Examining the Effects of NEMT Brokerages on Transportation Coordination

Thursday, October 25, 2018
2:00-3:30 PM ET
Purpose

Discuss research from the Transit Cooperative Research Program (TCRP)’s Research Report 202: Handbook for Examining the Effects of NEMT Brokerages on Transportation Coordination.

Learning Objectives

At the end of this webinar, you will be able to:

• Discuss reasons why state Medicaid agencies are implementing NEMT brokerages or including NEMT as part of Medicaid managed care.
• Identify the different models for providing NEMT and the effects of NEMT brokerages on transportation coordination.
• Describe common desired outcomes for NEMT, human services transportation, and public transportation.
• Understand strategies to achieve common desired outcomes and determine which of the strategies can be useful to them.
TCRP Research Report 202

Examining the Effects of Separate Non-Emergency Medical Transportation (NEMT) Brokerages on Transportation Coordination

TRB Webinar
October 25, 2018
Webinar Topics

• What is the Medicaid Perspective for NEMT?
• Why Coordinate NEMT with Human Services Transportation and Public Transportation?
• What Do Different Stakeholder Perspectives Have in Common?
• What are Strategies to Achieve Common Desired Outcomes?
• Wrap Up
• Questions and Discussion
What is the Medicaid Perspective for NEMT?
Introduction: Medicaid

• Medicaid is a joint federal and state program that provides health coverage for individuals and families with limited incomes and resources

• Assurance of transportation to necessary medical care is an important feature that sets Medicaid apart from traditional health insurance

• NEMT benefits Medicaid beneficiaries who need to go to and from pre-approved medical services and have no other means of transportation
Context for Medicaid

• Medicaid represented **9 percent of all federal outlays in fiscal year 2015**, approximately $334 billion

• In most states, Medicaid is the **second largest expense** in the state budget

• Under the Affordable Care Act (ACA) of 2010, many states expanded Medicaid eligibility
Medicaid Enrollees Pre-ACA and Post-ACA

Pre-ACA (Jul. – Sep. 2013)
- Non-Expansion States: 19,733,676
- Expansion States: 37,069,415

Post-ACA (Dec. 2016)
- Non-Expansion States: 51,480,373
- Expansion States: 22,443,647

Exchanging the Effects of Separate NEMT Brokerages on Transportation Coordination
Context for NEMT

• **States required to assure NEMT** for approved Medicaid services
• Federal guidance provided by Department of Health and Human Services, **Centers for Medicare and Medicaid Services (CMS)**
• Each state administers its own Medicaid program within federal guidance; **NEMT is different in every state**
• NEMT is **jointly funded by federal and state** governments
  • Administrative expense – 50% federal share
  • Medical expense – up to 74.6% federal share in 2017
• **States seek to reduce NEMT costs**
A Significant Investment in NEMT

• Although less than 1% of Medicaid’s overall budget, the Medicaid federal expenses in 2015 for NEMT were about $3 billion

• Largest human services transportation program, larger than all other programs combined

In comparison

• Federal Transit Administration’s 2015 authorization was $10.9 billion and will increase to $12.6 billion in 2020 under the FAST Act

• In 2015, FTA reimbursed public transit agencies about $3 billion for operating expenses, essentially the same as Medicaid NEMT
Health Care Reasons for Using Medicaid NEMT

- Behavioral Health: 38%
- Dialysis: 17%
- Preventive Services: 15%
- Other care: 12%
- Specialist Visits: 7%
- Physical Therapy/Rehabilitation: 6%
- Adult Day Health Care: 5%
Requirements for NEMT to be Medicaid Covered

- The **beneficiary is eligible** for Medicaid
- For the trip to be covered, the **medical service is eligible** for Medicaid
- The **beneficiary has no other means** of getting to and from the medical service
- The NEMT trip is **authorized in advance** by the appropriate agency or broker
- The NEMT trip is to the **nearest qualified medical provider**
- The NEMT trip is the **lowest cost** available transportation mode that is appropriate for the client
Medical Concepts Prevalent in NEMT

