

# Transportation Network Companies for NEMT Services

*Response to HR 14 of the 2020 Second Extraordinary Session*

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## Introduction

Many Medicaid members in Louisiana have difficulty accessing primary care and other forms of preventive and non-emergent care because of the cost or unavailability of personal or public transportation. While the Louisiana Department of Health (LDH or “the Department”) provides non-emergency medical transportation (NEMT) through Medicaid to members who cannot secure their own transportation, scheduling and reliably providing NEMT have proven a challenge. To improve the availability and reliability of NEMT, LDH has examined the impact of allowing “ride-hailing” services, also referred to as Transportation Network Companies (TNCs), to provide NEMT as directed by House Resolution (HR) 14 of the 2020 Second Extraordinary Session.

As requested by this resolution, LDH solicited input from stakeholders in the managed care program. Providers reported challenges caused by transportation “no-shows.” Hospitals indicate that the failure of transportation providers to show can result in a delay of scheduled surgery or an extra night’s hospital stay, Dialysis providers indicate several serious impacts, including:

- Missed dialysis treatment that can result in hospitalization.
- Late arrival for dialysis treatment that results in members receiving shortened dialysis, potentially resulting in hospitalization or further medical complications.
- Members waiting excessive amounts of time to be picked up after dialysis treatment which causes dialysis centers to pay overtime to employees who must wait with the member after the normal closing time of the dialysis center.

## Section 1 - NEMT Missed Trips

The data used in this analysis was submitted by NEMT brokers who are contracted by one of the five Managed Care Organizations (MCOs) in Louisiana. Those plans include Aetna Better Health of Louisiana, Amerihealth Caritas Louisiana, Healthy Blue, Louisiana Healthcare Connections and UnitedHealthcare Community Plan.

A missed trip refers strictly to the transportation of a member to and from a provider. Missed trips differ from missed appointments, which may occur due to missed trips. LDH does not collect data on missed appointments, which are when the member does not actually see the provider.

Brokers were asked to assign each missed trip one of five reason codes based on the circumstances that led to the trip being missed. The reason codes are as follows:

**Member cancellation** – The member cancelled the trip, requested to reschedule the trip, refused transportation, was unable to receive transportation, was in the hospital, no longer had an appointment with a provider or had to cancel their trip at the request of the facility to which they would have received transportation.

**Member no-show** – The member was not present for pick-up at the arranged time and location, cancelled the trip upon the provider's arrival or was unresponsive to attempts to contact by the provider.

**Provider no-show/late** – The NEMT provider cancelled the trip, did not dispatch in time to fulfill the trip, did not show or was late for pick-up at the arranged time and location or had their trip request cancelled by the member due to no NEMT provider availability.

**Broker staff** – The transportation broker entered trip data incorrectly, was unable to arrange transportation with the requested provider and could not find an alternate provider the member would accept, or the member was ineligible for transportation on the arranged date of service.

**Broker cancelled** - The broker cancelled the trip due to lack of vehicle or provider availability.

Members and medical providers are asked to give at least 48-hour notice when requesting transportation. Brokers were asked to indicate whether missed trips were scheduled or attempted to be scheduled within the 48-hour timeframe.

