

Response to HCR 89 of the 2019 Regular Legislative Session

*Evaluating the potential delivery of Medicaid-funded non-emergency
transportation services by transportation network companies*

Prepared by:

Louisiana Department of Health

Bureau of Health Services Financing

March 2020



Contents

Contents	1
Preface	2
Section 1 – Opportunities for improvement through utilization of TNCs	3
Section 2 – TNC compliance with state law, and meeting or exceeding passenger safety standards	4
Section 3 – TNC utilization in other states	5
Section 3.1 – Summary of states included in the sample study	5
3.1.1 Idaho	5
3.1.2 Mississippi	5
3.1.3 New York	5
3.1.4 Rhode Island	5
Section 3.2 – Lessons learned	6
Section 4 – Models for utilizing TNCs and TNC-like brokers for delivery of NEMT	7
4.1 Common TNC model	7
4.2 Emergence of TNC-like brokers	9
Section 5 – Recommendations	10

Preface

Currently, transportation network companies (TNCs) such as Uber and Lyft may not provide non-emergency medical transportation (NEMT) services to Medicaid beneficiaries in Louisiana. In an effort to improve the quality and accessibility of NEMT services, provide a greater degree of choice for Medicaid beneficiaries, and potentially generate cost savings for the state, the Louisiana Department of Health (LDH or “the Department”) has examined the impact of TNC adoption, as directed by House Concurrent Resolution (HCR) No. 89 of the 2019 Regular Session. HCR 89 notes that Louisiana should consider authorizing TNCs to contract with the state Medicaid agency or Medicaid managed care organizations (MCOs) for the provision of NEMT services. However, the Legislature also noted that these services should be implemented only if federal requirements for equitable access to services can be satisfied and passenger safety standards can be ensured to meet or exceed those currently in effect for the state's Medicaid transportation program.

Section 1 – Opportunities for improvement through utilization of TNCs

Nationally, state Medicaid agencies are considering utilizing TNCs to provide faster, more efficient, and higher quality on-demand NEMT services to foster the following:

- Improving accessibility and continuity of care by preventing missed rides, late arrivals, or rescheduling of transportation to medical appointments;
- Improving quality of care and beneficiary satisfaction by increasing choice and reducing wait and travel times; and
- Generating cost savings based on more favorably negotiated TNC rates.

Section 2 – TNC compliance with state law, and meeting or exceeding passenger safety standards

TNC carriers maintain safety standards such as criminal background checks, validation of driver’s licenses, and monitoring of traffic violations. However, these standards are often less stringent than current Louisiana laws and Medicaid programmatic requirements. Examples of these differences are depicted in the following chart.

Louisiana State Law and/or Medical Transportation Provider Manual	Compliance	
	Lyft	Uber
<p>La. R.S. 45:181 and Medicaid guidelines require that the transportation provider/driver have a “For Hire” public or handicapped license plate to facilitate the identification and oversight of NEMT vehicles.</p> <p><i>Each Non-Emergency, Non-Ambulance Medical Transportation vehicle must have a "For Hire," a public or a handicapped license plate. To obtain a "For Hire" license plate from the Louisiana Office of Motor Vehicles, a "For Hire" waiver from the Louisiana Public Service Commission must be obtained. A waiver is obtained by sending a completed and notarized MT-10 to the Louisiana Public Service Commission. (See Appendix G for contact information.) Once the waiver has been received from the Louisiana Public Service Commission, it must be taken with all other required vehicle documentation and appropriate fees to the Office of Motor Vehicles. The vehicle must be licensed in the provider's business name when obtaining the license plate. The waiver is for the business entity and should be retained for future vehicle purchases. (Medical Transportation Provider Manual –LA Medicaid, Section 10.3, page 5 of 7)</i></p>	No	No
<p>Medicaid guidelines require that transportation drivers be 25 years of age or older and possess a current class D or CDL driver’s license to ensure that drivers are experienced and possess additional knowledge for the safe transport of passengers.</p> <p><i>Be 25 years of age or older and possess a current driver's license (class D or CDL). Proof of the driver's age and license classification must be documented in the driver's personnel file at all times. A copy of the driver's license should be submitted to the inspector with the MT-8 form. (Medical Transportation Provider Manual –LA Medicaid, Section 10.5, page 1)</i></p>	No	No
<p>Louisiana law requires that the transportation provider have the driver complete background checks for each driver applicant, conducted by an agency designated by Louisiana law and the Medical Transportation Manual for Louisiana (authorized by the Louisiana State Police), for the safety of the passengers and program integrity.</p> <p><i>In accordance with Louisiana Revised Statute 40:1203.1-5, providers must obtain a criminal history check on all new drivers hired. The criminal history check must be from, or an agency authorized by the Louisiana State Police. Providers must provide LDH with the results of the criminal history check. (Medical Transportation Provider Manual –LA Medicaid, Section 10.5, page 1)</i></p>	No	No
<p>Medicaid guidelines require that transportation providers ensure that all drivers have successfully completed a defensive driving course accredited by the National Safety Council or an equivalent course equivalent approved by LDH.</p> <p><i>Proof of successful completion must be documented in the driver's personnel file. A copy of the certificate verifying completion of the course must be submitted with each MT-8. Online courses are not acceptable. (Medical Transportation Provider Manual –LA Medicaid, Section 10.5, page 1)</i></p>	No	No