- NEMT as a medical service
- Minimum federal requirements for statewide availability, comparability, and freedom of choice
- Prohibition of self-referrals
- Managed care
- Fee for service
- Capitation payment
Deficit Reduction Act of 2005 (DRA)

- Amended the Social Security Act to provide states with the flexibility needed to slow the growth in spending for Medicare and Medicaid
- DRA influences Medicaid administration of NEMT
- States have an additional option to establish an NEMT brokerage to be the single point of contact for NEMT
- DRA permits NEMT brokerages as a state plan amendment without regard to statewideness, comparability, and freedom of choice
DRA Impacts on NEMT

• DRA included an incentive to use brokers - eligible for higher federal reimbursement as a medical expense

• Prohibition against self-referral of NEMT trips

• Medicaid funding limited to Medicaid-approved services

• Medicaid is the payer of last resort

• Transportation coordination appropriate as long as it does not conflict with the policies and rules of Medicaid
Models for Providing NEMT

- **In-house management** by the state Medicaid agency
- **Brokers** (for profit, not-for-profit, public)
  - Statewide broker
  - Regional brokers
- **Managed care organizations** (MCOs)
  - NEMT carved in
  - NEMT carved out
- **Mixed NEMT models**
Examining the Effects of Separate NEMT Brokerages on Transportation Coordination

NEMT Models by State (2017)

- In-House Management
- Managed Care Organization (MCO)
- Regional Broker
- Statewide Broker
- In-House Management & MCO
- In-House Management & Regional Broker
- MCO & Statewide Broker

Map showing the distribution of NEMT models by state.
### NEMT Models by State (2017)

<table>
<thead>
<tr>
<th>NEMT Model</th>
<th>Number of States</th>
<th>States</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-house management</td>
<td>8</td>
<td>Alabama, Maryland, Minnesota, North Carolina, North Dakota, Ohio, South Dakota, Wyoming</td>
</tr>
<tr>
<td>MCO</td>
<td>10</td>
<td>Arizona, Florida, Hawaii, Illinois, Indiana, Iowa, Kansas, New Mexico, Oregon, Tennessee</td>
</tr>
<tr>
<td>Statewide broker</td>
<td>13</td>
<td>Alaska, Connecticut, Delaware, Idaho, Mississippi, Nebraska, Nevada, New Jersey, Rhode Island, Utah, Vermont, West Virginia, Wisconsin</td>
</tr>
<tr>
<td>Regional broker</td>
<td>7</td>
<td>Arkansas, Georgia, Kentucky, Maine, Massachusetts, South Carolina, Washington</td>
</tr>
<tr>
<td>In-house management and MCO</td>
<td>4</td>
<td>California, Montana, New Hampshire, New York</td>
</tr>
<tr>
<td>In-house management and regional broker</td>
<td>4</td>
<td>Colorado, Michigan, Pennsylvania, Texas</td>
</tr>
<tr>
<td>MCO and statewide broker</td>
<td>5</td>
<td>District of Columbia, Louisiana, Missouri, Oklahoma, Virginia</td>
</tr>
</tbody>
</table>
Trends in Providing NEMT

Trends

• Increase in statewide or regional brokerages
• Increase in MCOs with carved-in NEMT
• Increased use of capitated payments

Objectives

• Attain cost certainty and perhaps cost savings
• Decrease state Medicaid agency administration
• Reduce fraud and abuse
Why Coordinate NEMT with Human Services Transportation and Public Transportation?
What is Coordination?

• A strategy used to **improve the management of scarce resources** (like transportation services) by increasing efficiency and effectiveness -- to do the best we can with what we have
• Requires a multi-agency, community-wide perspective
• Typically used to
  • Reduce inefficiencies, like duplicated services, service areas, equipment, and administrative expenses
  • Emphasize shared rides, deemphasize exclusive rides
  • Reduce unit costs
  • Expand services and service areas
  • Offer services more responsive to consumer needs
Human Services Transportation (HST)

• Range of transportation services for transportation disadvantaged populations

• Funded through federal programs, state and local funds, and private sources of revenue

• Large number and diverse human services transportation programs may lead to:
  • Underutilization of resources
  • Inconsistent standards
  • Greater administrative costs due to fragmented or duplicative services
  • Customer inconvenience
Public Transportation

