent in a manner consistent with VDH and State policies and procedures	Concur	OEMS Director, Deputy Director for Operations	Immediate	Following the decoupling of VDH from contracts operating through EMS Councils, VDH will ensure that all Statewide projects are managed and contracted through the Office of EMS only, following all State Procurement rules. As part of this process, numerous contracts such as Blackboard, "State IT Contract" and HandTevy have been eliminated while others, such as ESO and ImageTrend have been negotiated on an Emergency Sole Source Contract and contracted through the Office of EMS. As contracts end and opportunity allows, contracts will be sourced through State procurement processes such as RFP and Sole Source as appropriate to ensure that the use of Councils for the purpose of contracts is eliminated.
2	We recommend the OEMS Director and the Deputy Director Operations establish and enforce internal controls over OEMS expenditures, including separation of duties, management review and approvals, management monitoring of procurements, procurement compliance, budget, and expenditure approval compliance, effective reviews of financial report reconciliations paid for by all Regional Councils.	Concur	OEMS Director, Deputy Director for Operations	Ongoing	When the OEMS contracts with the Regional Councils are renegotiated, there will be specifics on the internal controls over OEMS expenditures, including separation of duties, management review and approvals, management monitoring of procurements, procurement compliance, budget, and expenditure approval compliance, with effective reviews of financial report reconciliations paid for by all Regional Councils.
3	We recommend the OEMS Director and the Deputy Director Operations build into all OEMS projects contingencies for the possibility of increased participation and related costs. This should include establishing limits, and regular reporting, and communication of financial increases up the chain of command.	Concur	OEMS Director, Deputy Director for Operations	Immediate	The OEMS Director and Deputy Director of Operations will appropriately budget for projects including contingencies and set limits for the budget. Project modifications will require further budget analysis and Office Director approval prior to execution.
4	We recommend the OEMS Director and the Deputy Director Operations obtain a legal opinion regarding who owns the Intellectual Property created or developed in the performance of WVEMS and ESO's efforts to develop the Data Project, which was funded by OEMS.	Concur	OEMS Director, Deputy Director for Operations	Ongoing	The former contract with WVEMS to procure the ESO product is no longer in effect. OEMS contracted directly with ESO for services through a Sole Source contract and will advertise an RFP for future services. It will be clear in upcoming agreements where ownership of any patient data is held. Following the decoupling of VDH from contracts operating through EMS Councils, VDH will ensure that all Statewide projects are managed and contracted through the Office of EMS only, following all State Procurement rules.

Other Recommendations

#	Recommendation	Concur/ Do Not Concur	Responsible Position	Projected Implementation Date	Management Response
1	We recommend the OEMS Director, Deputy Director Trauma and Administration and OEMS Business Manager ensure that for administrative job duties that require timely processing of OEMS transactions, a backup responsible position is identified for taking over these duties in case of long-term leave or vacancies	Concur	OEMS Director, Deputy Director for Trauma and Administration, Business Operations Manager	Ongoing	The Office had appointed a dedicated Business Operations Manager who is supported by a team of analysts that can help support the day to day operations of the unit. In addition to this, the BOM works closely with OFM to ensure that coverage is available when staff are absent for prolonged periods to ensure business continuity occurs. Additionally OEMS has implemented all newly updated VDH policies to adhere to procurement and prompt pay procedures.
2	We recommend the OEMS Director, Deputy Director Trauma and Administration and OEMS Business Manager ensure all travel reimbursements are processed in a timely manner.	Concur	OEMS Director, Deputy Director for Trauma and Administration, Business Operations Manager	Ongoing	OEMS is now following VDH processes and entering requests for travel reimbursement through the Office of Financial Management (OFM). OFM is working to improve its internal processing through additional staff, better training, and simplification of VDH policy to enable prompter decision making. OEMS will continue to follow VDH policy and complete additional training on new systems as they become available and are implemented.
3	We recommend the OEMS Director, Deputy Director Trauma and Administration and OEMS Business Manager ensure all interest income is moved to an OEMS project in a timely manner.	Concur	OEMS Director, Deputy Director for Trauma and Administration, Business Operations Manager	5/2024	The new Business Operations Manager role is now responsible for ensuring that any interest accrued is being appropriately moved to the correct cost code in a timely manner with oversight and coordination from Deputy Director for Trauma and Administration and OEMS Director. These transactions are correctly documented and recorded in F&A.
4	We recommend the OEMS Director, Deputy Director Trauma and Administration and OEMS Business Manager develop a process to ensure compliance with VDH's Fixed Asset Policy and Commonwealth Accounting Policies and Procedures (CAPP) Manual.	Concur	OEMS Director, Deputy Director for Trauma and Administration, Business Operations Manager	Ongoing	VDH Office of Financial Management has hired and onboarded a dedicated FTE that will be responsible for ensuring Agency wide compliance with the Fixed Assets Policy. The OEMS BOM is responsible for ensuring that all Fixed Assets and procurements are maintained according to VDH policy.
5	We recommend the OEMS Director, Deputy Director Trauma and Administration and OEMS Business Manager determine what position will be responsible for consistently maintaining the equipment inventory and provide training to the position.	Concur	OEMS Director, Deputy Director for Trauma and Administration, Business Operations Manager	Ongoing	The Fixed Assets Manager in OFM will provide direction to OEMS on how to properly account for fixed assets. Under the direction of the Business Operations Manager, OEMS Fleet Asset Manager is working to inventory all equipment that it owns, and ensure that it is appropriately asset tagged and tracked where necessary.