Section 3 – TNC utilization in other states

The Center for Evidence-Based Policy at Oregon Health Sciences University (OHSU) conducted a study to evaluate the experiences of Idaho, Mississippi, New York, and Rhode Island. LDH, through its cooperative endeavor agreement with OHSU, has access to the results of this proprietary study.

Other states, such as Texas and Florida, have recently enacted legislation allowing TNCs to provide NEMT services. However, there is not sufficient experience in these states to assess the effectiveness of their models.

Section 3.1 – Summary of states included in the sample study

3.1.1 Idaho

Idaho Medicaid contracts with MTM as its NEMT broker. MTM has a corporate partnership with Lyft and initially used Lyft for limited NEMT rides in urban areas of Idaho. Use of Lyft was quickly discontinued as the drivers were not trained on how to appropriately provide rides for individuals with physical, cognitive, developmental, and mental health needs.

3.1.2 Mississippi

Mississippi Medicaid also contracts with MTM as its NEMT broker for its fee-for-service Medicaid population; however, MTM does not use TNCs for this population. While the state agency does not prohibit the use of TNCs, all NEMT drivers must meet more stringent requirements than are required by Lyft and Uber. These requirements include random drug tests, annual background checks, and one-time fingerprinting.

3.1.3 New York

Several New York Medicaid managed long-term care plans contract with National MedTrans as their NEMT broker. Through a pilot project launched in 2016, National MedTrans booked approximately 2,500 Lyft rides per week for elderly, ambulatory individuals in New York City. The pilot reportedly resulted in reduced costs per ride, shorter wait times, improved data collection, and improved patient satisfaction by 28%.

3.1.4 Rhode Island

Rhode Island Medicaid contracts with Logisticare as its NEMT broker and identifies Uber and Lyft as eligible modes of NEMT. Logisticare uses Lyft for NEMT, with the following parameters set by the state agency:

- Only allowed for the most independent and stable beneficiaries;
- Only allowed for recovery rides such as when a beneficiary has already been to a doctor appointment and needs a ride home but the scheduled NEMT driver is not available or for last minute rides to an urgent appointment; and
- Lyft cannot be used on a wholesale basis for scheduled rides.