• Types of public transportation:
  • Fixed route
  • Flexible route
  • Demand response, including complementary paratransit for individuals eligible under the American with Disabilities Act (ADA)

• Funded through USDOT Federal Transit Administration (FTA) programs

• Federal transportation authorization bills require coordination

• Federal Coordinating Council on Access and Mobility (CCAM) established to promote interagency cooperation
Possible Benefits of Coordinating NEMT with Human Services and Public Transportation

• **Expand access** to transportation and community services; improve community-wide mobility

• **Improve service efficiency**

• **Benefit from lower-cost**, fixed-route public transportation

• **Leverage** public transportation expertise and resources

• **Improve accessibility** for persons with disabilities

• Provide local match for FTA funding programs
Case Study States

(Alaska and Hawaii are not to scale)

Legend
- Full Case Study
- Mini Case Study
- State Boundary

Examining the Effects of Separate NEMT Brokerages on Transportation Coordination
Full Case Study States and NEMT Models

- **Florida**: Managed care with carved-in NEMT
- **Massachusetts**: Regional brokers (regional transit authorities)
- **New Jersey**: Statewide broker (for profit)
- **North Carolina**: In-house management (county based)
- **Oregon**: Managed care with carved-in NEMT
- **Pennsylvania**: Regional broker (for profit) in Philadelphia County; In-house management all other counties
- **Texas**: Regional broker (for profit and not for profit); In-house management by the state Medicaid agency in one region
Case Study Results by NEMT Model

- **In-house management:** North Carolina, Pennsylvania
- **Regional brokers:** Massachusetts, Texas
- **Statewide broker:** New Jersey
- **Managed care organizations:** Florida, Oregon
Case Study Results: *In-house Management*

- **Access to Medicaid services**
  - Substantial local county involvement: NC, PA
  - Coordination reported less expensive than brokers: NC
  - Coordination delivers more trips than comparable states: PA
  - Lowest cost/NEMT trip of case study states [$13]: PA

- **Coordination with public & human service transportation**
  - Increased HST efficiency and productivity: NC
  - NEMT clients have one call/one click option: NC, PA
  - NEMT revenues can be used for FTA match: NC, PA
  - High % of NEMT trips on public transportation: NC, PA
Case Study Results: Regional Brokers

• **Access to Medicaid services**
  • Lower cost/trip for NEMT: MA, TX
  • Increased quality of transportation services: MA, TX
  • Performance standards often require fewer shared rides: TX

• **Coordination with public & human service transportation**
  • Coordination promoted by well-regarded mobility managers: MA
  • Most NEMT brokers not involved in regional coordinated plans: TX
  • One call/one click in MA; not in TX
  • Increased NEMT trips, cost per trip containment [$18/trip]: MA
  • Rural transit districts report reduced NEMT ridership & revenues: TX
Case Study Results: Statewide Broker (NJ)

- **Access to Medicaid services**
  - Enhanced control, cost control, and reduced fraud
  - Improved access to Medicaid services

- **Coordination with public & human service transportation**
  - Decline in NEMT trips coordinated with HST and public transit
  - No one call/one click NEMT client service
  - Loss of NEMT revenues = lost matching $ for Federal $$$
Case Study Results: *Managed Care Organizations*

• **Access to Medicaid services**
  - Increased NEMT coverage in certain regions: FL
  - Curtailed increases in Medicaid costs: FL, OR
  - Better health and better care: OR

• **Coordination with public & human service transportation**
  - Decline in NEMT trips coordinated with HST and public transit: FL
  - Higher per trip costs, fewer shared rides: FL
  - No one call/one click NEMT client service: FL, OR
  - Loss of NEMT revenues = lost match for Federal $$$: FL, OR
  - Increased ADA trips without cost recovery: FL
  - Prior regional brokers often no longer involved: OR
Examining the Effects of Separate NEMT Brokerages on Transportation Coordination

• Increase in separate NEMT brokerages
• Increase in managed care with NEMT carved in
• State specific successes as well as frustrations in coordinating transportation
• Stakeholders have different perspectives