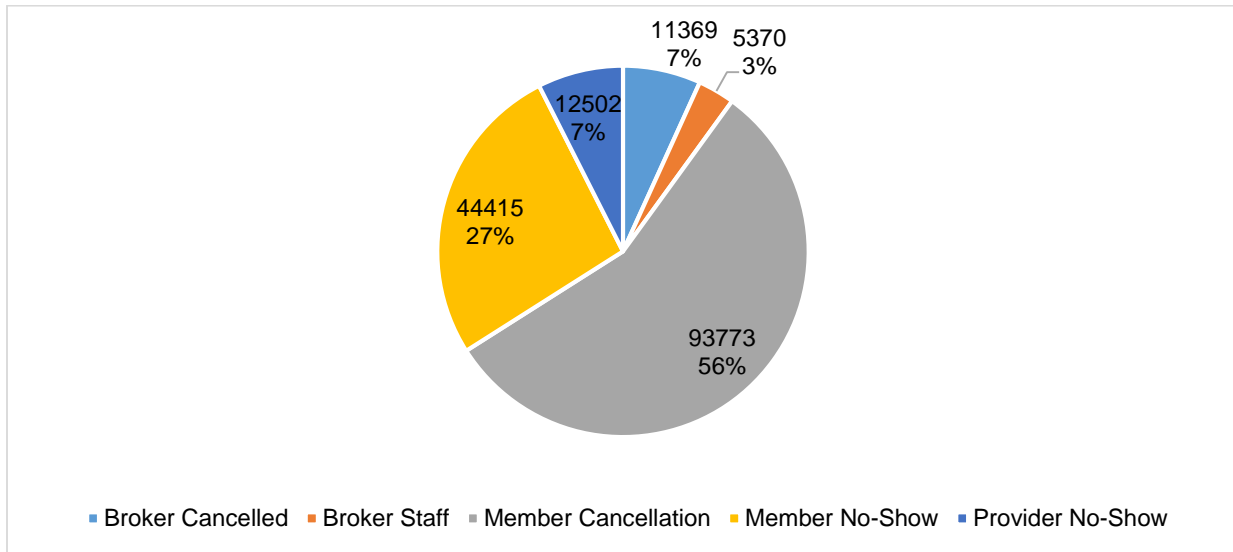
### Methodology

Data used in this analysis was obtained from reports submitted by each of the NEMT brokers using the time period of January 2019 through October 2020. A total of eight reports were submitted.

A count of missed trips by reason code and by hours of notice given ( $\geq 48$  hours or  $< 48$  hours) was obtained for each month in the reporting period (Figures 1.2, 1.3, 2.2 and 2.3). These figures were then summed separately for each reason code and for hours of notice given to provide missed trips by reason code and by hours of notice given for the entire reporting period (Figures 1.1 and 2.1).