Section 3.2 – Lessons learned

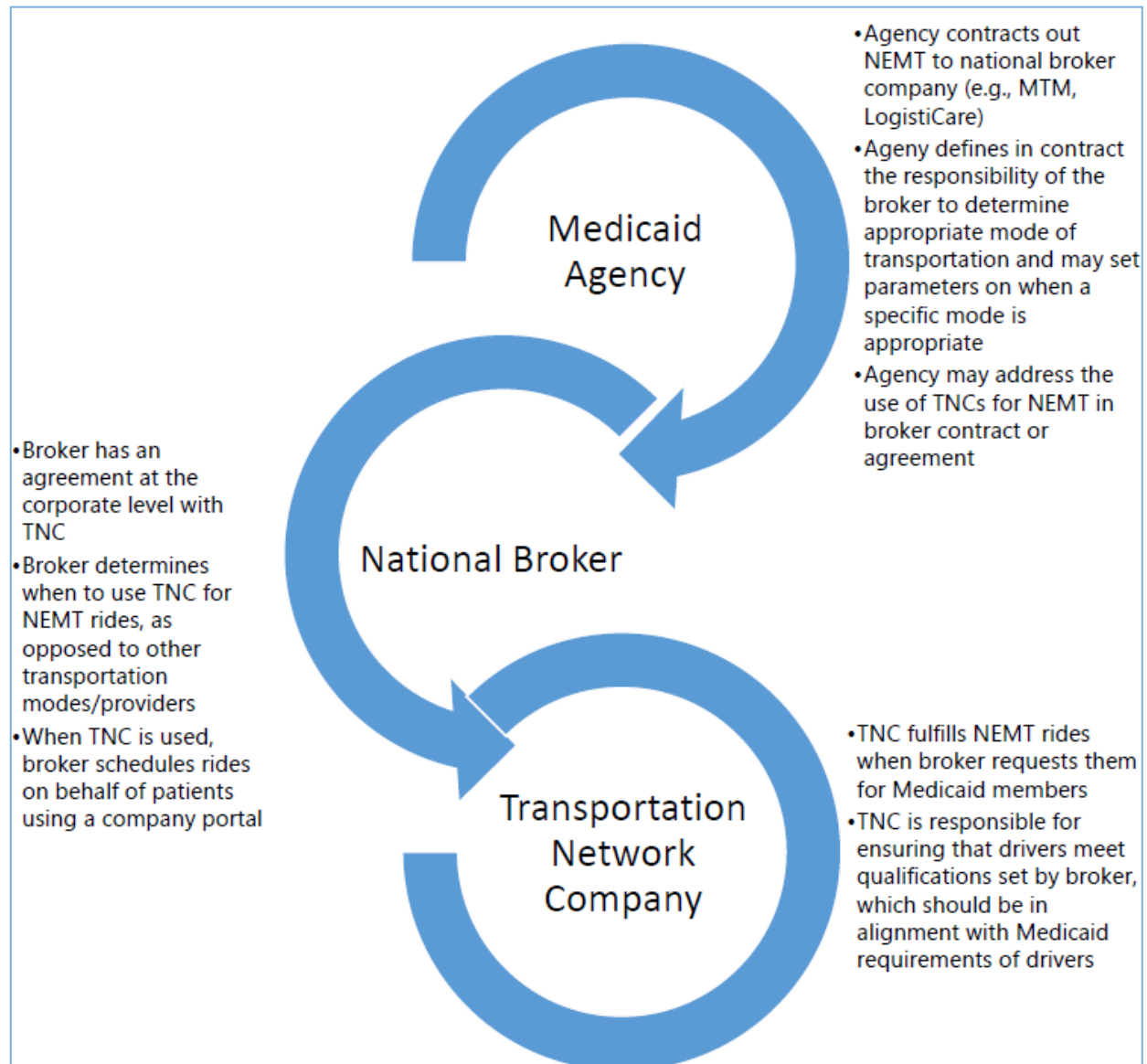
Lessons learned from the sample study include:

- TNCs may be more suitable for a limited population of beneficiaries who have the physical, developmental, mental, and cognitive ability to accept NEMT rides from TNC drivers they do not know and that are operating unfamiliar vehicles.
- TNCs may be appropriate in limited circumstances, such as when a beneficiary is waiting for a ride and the designated traditional NEMT driver does not arrive.
- TNCs should be specifically addressed in the state’s NEMT policies, including eligible populations, appropriate usage, types of rides, driver requirements, oversight, and other important safety factors. The Medicaid agency should also consider prior authorization requirements, cost reduction incentives, and performance disincentives when contracting with brokers.
- TNC contracts should ensure that TNC drivers have training and knowledge of NEMT and eligible Medicaid populations. If a state Medicaid agency requires specific training for NEMT drivers that is not required of TNCs, negotiations between the Medicaid agency and TNCs could be necessary.
- TNCs that fill transportation provider gaps may unintentionally impact traditional NEMT providers who fulfill rides in rural areas in exchange for guaranteed rides in urban areas.
- Direct contracts between the state Medicaid agency and TNCs may require more intensive negotiations regarding payment and reimbursement. NEMT brokers typically handle issues with commercial TNCs, such as no-show riders and surge pricing, along with the associated risk.