Depends on your Perspective
Summary of Case Study Lessons Learned

• Strong trends for more Medicaid NEMT brokerages and MCOs
  • Administrative simplicity and increased contractual control
  • Cost certainty

• Change from previous contracting arrangements (in-house mgmt)

• Less NEMT coordination now with other human services transportation and public transportation

• Loss of revenues & matching funds for public and HST providers, especially in rural areas

• High variability with MCOs

• Coordinated services can be the most cost-effective

• Shared common objectives create grounds for joint benefits
What Do Different Stakeholder Perspectives Have in Common?
Common Desired Outcomes for NEMT

- Improved Health
- Better Quality of Service
- Maximize Services Delivered within Available Resources
Strategies to Achieve Common Desired Outcomes

The TCRP Research Report 202 outlines 14 strategies to achieve common desired outcomes from different stakeholder perspectives with highlights from case studies.

<table>
<thead>
<tr>
<th>Common Desired Outcomes</th>
<th>Strategies</th>
</tr>
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<tbody>
<tr>
<td>Improve Health</td>
<td>3</td>
</tr>
<tr>
<td>Service Quality</td>
<td>2</td>
</tr>
<tr>
<td>Maximize Resources</td>
<td>6</td>
</tr>
</tbody>
</table>

Examining the Effects of Separate NEMT Brokerages on Transportation Coordination
What Strategies Focus on Common Desired Outcomes?

1. Align goals and objectives
2. Include NEMT stakeholders in the coordinated transportation plan
3. Adopt common service area boundaries
Strategy 1: Align Goals and Objectives

• **Massachusetts.** Coordinates under regional transit authorities with 9 regional mobility managers coordinating goals/ objectives

• **North Carolina.** Transportation Advisory Boards (TABs) are required and include variety of stakeholders to discuss transportation coordination objectives

• **Oregon.** Lane Transit District (Eugene-Springfield) attributes successful collaboration to the effort to align public transit and Coordinated Care Organization (CCO) goals from the beginning
Strategy 2. Include All Stakeholders in Preparing a Locally Developed, Coordinated Transportation Plan

The FTA Section 5310 grant program requires projects to be included in a locally developed, coordinated human services transportation-public transportation plan.

- **Texas.** State statute requires each of 24 regions to develop regionally coordinated human services-public transportation plans, participation of NEMT brokers varies—when the NEMT regional broker participates, the effectiveness is enhanced.
Strategic 3. Whenever Feasible, Adopt Common Geographic Boundaries for NEMT and Public Transportation

- **Massachusetts.** State Medicaid agency provides NEMT through a coordinated transportation program. Six regional public transit authorities serve as brokers for transportation in 9 regions.

- **North Carolina.** Each county department of social services may contract with the local community transportation provider for NEMT.

- **Pennsylvania.** NEMT is called the Medical Assistance Transportation Program (MATP) in Pennsylvania. The local Medical Assistance agency in Pittsburgh is the Allegheny County-Department of Human Services. The paratransit provider for MATP trips in Allegheny County is ACCESS. ACCESS is also the ADA paratransit provider for the public transit agency for Pittsburgh and Allegheny County. ACCESS subcontracts to six different transportation providers throughout the county to provide MATP trips. As the shared-ride coordinator, ACCESS is able to coordinate MATP with human service transportation programs in Allegheny County.
What Strategies Can Help to Document Better Health Outcomes?
What Strategies Can Help to Document Better Health Outcomes?

4. Measure transportation contribution

5. Coordinate NEMT & public transit to meet Medicaid beneficiary needs

6. Demonstrate value of ridesourcing for NEMT medical appointments
Strategy 4. Document the Contribution of Transportation to Better Health Outcomes and Reduced Health Care Costs

More research is needed to quantify transportation’s contribution

• Florida. A 2008 Florida State University College of Business study found that if 1% of total medical service trips resulted in avoiding a hospital stay, $11 for each dollar spent on NEMT could be saved

• Oregon. CCOs have made significant progress integrating required services and encounter data into the information systems. Some have integrated NEMT and health service encounter data
Strategy 5. Coordinate Transportation to Enhance Quality of Life for Medicaid Beneficiaries

