TCRP Research Report 202

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

AASHTO Council on Public Transportation and MTAP Winter Meeting November 8, 2018
Objectives

• Discuss reasons why state Medicaid agencies are implementing NEMT brokerages and including NEMT as part of Medicaid managed care

• Understand the effects of NEMT brokerages on transportation coordination

• Recognize the common desired outcomes for NEMT, human services transportation, and public transportation

• Identify strategies to achieve common desired outcomes and how state departments of transportation can contribute
Why are state Medicaid agencies implementing NEMT brokerages and including NEMT as part of Medicaid managed care?
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 in the second largest expense in the state budget

• Under the Affordable Care Act (ACA) of 2010, many states expanded Medicaid eligibility

Total Federal Outlays, 2015: $3.7 trillion
Net Federal Medicare Outlays, 2015: $540 billion
Net Federal Medicaid Outlays, 2015: $334 billion
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
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
  • Federal share – 50% to 74.6%
• States seek to reduce NEMT costs
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 the **lowest cost** available transportation mode that is appropriate for the client
Medical Concepts Prevalent in NEMT

- NEMT as a medical service
- Managed care
- 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
  • DRA included an incentive to use brokers - eligible for higher federal reimbursement as a medical expense
  • 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)
• Mixed NEMT models
NEMT Models by State (2017)

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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
What are the effects of NEMT brokerages on transportation coordination?
Why Coordinate NEMT with Human Services Transportation 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 Medicaid beneficiaries
• **Provide local match** for FTA funding programs
• **Federal transportation authorization** bills **require coordination**
What are the Effects of Trends in NEMT on Transportation Coordination?

- Increase in separate NEMT brokerages
- Increase in managed care with NEMT carved in
- Stakeholders have different perspectives

*Depends on your Perspective*
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Summary of Case Study Lessons Learned

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

• **Loss of revenues and matching funds** for public and human services providers, especially in rural areas

• **High variability with MCOs**

• **Coordinated services** can be the **most cost-effective**

• **Shared common objectives** create the basis for joint benefits
What do NEMT, human services transportation, and public transportation have common?
Common Desired Outcomes

- Improved Health
- Better Quality of Service
- Maximize Services Delivered within Available Resources
Triple Aim for Medicaid Healthcare

- Improve Health
- Lower Costs
- Better Care
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>
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<tbody>
<tr>
<td>Improve Health</td>
<td>3 strategies</td>
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<tr>
<td>Service Quality</td>
<td>2 strategies</td>
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<tr>
<td>Maximize Resources</td>
<td>6 strategies</td>
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What Strategies Can Help to Achieve Common Desired Outcomes?

1. Align goals and objectives to achieve common desired outcomes

2. Include NEMT stakeholders when preparing or updating a coordinated transportation plan

3. Adopt common geographic boundaries for service areas
What Strategies Can Help to Document Better Health Outcomes?

4. Measure transportation’s contribution to better health outcomes

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

6. Demonstrate value of innovation (e.g. TNC) for NEMT medical appointments
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
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
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
Wrap-Up
Find Commonalities

• **Use of Brokers and Managed Care to administer NEMT is the Trend**
  - Reduce state costs
  - Reduce administrative burden at state
  - Have predictable budgets
  - Reduce Fraud, Waste, Abuse

• **Common Desired Outcomes Identified by Stakeholders - Research**
  - Improve Health
  - Better Quality of Service
  - Maximize Services Delivered within Available Resources

• **Similar to Medicaid’s Triple Aim - CMS**
  - Improving the health of populations
  - Improving the patient experience of care
  - Reducing the per capita cost of health care
A Way Forward for Coordination

• Get to and stay at the table - State DOT and Medicaid agency/broker
• Negotiate rates
  ▪ Understand how each is funded
  ▪ Flexible, middle ground is “good enough”
  ▪ Revenue critical for small and rural agencies
  ▪ Be sensitive to financial risk – transit and NEMT
• Broker model may affect coordination options
• There’s a cost to coordination
Lessons Learned

• Embrace an *Attitude of community first*
• Assume a *workable solution is Achievable*
• Expect any *barriers will be Scaled*
• Accept that *willingness to coordinate is Cyclical* so keep trying

• *Find a Champion* in each industry
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

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Examining the Effects of Separate NEMT Brokerages on Transportation Coordination

TCRP Research Report 202
http://www.trb.org/Publications/Blurbs/177842.aspx

• 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.