

# A Review of the Procurement and Implementation of the Division of Medicaid's Non-Emergency Transportation Brokerage Contract

## Executive Summary

### Introduction

PEER received a legislative request to review the Division of Medicaid's (DOM) non-emergency transportation (NET) program. The request was prompted by concerns regarding the DOM's process for procuring the NET brokerage contract, access to and quality of services provided to eligible Medicaid NET beneficiaries, and the complaint-resolution process for transportation providers that participate in the NET program.

A Medicaid non-emergency transportation program provides trips to and from scheduled Medicaid-enrolled provider appointments for eligible Medicaid beneficiaries. Mississippi currently uses the private brokerage service delivery model, in which the State contracts with a private company to connect riders with transportation providers.

The DOM's current NET broker is Medical Transportation Management Inc. The contract term is March 1, 2014, through June 30, 2017. According to the DOM, in fiscal year 2015 MTM provided 809,555 authorized one-way trips to 33,192 Medicaid beneficiaries. These trips included rides to and from Medicaid-covered health-care services through a NET provider network of 53 providers with 713 drivers and 700 vehicles.

### What process did the DOM use to procure the current brokerage contract for operating the NET program in Mississippi?

States choosing to use the brokerage model must use a competitive procurement process when selecting a broker, as required by 42 C.F.R. § 440.170. Because the contract amount would exceed \$75,000, the DOM was subject to the contract procurement regulations of the Personal Services Contract Review Board (PSCRB) when procuring NET broker services.

The DOM evaluated proposals for the NET contract based on their cost components for a maximum of 1,000 points (700-point maximum for the technical proposal and 300-point maximum for the business/cost proposal). See Exhibit A, page ix.

According to the RFP, proposals for the NET broker contract had to fully and specifically describe and demonstrate brokers' ability to screen, authorize, schedule, and assign trips to NET transportation providers and communicate the information in a timely and efficient manner. The RFP outlined every requirement and responsibility of potential brokers; thus, proposals included documentation showing that the broker could satisfy the requirements of the RFP.

Three of the five proposals submitted met the 70% technical score threshold for consideration in the business/cost evaluation phase.

During the business/cost evaluation phase, the DOM assigned the maximum 300 points to the proposal with the lowest bid price. The DOM assigned all other proposals points based on the following formula:

$$x \div y \times 300 = z$$

Where  $x$  was the lowest bid price,  $y$  was the offeror's bid price, and  $z$  equaled the number of assigned points.

Although MTM did not have the lowest cost proposal and thus did not receive the 300 points, its overall score was the highest, and the DOM awarded MTM the contract.

In response to the previous contract holder's appeal of the contract award, the Hinds County Chancery Court affirmed the Division of Medicaid's decision to award the non-emergency transportation contract to MTM, noting that the DOM had met and exceeded the requirements of the PSCRB for contract procurement.

### **Should the DOM change its NET contract procurement process?**

The DOM's present method of evaluating bidders' technical proposals is designed to ensure that brokers can deliver the required core NET services before they can proceed to the business/cost proposal phase. The scoring rubric used by DOM for proposals is similar to that used by other states in their RFPs for NET services. Because of the similar levels of service among NET brokers, the DOM could be missing an opportunity to increase cost competition for the NET contract by not assigning a greater weight to cost in the evaluation process. The DOM could assign more weight to bidders' business/cost proposals, continue to award the highest number of points for the lowest cost contract, and potentially save the State money on the NET program.

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**Exhibit A: Possible Points for Bidders' Technical Proposal Scores**

Technical Proposal Section	Maximum Score
Executive Summary/Understanding of Project	15
Corporate Background and Experience	75
Organization and Staffing	131
Methodology	400
Project Management and Control	50
Work Plan and Schedule	29
TOTAL	700

SOURCE: DOM's RFP.

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DOM is currently developing an RFP to procure a new NET brokerage contract with a transition phase from January 2017 through June 2017 and an effective service delivery date of July 1, 2017. One primary change in the upcoming RFP will be a new per member per month procured rate payment methodology focused on service delivery (based on utilization data and transportation type). Using such a payment methodology instead of reimbursing claims for each trip could result in an overall decrease in trip costs for utilization within the NET program.

**How does MTM arrange non-emergency transportation for beneficiaries, and what are the performance standards of the NET brokerage contract?**

MTM handles intake of service requests for all non-emergency transportation services in Mississippi. When it has authorized a service request and determined the appropriate mode of transport, its NET Management System searches for available transportation providers. A customer service representative then selects a provider and sends trip information electronically to the transportation provider so that the request can be completed.

The NET brokerage contract contains the following performance standards:

- The broker shall ensure that the average waiting time for pickup does not exceed 15 minutes.
- The broker shall notify the NET provider of the assignment at least two business days prior to the trip, if possible, and shall timely assign the trip to another NET provider if necessary. For hospital discharges, the broker shall contact an appropriate NET provider so that pickup occurs within three hours after notification.