Coordinated transportation can enhance quality of life by providing access to employment, education, community activities, and better nutrition as well as the ability to get to health care

- **North Carolina.** Community transportation systems provide seamless service across multiple trip services, resulting in increased transportation productivity
- **Texas.** Rural public transportation providers who also provide NEMT in very rural areas of west Texas provide a lifeline to not only Medicaid services but also essential shopping, nutrition, community services, and also access to medical service
Strategy 6. Embrace Transportation Innovation to Demonstrate the Value of Ridesourcing for NEMT

Mobile technologies and ridesourcing companies are transforming transportation—emerging developments presents opportunities for NEMT

• **Pennsylvania.** The Central Pennsylvania Transportation Authority, rabbittransit, operates an on-demand shuttle service where customers can use a smartphone app to request a ride to and from anywhere within designated service areas. Similar to Uber Pool, the app matches requests to others in the same area, to create a route. The service particularly benefits senior citizens, people with disabilities, and can serve Medicaid beneficiaries.
What Strategies Contribute to a Better Quality of Service for NEMT?
What Strategies Contribute to a Better Quality of Service for NEMT?

7. Use technology to enhance NEMT administration and trip verification

8. Identify key data and establish NEMT data collection and reporting procedures
Strategy 7. Use Technology to Make NEMT More Efficient and Reduce the Risk of Fraud and Abuse

Available technology can enhance NEMT program administration:

• Verify client eligibility and trip approved purpose
• Assign the trip to a transportation provider qualified to offer the appropriate service at the lowest cost
• Document the date, time, and location for each NEMT encounter
• Track and report transportation performance metrics
• Provide real-time transportation information to riders
• Connect transportation and health care datasets to measure health outcomes
Examples of Using Technology...

- **Massachusetts.** Montachusett Regional Transit Authority (MART) brokers NEMT and other human services transportation in four regions, MART uses a web-based, real-time, competitive bidding system to keep prices affordable.

- **Oregon.** The benefit of coordinated care is the flexibility of some CCOs to adopt software enhancements to collect encounter data while protecting personal information under privacy provisions.
Strategy 8. Establish Standards and Procedures for Reporting NEMT Performance

Measuring performance, monitoring compliance, and program management requires quality data

- **Massachusetts.** Human Service Transportation Office compiles system performance measures for all transportation services and reported by region, and by HST program

- **New Jersey.** State Medicaid agency requires the statewide broker provide data to compile a *Transportation Broker Report*—valuable tool for monitoring
What Strategies Maximize Transportation Services Delivered within Available Resources?
What Strategies Maximize Transportation Services Delivered within Available Resources?

9. Use fixed-route transit for appropriate NEMT trips

10. Coordinate NEMT with transit to reduce costs

11. Implement cost allocation methodologies to reduce NEMT trip costs
Strategy 9. Use Fixed-route Transit for NEMT

• Works for frequent repetitive trips (esp. in urban areas)

• Pennsylvania, New Jersey, Lane Transit District [Oregon]
Strategy 10. Coordinate Shared-ride, Demand-Responsive Transit and NEMT

- **Massachusetts**: Regional Transit Authorities broker HST trips and save NEMT $$

- **North Carolina**: Coordinating NEMT with community transportation achieves increased efficiencies, one call/one click scheduling available.

- **North Carolina**: NC DOT cost allocation methodology for all grantees standardizes trip price calculations.
- **Pennsylvania**: ACCESS has a cost allocation model that calculates an average cost per passenger trip for the system, an average cost per passenger trip that is specific to a sponsor (e.g., NEMT), and the marginal cost per passenger trip.
- **Oregon**: Lane Transit District’s cost allocation methodology, used since 1991, calculates cost per ride for multiple agencies using highly detailed cost pools for labor (paid and volunteer) and materials and supplies.
What Strategies Maximize Transportation Services Delivered within Available Resources?