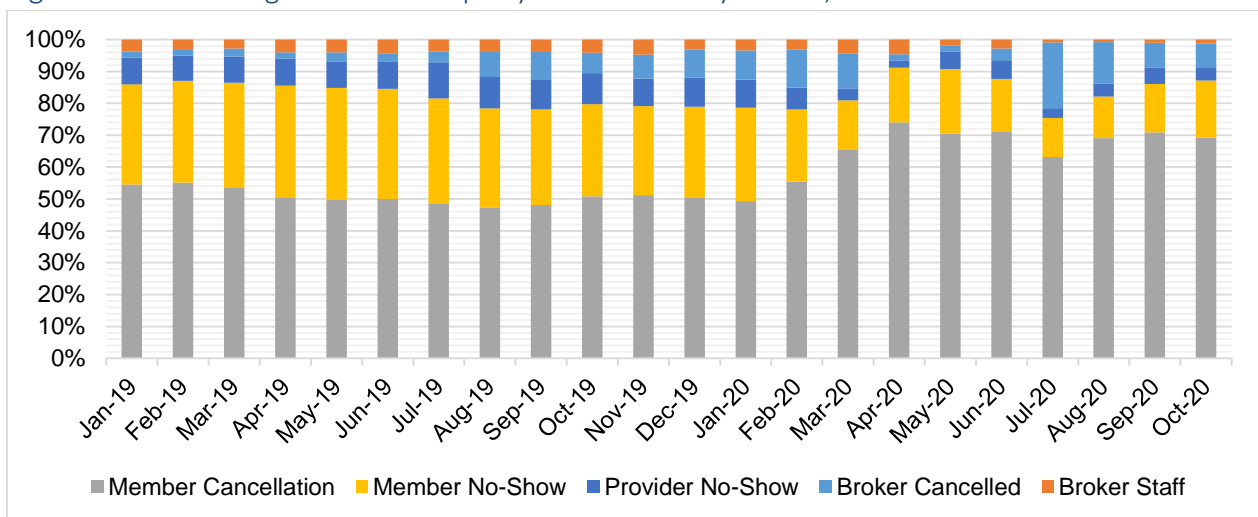
## Missed Trip Data

Figure 1.1: Missed trips by reason code, 2019 and 2020



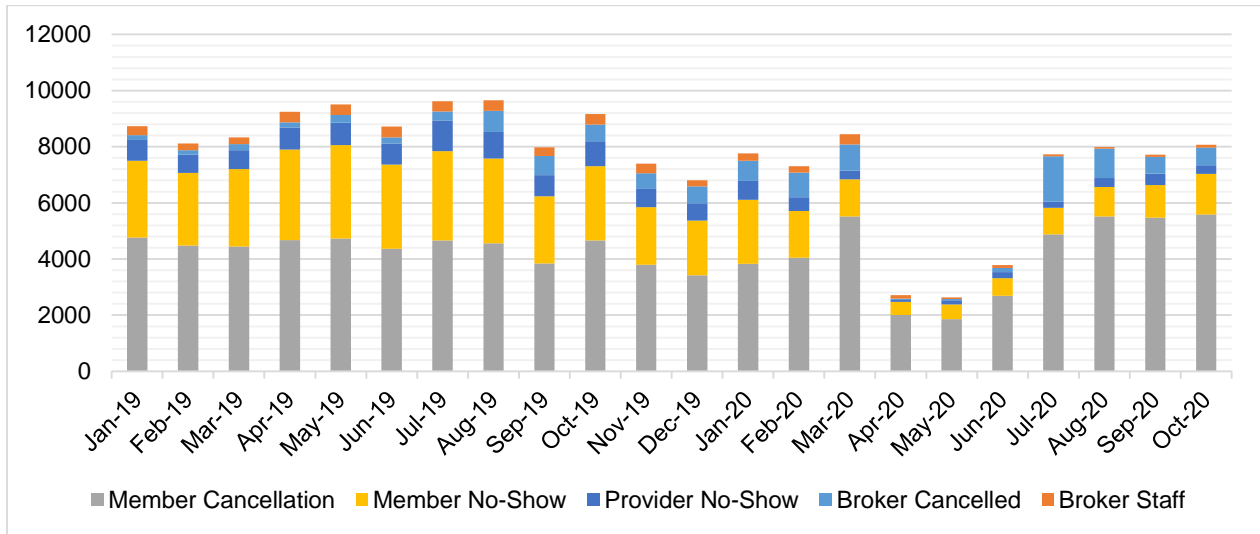
Of the 167,432 missed trips reported, 56% (93,773) were due to member cancellation, 27% were caused by member no-shows, 7% were caused by provider no-shows, another 7% were due to broker cancellation, and 3% were caused by broker staff errors.

Figure 1.2: Percentage of missed trips by reason code by month, 2019 and 2020



Member cancellation was the reason code used most often during this reporting period. Overall, members were responsible for 75% of all missed trips. Provider no-show, broker cancellation, and broker staff error accounted for approximately 25% of the reason codes used for cancellation.

Figure 1.3: Number of missed trips by reason code by month, 2019 and 2020

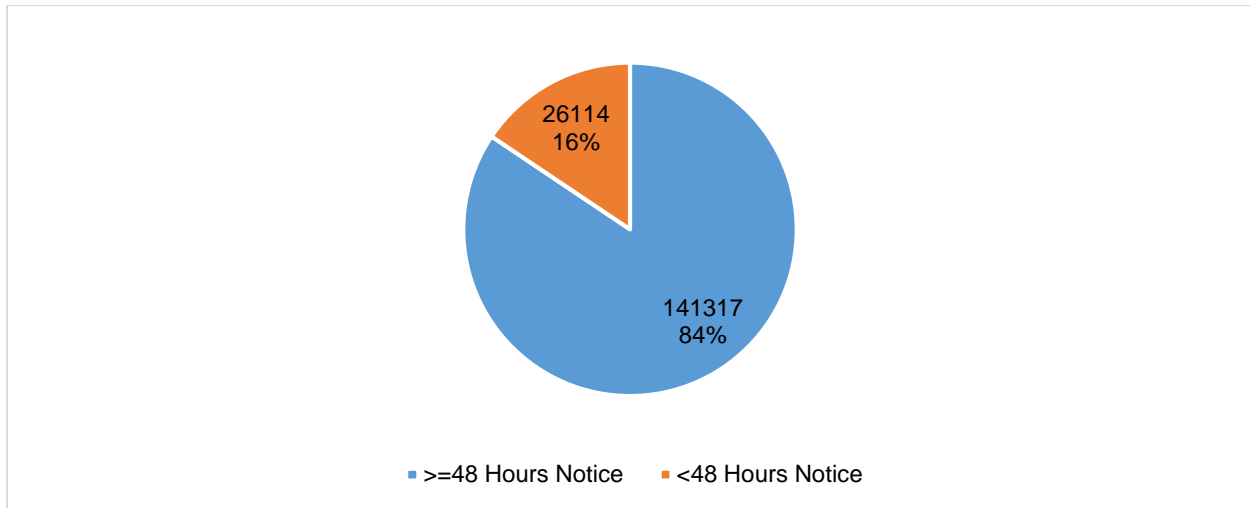


A total of 167,432 trips were missed during the reporting period of January 2019 to October 2020. The number of missed trips was highest in August 2019 (9,661) and lowest in May 2020 (2,627). Over 4,000 missed trips were coded as member cancellation for 15 out of the 24 months in the reporting period.