#	Recommendation	Concur/ Do Not Concur	Responsible Position	Projected Implementation Date	Management Response
6	We recommend the OEMS Director, Deputy Director Trauma and Administration and OEMS Business Manager perform a thorough inventory of FAACS list (floor to sheet and sheet to floor) and ensure inventory tags are affixed and the inventory list updated.	Concur	OEMS Director, Deputy Director for Trauma and Administration, Business Operations Manager	Ongoing	The Fixed Assets Manager in OFM will provide direction to OEMS on how to properly account for fixed assets. Under the direction of the Business Operations Manager, OEMS Fleet Asset Manager is working to inventory all equipment that it owns, and ensure that it is appropriately asset tagged and tracked where necessary.
7	We recommend the OEMS Director, Deputy Director Trauma and Administration and OEMS Business Manager periodically perform a reconciliation of the F&A expenditure report to determine if any equipment purchases meeting controllable and FAACS criteria have not been added to the controllable and FAACS inventory.	Concur	OEMS Director, Deputy Director for Trauma and Administration, Business Operations Manager	Ongoing	VDH Office of Financial Management has hired and onboarded a dedicated FTE that will be responsible for ensuring Agency wide compliance with the Fixed Assets Policy. On a monthly basis, the BOM will reconcile the F&A expenditure report with the FAACS inventory to ensure alignment.
8	We recommend the OEMS Director, Deputy Director Trauma and Administration and OEMS Business Manager work with the Office of Information Management (OIM) Director or Information Security Officer to evaluate the use of computer equipment and software by OEMS and what requires adherence to VITA requirements	Concur	OEMS Director, Deputy Director for Trauma and Administration, Business Operations Manager, and Information Management Director	Ongoing	The Interim Director has sought the support of the Director of OIM in ensuring that existing software is compliant with state policy, and seeking for alternative solutions when/if issues are identified. Going forward, the Office of EMS will follow all VITA and internal OIM requirements for the procurement of new software.
9	We recommend the OEMS Director, Deputy Director Trauma and Administration and OEMS Business Manager to ensure that modifications to multi-year contracts should specify whether the good/service being added to the agreement is an one-time transaction or expected to be paid yearly, reflective of the revised total.	Concur	OEMS Director, Deputy Director for Trauma and Administration, Business Operations Manager	Ongoing	The Office of EMS is in the process of renegotiating all contracts and MOUs to comply with all State procurement rules. All new contracts must be reviewed by VDH Office of Procurement and General Services.
10	We recommend the OEMS Director, Deputy Director Trauma and Administration and OEMS Business Manager work with the OPGS Director to maintain a complete listing of contracts and modifications and keep OPGS informed of all contracts and modifications entered into the F&A Contract module	Concur	OEMS Director, Deputy Director for Trauma and Administration, Business Operations Manager	Ongoing	The Office of EMS has developed a complete list of OEMS contracts and modifications and are entering them into the F&A Contract module. The BOM, in conjunction with OPGS, is responsible for maintaining an accurate and up-to-date list of contracts.

#	Recommendation	Concur/ Do Not Concur	Responsible Position	Projected Implementation Date	Management Response
11	We recommend the OEMS Director, Deputy Director Trauma and Administration and OEMS Business Manager work with the OPGS Director to develop a process to ensure the review and monitoring of all OEMS contracts and contract modifications to ensure accuracy and compliance to VDH and State procurement policies.	Concur	OEMS Director, Deputy Director for Trauma and Administration, Business Operations Manager, and Director of Procurement and General Services	Ongoing	The Office of EMS is required to run all contracts through the OPGS prior to signature. OPGS assists OEMS in following all State procurement rules. The OEMS team is following RAP process (internal VDH spend approval), ensuring that signatures are obtained from the relative designated authority. Currently the Business Operations Managers reviews all requests to ensure that sufficient funding is available. In addition, the OEMS procurement specialist is in the process of renewing VCA credentials with the Commonwealth.
12	We recommend the OEMS Director, Deputy Director Trauma and Administration and OEMS Business Manager work with the OPGS Director to ensure OEMS procurements comply with procurement delegated authority.	Concur	OEMS Director, Deputy Director for Trauma and Administration, Business Operations Manager, and Director of Procurement and General Services	Ongoing	VDH's policy regarding procurement delegated authority will be provided to all OEMS staff responsible for procurements, ensuring that signatures are obtained from the relative designated authority. As part of their review, OPGS will ensure that the final signature authority complies with the delegated authority policy. Currently the Business Operations Managers reviews all requests to ensure that sufficient funding is available.
13	We recommend the OEMS Director, Deputy Director Trauma and Administration and OEMS Business Manager ensure that all OEMS contracts and modifications are fully signed and dated by all parties, and a complete listing and copies maintained in a central area of the fully executed agreements on file in compliance with State record retention policies. Any unsigned drafts should be marked as Drafts and kept separately from the Final contract versions.	Concur	OEMS Director, Deputy Director for Trauma and Administration, Business Operations Manager, and Director of Procurement and General Services	Ongoing	The Office of EMS BOM is responsible for maintaining the final executed copy of all contracts associated with OEMS. OPGS must also keep a final copy.