- The broker shall authorize and schedule routine NET services for 98% of all requests within three business days after receipt of the request.
- The broker shall authorize and schedule routine NET services for 100% of all requests within 10 business days after receipt of a request. If the broker requires additional information in order to authorize a request, the broker shall place the request on hold and request the additional information within 24 hours after receipt of the request.
- The DOM monitors performance data and documentation submitted in the broker's required monthly reports. Other oversight methods include conducting bimonthly management meetings with MTM staff, compliance investigations, and on-site audits and reviews.
- The contract between DOM and MTM stipulates that the DOM may place the NET broker on a corrective action plan and/or assess liquidated damages when it does not meet performance standards. The DOM has assessed MTM liquidated damages every month since the contract began.

### **How does MTM oversee transportation providers' performance and ensure compliance with the contract's performance standards?**

According to MTM's monitoring plan, MTM staff conducts routine monitoring of transportation providers by

- conducting annual scheduled and random on-site visits;
- monitoring drivers' licensure, records, experience, and training;
- conducting initial and semiannual vehicle inspections;
- monitoring performance in the field;
- processing complaints;
- creating corrective action plans;
- monitoring the completion of trip logs; and
- requiring reports.

MTM also has the option to pass on liquidated damages to a transportation provider if it finds that the provider has been the cause of a liquidated damages assessment.

Tools like MTM's monthly transportation provider report cards and a recently implemented preferred provider program have the potential to increase service quality for NET beneficiaries. These tools must be used consistently and the DOM should monitor them closely so that Mississippi can ensure a greater level of service to beneficiaries.

PEER did not compare service quality outcomes for the current NET broker contract to those of the previous contract. PEER does

not believe that service quality outcomes for the two contracts are comparable at present.

### **How many and what types of complaints has the non-emergency transportation broker received?**

PEER reviewed NET complaints received from July 1, 2014, through December 31, 2015, to determine whether any trends in complaint type could be established. Of the 4,280 substantiated complaints reviewed by Medical Transportation Management Inc., almost 84% dealt with NET provider operations and accountability. During the first six months of the DOM's contract with MTM, internal complaints (i.e., complaints about MTM's policies and operations) were more prevalent than in later months.

During the period of review, the NET broker received 5,540 documented complaints from beneficiaries (or their representatives), medical service providers, and transportation providers. See Exhibit B, page xii. The majority of complaints came from beneficiaries or their representatives, with only approximately 1% of complaints coming from transportation providers. See Exhibit C, page xii.

The pattern of the frequency of calls to the DOM detailing potential complaints could indicate that transportation providers were initially unfamiliar with changes in the requirements of the new NET broker. According to DOM staff, the frequency of transportation providers' calls to the DOM detailing potential complaints does not correlate with the number of documented transportation providers' complaints received during that period.

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**Exhibit B: Summary Analysis of Complaints Received by the NET Broker from July 1, 2014, through December 31, 2015, by Complaint Type**

Complaint Type	Number of Complaints	Percentage of Total Complaints	Percentage of Substantiated Complaints
NET Provider Timeliness	1,724	31%	40%
NET Provider No-Shows	885	16%	21%
NET Provider Behavior	781	14%	18%
NET Provider Vehicle Quality	189	3%	5%
MTM Operations	701	13%	16%
Unsubstantiated	1,260	23%	
TOTAL	5,540	100%	100%

SOURCE: MTM Quality Control Reports.

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**Exhibit C: Summary Analysis of Complaints Received by the NET Broker from July 1, 2014, through December 31, 2015, by Complaint Source**

Source of Complaint	Number of Complaints	Percentage of Complaints
Beneficiary (or representative)	4,763	86%
Medical Provider	726	13%
Transportation Provider	51	1%
TOTAL	5,540	100%

SOURCE: MTM Quality Control Reports.

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## How do beneficiaries and medical providers submit complaints or service appeals?

Beneficiaries and medical providers must submit complaints to the NET contractor, currently MTM, which then has one business day to notify DOM. MTM must attempt to resolve complaints within 10 business days. The DOM has authority to overturn any of MTM's decisions regarding complaint and grievance resolution, and MTM must abide by the decision.

Complaints may be submitted orally, in writing, or online. MTM has established a dedicated phone line to help facilitate the process.

MTM must acknowledge the complainant and notify DOM within one business day after receipt of the complaint. MTM must attempt to resolve all complaints within 10 business days.

If the beneficiary or medical provider is not satisfied with the results of the complaint, the beneficiary or medical provider has the opportunity to file a formal grievance. MTM must acknowledge all grievances within 24 hours and must provide resolution within 15 days.

