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

Executive Summary

Introduction

Senate Bill 2836, 2018 Regular Session, requires the PEER Committee to conduct a performance evaluation of the Division of Medicaid's non-emergency transportation (NET) program to evaluate the administration of the program and the provider of transportation services to individuals served under the program. With this review, PEER sought to determine the status of the Division of Medicaid's non-emergency transportation contract since its previous evaluation in 2016 to determine how the current contract was entered into and to compare the contract requirements to prior NET contracts.

Background

A Medicaid non-emergency transportation program provides trips to and from scheduled Medicaid-enrolled provider appointments for eligible Medicaid beneficiaries. Multiple service delivery models exist. Mississippi currently uses the private brokerage service delivery model. In this model, states contract with a private company to connect riders with transportation providers.

How does Mississippi's Division of Medicaid administer its non-emergency transportation system?

The DOM currently contracts with Medical Transportation Management, Inc., (MTM) as its NET broker and has since 2013. The 2013 NET contract was for three years with two optional one-year extensions. Implementation of the contract terms were set to extend from July 1, 2014, to June 30, 2017.

Although a Medicaid beneficiary may be eligible to participate in the NET program, he or she may not choose to utilize the services. According to data provided by the Division of Medicaid, in May 2018, of the 126,522 total eligible Medicaid beneficiaries, 9,583 individuals utilized the NET program, while 116,939 beneficiaries met the eligibility requirements for the NET program but did not utilize services.

Between January 2016 and June 2018, the non-emergency transportation program provided 1.8 million rides to Medicaid beneficiaries. Each month the three most utilized types of non-emergency transportation were ambulatory, wheelchair, and gas reimbursement.

How did the Division of Medicaid procure its NET broker contract?

The Division of Medicaid began a procurement for a new NET broker in May 2018 and changed the procurement process from request for proposal (RFP), used in 2013 and 2017, to invitation for bid (IFB).[1] By using the invitation for bid process to procure the NET broker contract, the Division of Medicaid focused the 2018 procurement more heavily on cost considerations.

The 2018 procurement decreased the cost cap of the NET program by 17% in comparison to the 2013 NET broker contract cost cap. The Public Procurement Review Board approved the 2018 non-emergency transportation contract on September 11, 2018, at a cost cap (a cost not to exceed) of $96,776,053.76. The 2013 non-emergency transportation contract, excluding any amendments or extensions, was originally set at a cost not to exceed $117,230,259, more than $20 million higher than the cost cap of the 2018 contract.

What method does the Division of Medicaid use to pay the NET broker ?

The Division of Medicaid pays the non-emergency transportation broker at a firm and fixed rate. The 2013 NET contract paid the same rate for beneficiaries each month, regardless of whether they utilized the NET program. The 2018 NET contract uses a new utilization-based payment methodology.

According to the DOM, it updated utilization-based payment methodology in the 2018 NET broker procurement to prevent including a payment for the same beneficiary twice in the same month.

The DOM will track NET costs under the new utilization-based payment methodology by collecting records of each time a beneficiary has an encounter with the NET provider or other transportation service, in addition to conducting audits to reconcile data uploaded to Medical Transportation Management from NET providers and with data MTM provides to the agency.

How does the Division of Medicaid provide oversight of the non-emergency transportation program?

The Division of Medicaid outlines performance measures in each NET broker contract. These include beneficiary wait times, trip authorizations, NET driver requirements, and call center operations. For the 2018 NET broker contract, the DOM updated the contract to include the performance measures established within the 2013 NET contract and 21 new or updated performance measures and requirements.

The Division of Medicaid monitors performance data and documentation submitted in Medical Transportation Management's required monthly reports. Other oversight methods

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[1]According to the DOM, Arkansas also uses an invitation for bid process to procure its NET broker; however, most states use the request for proposal method.

include conducting bimonthly management meetings with MTM staff, compliance investigations, and on-site audits and reviews.

The DOM receives reports from MTM on a monthly, quarterly, and annual basis containing data that outline how the MTM and NET providers performed against the performance standards outlined in the contract and monitors these data trends.

The DOM further requires corrective action plans or assessed liquidated damages when MTM does not meet performance standards. In addition, the 2018 NET contract requires corrective action plans, actual damages, and liquidated damages to be published on the NET broker's website.

Finally, the DOM updated the 2018 NET broker contract to increase the frequency of the beneficiary satisfaction survey from biannually to monthly to have a more frequent analysis of beneficiary satisfaction with the NET program.

Are there opportunities for improving NET program operations?

Some states coordinate human transportation services in an effort to maximize productivity and cost efficiency. Every state coordinates services at different levels and with varying degrees of authority. Currently there is no formal agreement among Mississippi state agencies that establishes interagency transportation agreements regarding transportation services provided by the DOM's NET provider.

Some states also are considering the use of ridesharing companies to provide NET program services. Both UberHealth and Lyft ridesharing companies offer non-emergency transportation rides. Lyft has provided rides by partnering with NET broker companies, such as Access2Care.[2] Health-care companies and other businesses who provide NET brokerage services are beginning to utilize on-demand, or ridesharing, services to provide curb-to-curb NET services for Medicaid beneficiaries.

Furthermore, additional opportunity remains to increase liquidated damages assessed for repeated failure of MTM to meet performance standards. The DOM could use performance measures, such as exceeding wait times for pickup, to incrementally increase the liquidated damages they assess for each consecutive month MTM fails to the perform at the standards set by the DOM.

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[2]Access2Care, Inc. is a non-emergency transportation services manager that provides transportation management to Medicaid and Medicare members through government and managed care organization contracts in 29 states and Washington, D.C.

Recommendations

1. The Division of Medicaid should routinely analyze the NET encounter data (i.e., each time a beneficiary has an encounter with a NET transportation provider) submitted by MTM to the DOM fiscal agent in order to determine the total number of unduplicated Medicaid beneficiaries utilizing NET services by transportation type. The DOM should compare this number of utilizers to the total number of beneficiaries eligible for NET services in order to identify trends in utilization for the current NET contract.

   Also, IFB #20180511 states that the DOM will pay MTM monthly based on a retrospective review of the prior month transportation claims. This monthly payment will be based on MTM's bid rate for utilizers (per beneficiary per month utilized by transportation trip type) and the per beneficiary per month for non-utilizers. Therefore, the DOM should compare the utilization rates of the current NET contract to the utilization rates from the previous NET contract in order to determine if utilization of NET services has increased or decreased, both in total number and transportation trip type.

   Furthermore, the DOM should compare these monthly payments made to MTM for the current contractual period to the average monthly payments paid to MTM under the previous contract to determine to what extent the new utilization-based payment methodology yields cost-efficiency in the overall costs of the NET program.

2. The Division of Medicaid should analyze the data in the deliverable reports from the NET broker to compare the performance of the NET broker under the new geographic access and NET provder network performance standards to determine whether the new performance standards have improved access and reduced wait times.

3. The Division of Medicaid should consider using corrective action plans more frequently for the performance standards that are consistently unmet to improve performance of non-emergency transportation providers and, in turn, the overall quality of the NET program while reducing the need for routine assessment of liquidated damages.

4. Although MTM did not dispute the $900 over-assessment of liquidated damages in 2017 as allowed by the request for proposal, the Division of Medicaid and MTM should arrive at a mutually acceptable procedure for correcting the over-assessment amount.

5. The Division of Medicaid should explore additional opportunities for cost efficiency in providing NET services to Medicaid beneficiaries for future NET contracts, such as interagency transportation shared services among programs or the addition of options for the utilization of ridesharing companies.