

Action Brief:

**A Review of the Procurement and Implementation of the Division of
Medicaid's Non-Emergency Transportation Brokerage Contract
November 1, 2016 (Report #605)**

Background:

A Medicaid non-emergency transportation (NET) program provides trips to and from scheduled Medicaid-enrolled provider appointments for eligible Medicaid beneficiaries. Mississippi currently uses the private brokerage service delivery model, meaning the state contracts with a private company to connect riders with providers of a certain service, in this case non-emergency transportation. In August 2013, the Division of Medicaid (DOM) developed a request for proposals for a new NET contract with different requirements and performance standards than those of the previous contract. Medical Transportation Management Inc.'s (MTM) proposal was approved, and it has provided NET services since July 1, 2014.

Concerns had been raised about complaints the DOM had received from NET stakeholders during the current contract, as well as about the process used to secure the current contract, access to and quality of services provided to NET beneficiaries, and complaint-resolutions processes.

PEER sought to find out how Mississippi procures the contract for the program, ensures timely and appropriate services to eligible beneficiaries, and how it handles complaints and appeals for the stakeholders of the NET program.

The Division of Medicaid met state procurement requirements for awarding the NET contract. However, it could be missing an opportunity to increase cost competition for the contract and save the State money on the NET program by not assigning a greater weight to cost in the formula for evaluating bids.

The DOM evaluated the NET broker proposals based on a maximum scoring of 1,000 points in the following areas:

- a maximum score of 700 points for the technical components of the proposal, and
- a maximum score of 300 points for the cost component of the proposal.

After evaluation of proposals, the DOM awarded the current contract to Medical Transportation Management, Inc. The previous NET broker (LogistiCare) then appealed the DOM decision in the Hinds County Chancery Court. Ultimately, the court concluded that the procurement process used by DOM met and exceeded what the Personal Services Contract Review Board required of a competitive process and affirmed the DOM's decision to award the NET contract to MTM.

PEER recommends that the DOM should consider assigning greater weight to bidders' cost proposals, which might save the State money on future contracts for the NET program.

While both the DOM and MTM have methods in place to help ensure quality of services for beneficiaries and to ensure performance standards are met, MTM has fallen short in meeting some performance standards every month of the contract period. Per the contract, the DOM has assessed MTM liquidated damages every month since the contract began.

The current NET contract contains numerous specific performance measures (i.e., no more than 2% of scheduled trips shall be late or missed) and reporting requirements (e.g., monthly deliverable reports) that MTM must meet. Both the number of and types of

performance standards are more stringent than the prior NET contract. The DOM may utilize such tools as corrective action plans and the assessment of liquidated damages to improve the quality of services being provided through the NET program. The DOM has assessed MTM liquidated damages every month since the current NET contract began.

PEER recommends that the DOM consider using more frequent corrective action plans and/or increasing punitive damages for repeated failure to meet performance standards. Furthermore, the DOM should require MTM to add to its provider handbook a section summarizing the types and frequency of monitoring and deliverable reports it requires so that the transportation providers are also more familiar with all of the NET reporting requirements.

Only 1% of NET complaints analyzed by PEER staff originated from transportation providers. However, based on information provided by DOM staff, they receive more complaints from transportation providers than formally documented. Therefore, the clarity of the complaints and grievances process with MTM for transportation providers could be improved since they do not have a direct contractual relationship with the DOM.

PEER analyzed 4,280 MTM-substantiated complaints for the period July 1, 2014, through December 31, 2015. Ninety-nine percent came from beneficiaries or their representatives, with only 1% made by transportation providers. Almost 84% of complaints received dealt with NET provider operations and accountability.

Non-emergency transportation providers have one year to submit a complaint. If not satisfied with the resolution, they can file a grievance with MTM and ultimately an appeal with DOM. If not satisfied with the resolution, the provider has the right to request review through the DOM Office of Medical Services. MTM holds the final approval or denial decision for transportation provider claims as there is no contractual relationship with the DOM.

According to DOM staff, more transportation providers have actually complained to the DOM about the NET program than are formally documented in the MTM complaints log. Although MTM's overall policy regarding complaints and grievances is stated within its transportation provider handbook, it does not clearly specify the steps a transportation provider should take in making a formal complaint or grievance.

PEER recommends that the DOM require MTM to modify the transportation provider handbook to clarify and specifically detail complaint and appeals processes and have transportation providers sign a separate form signifying that the provider has read and understands the complaint, grievance, and appeals processes.

The Division of Medicaid recently released an RFP to procure a new NET transportation brokerage contract with an effective service delivery date of July 1, 2017.

According to the DOM, the RFP for the next NET contract will contain improvements to the oversight and management of the NET program implemented with the current RFP by including

- a per member per month 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.

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