Section 4 – Models for utilizing TNCs and TNC-like brokers for delivery of NEMT

4.1 Common TNC model

Typically, the state Medicaid agency, or its managed care organization (MCO), will contract with a national broker company for the delivery of NEMT services. The following graphic, from the OHSU report¹, outlines this model.



¹ Oregon Health & Science University, Center for Evidence-based Policy. *Non-emergency Medical Transportation Through Transportation Network Companies: Management Strategies and Oversight*. August 2018.

4.2 Emergence of TNC-like brokers

While it is rare for state Medicaid agencies to contract directly with consumer TNCs, some states have pursued a hybrid model by contracting with a TNC-like broker. A TNC-like broker may overcome challenges faced in using consumer TNCs by taking on risk-based arrangements, setting stricter requirements to comply with federal and state laws, and providing oversight of its drivers.

Veyo, the nation's third-largest NEMT provider, is such an example. Veyo's strategy has been to create its own vertically integrated ridesharing network, purpose-built for the healthcare industry and the needs of the beneficiary. Veyo requires its drivers to undergo an extensive background check, random drug testing, and other specialized training.

In Arizona, Veyo independent drive providers (IDPs) deliver between 7,000-8,000 trips per day to a diverse population in general Medicaid, behavioral, SMI Medicare, and long term care beneficiaries. Veyo reports impressive statistics in this market, including:

- Average independent driver provider tenure of 1.3 years;
- Average time for trip dispatch to IDP acceptance of two minutes;
- Average time to trip dispatch of 14 minutes; and
- Grievance rate of 0.02%, which is significantly lower than the traditional provider.

As a counterpoint, Idaho Medicaid contracted with Veyo in 2016 for 5% of its NEMT rides. The OHSU study reported complaints related to customer service and gaps in meeting the transportation needs of populations with disabilities or complex needs, which culminated in contract termination.

Section 5 – Recommendations

Based on the research conducted, LDH recommends the following:

1. **Identify and define a plan to resolve major safety and compliance issues prior to the implementation of TNC services.**

TNCs must follow appropriate NEMT guidelines as determined by the state. Currently, TNCs do not meet or exceed patient safety standards established in the state’s Medicaid Transportation Program Manual. TNCs also do not presently meet all regulatory requirements for equitable access standards per federal and state laws. Alternatively, LDH may develop specific requirements that are applicable to TNCs in order to participate in the Medicaid program.

2. **Determine the Medicaid population to be served by TNCs, any limitations to the type and volume of services, and the projected fiscal impact.**

Evidence available from other states indicates that the majority of states are presently utilizing TNC services for nonscheduled transportation, on an immediate need basis. An example of such is a missed “leg” of a beneficiary’s transportation to a primary care provider (PCP) office visit. These services are most often in urban areas, provided to able-bodied members who do not have a physical, mental, cognitive, or developmental limitation. This will require exploring whether a CMS waiver is required.

3. **Evaluate the corresponding effect on the traditional network of NEMT providers in the state.**

TNC companies operate primarily in urban or highly populated areas. Brokers often incentivize traditional NEMT providers by guaranteeing rides in urban areas in exchange for providing rides in rural areas. Increasing the supply in urban areas could unintentionally reduce the supply in rural areas.

4. **Consider implementing a TNC pilot program for a subset of the Louisiana Medicaid population prior to a full-scale rollout.**

The pilot should be time-limited with tailored compliance guidelines. The goals of the pilot would be to identify problematic areas and appropriate populations, refine guidelines, evaluate costs, and identify benefits afforded by the implementation of TNC in order to inform future decision-making. The pilot, if restricted to select regions or beneficiary groups, would require CMS approval of a Section 1115 waiver, which requires the state to demonstrate cost neutrality and typically costs about \$1.5 million in one-time administrative expenses plus nearly \$124,000 in annual staffing costs.

Louisiana Department of Health

628 North Fourth Street, Baton Rouge, Louisiana 70802

(225) 342-9500

www.ldh.la.gov



www.facebook.com/LaHealthDept



www.twitter.com/LADeptHealth