The decline in missed trips from April 2020 can be attributed to the COVID-19 pandemic and mirrors a similar decline in the number of successfully-scheduled trips during the same period.

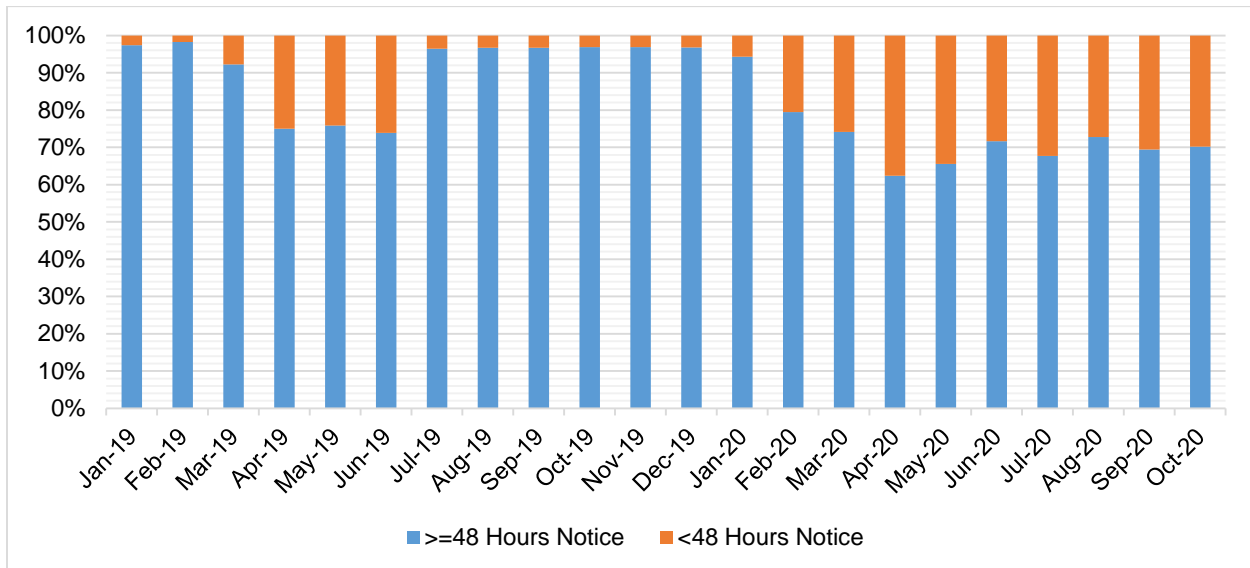
## Section 2 – Amount of Notice Given

Figure 2.1: Missed trips by hours of notice given, 2019 and 2020



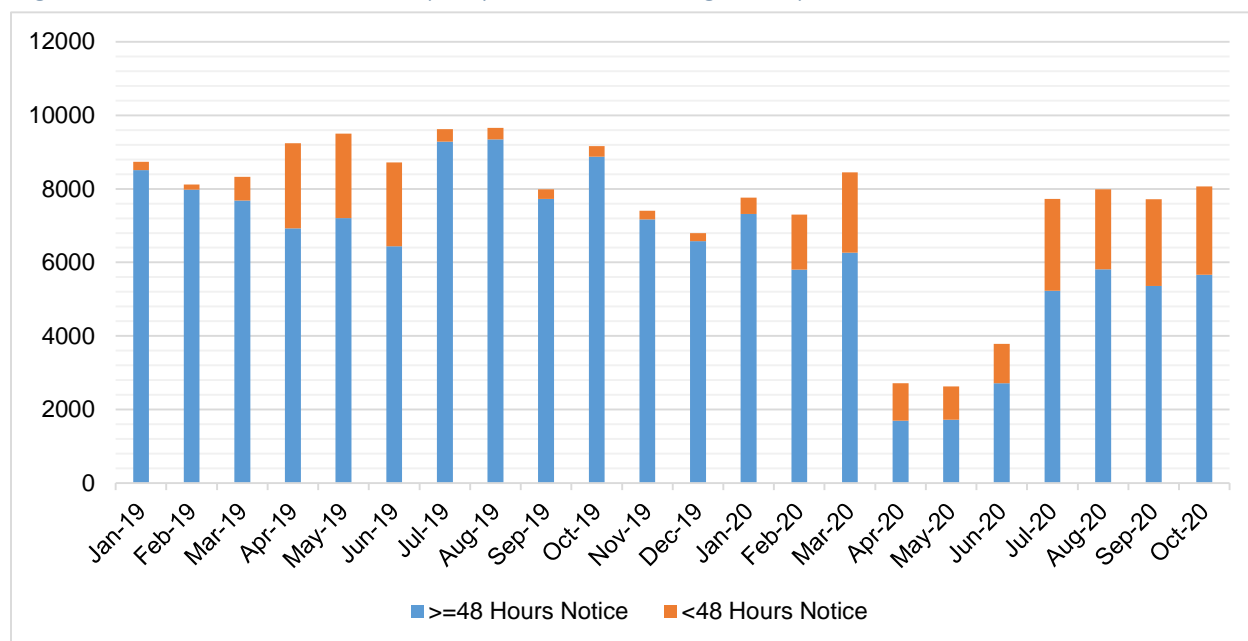
Of 167,432 missed trips, a large majority – 141,317 (84%) - were scheduled at least 48 hours in advance. 26,114 (16%) missed trips were scheduled fewer than 48 hours in advance.

Figure 2.2: Percentage of missed trips by hours of notice given by month, 2019 and 2020



A majority of missed trips in every month of the reporting period were scheduled at least 48 hours in advance of the time at which the trip was to occur. Missed trips scheduled fewer than 48 hours in advance accounted for the largest share of missed trips in April 2020 (37.6%) and the smallest share in February 2019 (1.8%).

Figure 2.3: Number of missed trips by hours of notice given by month, 2019 and 2020



Missed trips scheduled at least 48 hours in advance numbered over 6,000 in 14 out of the 24 months in the reporting period. By comparison, missed trips scheduled fewer than 48 hours in advance numbered over 2,000 in only eight months out of the 24 months in the reporting period.

### Subsection 2.1 Impact of missed trips on health and health care expenditures

To be eligible for NEMT, members in Louisiana must be unable to secure or pay for their own transportation. Members depend on NEMT providers to access primary care, disease screening, therapies and other inpatient and outpatient healthcare services. If providers do not show or are unable to fulfill trip requests, members cannot access care. This has two main consequences:

- Adverse health outcomes.** Research suggests that missing scheduled outpatient care is associated with adverse health outcomes. According to a study by Hwang et al., propensity to no-show was a strong predictor of lower preventive cancer screening and chronic disease control, indicators of health status.<sup>1</sup> Individuals without access to transportation already suffer from a high rate of mental and physical health conditions and are at an increased risk of adverse health outcomes if they are unable to access outpatient care through the NEMT benefit.
- Increased utilization of high cost care.** Individuals who cannot access low-cost outpatient care tend to use high-cost inpatient hospital care instead. Per estimates by the Agency for Healthcare Research and Quality, national health care expenditures for potentially preventable adult

<sup>1</sup> Hwang, Atlas, Cronin, Ashburner, Shah, He, & Hong. *Appointment “no-shows” are an independent predictor of subsequent quality of care and resource utilization outcomes.* Journal of General Internal Medicine. March 17, 2015.



inpatient stays in 2017 totaled nearly \$5 billion when the primary expected payer was Medicaid.<sup>2</sup> The majority of these stays were for chronic conditions which could have been prevented or mitigated by effective ambulatory care. Hospital care is also low-value. Whereas improvement in patient health is high relative to the amount of money spent on ambulatory care, improvement in patient health is low relative to the amount of money spent on hospital care.