If the beneficiary or medical provider is not satisfied with the results of the grievance decision issued by MTM, the beneficiary or medical provider has the right to appeal the decision to the DOM Program Integrity Division. The DOM has the authority to overturn any of MTM's decisions regarding the complaint and grievance resolution process and MTM must abide by the final decision of the DOM.

## How do transportation providers submit complaints and claims appeals?

NET transportation providers must submit complaints to the NET broker within one year. If the provider is not satisfied with the results of the broker's complaint-resolution process, the provider can file a grievance with MTM and ultimately an appeal with DOM.

Should a transportation provider be dissatisfied with the results of the initial complaint, the provider can file a grievance. If then not satisfied with the NET broker's resolution, the provider has the right to request a review of the grievance resolution through the DOM's Office of Medical Services. While not specifically provided for in statute or administrative policy, the availability of a grievance appeals process for transportation providers is consistent with MISS. CODE ANN. § 43-13-121(1)(a)(i), which provides DOM the broad authority to administer the Medicaid program and to establish rules and policies for this purpose.

Transportation providers submit claims to MTM for compensation and have the right to appeal to MTM any claim that is denied. However, MTM holds the final approval or denial decision for claims appeals.

Transportation providers can appeal a denied claim within 15 days of denial by refile the claim through the online portal used to report to MTM. The MTM review team looks at the original information as well as any new supporting documentation and approves or denies the refiled claim.

If the claim is again denied and the provider believes the decision to deny was in error, the claim can be appealed to an MTM supervisor who was not involved in the first level of appeal. However, should the transportation provider still be dissatisfied after this stage, the appeals process ends: There is no ultimate level of appeal with the DOM because NET transportation providers do not hold a contractual relationship with the DOM.

## Recommendations

The DOM recently released an RFP to procure a new NET brokerage contract with a transition phase from January 2017 through June 2017 and an effective date of July 1, 2017. According to the DOM, the RFP for the next contract will contain improvements to the oversight and management of the NET program implemented with the current RFP. DOM also plans to enhance the RFP by including the following:

- a per member per month procured rate NET contractor payment methodology focused on service delivery;
- increased utilization of technology to validate trip compliance; and
- required daily trip and claims data uploads to its contracted fiscal agent.

PEER provides the following recommendations regarding the DOM's future NET contracts:

1. DOM should consider assigning a greater weight to bidders' business/cost proposals. Although the DOM awarded the highest number of possible points to the business/cost proposal with the lowest cost bid in the most recent NET broker procurement, placing a greater weight on the cost component of future proposals could potentially save the State money on future contracts for the NET program. PEER notes that an increased focus on the cost component of the procurement should result if the DOM shifts to a per member per month procured rate payment methodology for the upcoming NET broker RFP, as previously discussed.
2. To ensure that all transportation providers are aware of and understand the processes for filing complaints, grievances, and appeals, the DOM should require MTM to modify the transportation provider handbook to clarify and specifically detail these processes within the "Complaints and Grievance Program" section. This should include detail on the following:
  - contact information that transportation providers should use to file a complaints appeal;

- the specific information that transportation providers must include in their complaints appeals; and
- a discussion of the time frames transportation providers must follow when filing an appeal.

DOM should require MTM to have transportation providers sign a separate form that outlines the complaints, grievances, and appeals processes, with a signature signifying that the provider has read and understands the process.

3. DOM should analyze data compiled from the NET broker's monthly deliverables and reports in order to identify programmatic and operational areas in which service quality could improve and allow for service quality comparisons from month to month and contract to contract. These data should also include reports produced from routine monitoring of the recently implemented preferred provider program to assist in determining whether service quality improves over time.
4. In order to provide additional motivation to meet performance standards, increase service quality, and increase competition among NET transportation providers, the DOM and the NET broker should make the monthly NET provider report cards and NET preferred provider information publicly available on their respective websites.
5. DOM should require MTM to add a section to the current transportation provider handbook summarizing the types and frequency of monitoring and deliverable reports it requires from MTM as the NET broker. This would illustrate some of the information DOM routinely reviews regarding NET services.

DOM should periodically review and analyze performance standards for the NET broker and transportation providers using longitudinal data compiled from each NET broker contract (see Recommendation 3) to determine whether performance standards should be changed before issuance of an RFP for a new NET broker contract.

Also, by analyzing longitudinal quality data for the NET program, the DOM could determine any patterns or potentially problematic areas where the NET broker or providers repeatedly fail to meet performance standards. The DOM should consider using more frequent corrective action plans and/or increasing punitive damages for repeated failure to meet performance standards. For example, the DOM could include in future NET broker contracts an escalation clause with higher liquidated damage amounts assessed and collected when the NET broker consistently fails to meet a specific performance standard.

**For more information or clarification, contact:**

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