12. Create Medicaid-Consistent NEMT Trip Rates for ADA Paratransit

13. Negotiate to recover the direct costs of providing NEMT services

14. Adopt procedures and timelines for invoicing and payments for NEMT
Strategy 12. Create Medicaid-Consistent NEMT Trip Rates for ADA Paratransit Use

• CMS has stated that a state Medicaid agency or broker can
  • Pay more than the public transit fare for an NEMT trip using ADA paratransit
  • But no more than the rate charged to other human services agencies for similar trips

• Massachusetts: Established a working group to develop a mechanism to apply for Medicaid funding for NEMT services provided on MBTA fixed routes and ADA paratransit for Medicaid-eligible beneficiaries
Strategy 13. Negotiate to Recover Direct Costs of NEMT Service

• **New Jersey**: The statewide broker negotiates specific rates for transportation with each individual public transportation provider for demand-response NEMT trips. Negotiated rates are usually flat rates per trip or mileage-based rates.

• **Pennsylvania**: The cost allocation model used by ACCESS explains the costs of services and is transparent about the way money is spent. ACCESS uses the cost allocation model to demonstrate how sponsors can adopt operating policies that can lower cost.

• **Texas**: Some public transit districts that contract with a regional broker(s) have negotiated rates to recover reasonable costs for long-distance NEMT.
Strategy 14. Adopt procedures and timelines for invoicing and payment for NEMT

• Good business practices include preparation of accurate and complete invoices and timely payment of monies due

• State Medicaid agencies can require brokers and managed care organizations to include prompt payment in contracts with transportation providers

• Technology can enhance NEMT invoicing and reporting of performance metrics

• Massachusetts. Regional brokers use a computerized system to record authorized and verified trips to an automated invoice
Long-range Goals and Understandings

• A very large amount of funding is devoted to Medicaid NEMT services, and cost control for these services is a high priority
• Public transit, human services transportation, and Medicaid serve many of the same clients
• Robust community transportation *saves Medicaid $$$* by connecting Medicaid clients to employment, education, nutrition, and non-Medicaid health care, *thus reducing the overall demand for Medicaid health care*
Wrap-Up
FTA Funding Opportunity

• Access and Mobility Partnership Grants
  • **Innovative Coordinated Access & Mobility (ICAM)** – for innovative coordinated access and mobility projects for the transportation disadvantaged population that improve the coordination of transportation services and non-emergency medical transportation
  • **Human Services Coordination Research (HSCR)** – to identify solutions to gaps in services or planning activities for the improvement of transportation services as outlined in a locally developed, coordinated public transit-human services transportation plan

• Must be submitted electronically through GRANTS.GOV by November 13, 2018

• Contact: Kelly Tyler, FTA Office of Program Management
  Phone: (202) 366-3102; Email: Kelly.Tyler@dot.gov
• TCRP Research Report 202 Volume 1: Handbook
  • To understand what influences state Medicaid agencies to establish separate NEMT brokerages and the effects on coordination with other human services and public transportation
  • To identify opportunities to coordinate NEMT, human services and public transportation to achieve common desired outcomes

• TCRP Research Report 202 Volume 2: Profiles
  • To profile NEMT in each of the 50 states and the District of Columbia.
Researchers for TCRP Research Report 202

• Suzie Edrington and Linda Cherrington, Texas A&M Transportation Institute (TTI)

• Jon Burkhardt, SkyCastle Enterprises
  • Richard Garrity, RLS & Associates

• David Raphael, Community Mobility Solutions
  • Stephen Borders, Ph.D., Grand Valley University
  • Ross Peterson and Jeremy Dalton, GridWorks

• Patricia Weaver Collette, University of Kansas Transportation Research Institute
Questions and Discussion
Today’s Participants

- Michael Walk, *Texas A&M Transportation Institute*, [m-walk@tti.tamu.edu](mailto:m-walk@tti.tamu.edu)
- Linda Cherrington, *Texas A&M Transportation Institute*, [L-Cherrington@tamu.edu](mailto:L-Cherrington@tamu.edu)
- Suzie Edrington, *Texas A&M Transportation Institute*, [suzie.edrington@gmail.com](mailto:suzie.edrington@gmail.com)
- Jon Burkhardt, *Jon Burkhardt, Inc.*, [JonBurkhardt@comcast.net](mailto:JonBurkhardt@comcast.net)
Panelists Presentations


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