## Section 3 – NEMT Policy

### Subsection 3.1 TNC compliance with NEMT policy in Louisiana

Commercial TNCs such as Uber and Lyft must meet a number of state and Medicaid guidelines related to driver and passenger safety to participate in the Medicaid NEMT benefit. Although TNCs maintain safety standards of their own, these differ from state and programmatic standards in key areas. An overview of these differences is provided below:

Figure 3.1: TNC safety standards compliance

Louisiana State Law and/or MCO Manual require that:	Compliance	
	Lyft	Uber
Transportation providers/drivers have a “For Hire” public or handicapped license plate to facilitate the identification and oversight of NEMT vehicles. [State law]	No	No
Transportation drivers be 21 years of age or older (NOTE: temporarily lowered to 21 for the duration of COVID-19 emergency declaration) 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. [Provider Manual]	No	No
Transportation providers have the drivers complete background checks for each driver applicant, conducted by an agency designated by Louisiana law and the MCO Manual for Louisiana (authorized by the Louisiana State Police), for the safety of the passengers and program integrity. [State law]	No	No
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. [Provider Manual]	No	No
Transportation drivers pass a five-panel drug screen, administered annually and upon reasonable suspicion. [Provider Manual]	No	No
Transportation drivers complete the following [Provider Manual]: <ul style="list-style-type: none"> <li>• Defensive driving training of no less than 4 hours, to be renewed every 3 years</li> <li>• CPR certification by a licensed instructor</li> <li>• Wheelchair securement and passenger assistance safety and sensitivity training, to be renewed every two years</li> <li>• HIPAA privacy and security training</li> </ul>	No	No
The vehicle includes signage that displays the name and telephone number of the enrolled provider and the vehicle number. [Provider Manual]	No	No

<sup>2</sup> McDermott & Jiang. *Characteristics and Costs of Potentially Preventable Inpatient Stays, 2017*. Agency for Healthcare Research and Quality. June 2020.

### Subsection 3.2 NEMT Policy in other states

Medicaid programs in Arizona, Georgia, Michigan, Missouri, Tennessee and Virginia allow TNCs to provide NEMT to their members. An overview of the NEMT policy in these six states is provided below. In addition, select states are also running pilots. What information is available on the outcomes of the pilots is also provided below.

#### Arizona

Arizona Medicaid allows TNCs to register as NEMT providers. Medicaid MCOs and transportation brokers, which manage the NEMT benefit in the state, coordinate with ridesharing services Uber and Lyft to provide transportation to Medicaid members. TNCs only provide transportation to members who are ambulatory and do not need personal assistance. TNC drivers must pass a criminal background and federal health care program exclusion check and submit to vehicle inspections. TNCs must record trip information (date and time of service and pick-up and drop-off locations), document enforcement actions, and keep records of driver information.

#### Georgia

Georgia Medicaid recently moved to include TNCs as an approved transportation provider category. This change allows Lyft, through its corporate partnership with Georgia NEMT broker ModivCare (formerly known as LogistiCare), to provide transportation to some Medicaid members. Lyft is only available as an option for Medicaid members who do not need hands-on assistance. Georgia NEMT policy requires that TNC drivers pass a background check, but does not require that TNCs have their drivers complete specialized training.

#### Michigan

Michigan Medicaid's managed care plans and state-contracted broker, ModivCare, utilize Lyft to provide rides to members with lower-level health needs and, on a case-by-case basis, to members with behavioral health needs. Lyft is not a primary source of NEMT and only fulfills trip requests when conventional providers are unavailable. Like conventional NEMT providers, Lyft drivers must pass a background check; however, Lyft drivers do not have to meet the same licensure standards and vehicle safety requirements as NEMT providers. Rather than reimburse the individual drivers employed by Lyft, Michigan Medicaid reimburses Lyft itself through ModivCare and its managed care plans at a negotiated rate.

#### Missouri

Missouri Medicaid contracts with ModivCare, which has partnered with Lyft to provide transportation to some Medicaid members. Lyft drivers must pass a criminal background and state health care program exclusion check but are exempt from other NEMT-specific credentialing and education requirements, including completion of a defensive driving course, training on the use of mobility equipment and provision of hands-on assistance. As such, Lyft is only available to members with lower severity health conditions.

#### Tennessee

Tennessee Carriers, an NEMT broker that contracts with Tennessee Medicaid, has launched a pilot program in partnership with Lyft to provide NEMT to members in large and mid-size cities across the state. In the program, Lyft fulfills requests made without advance notice and functions as a provider of last resort when conventional NEMT providers are unavailable. Lyft drivers are exempt from NEMT rules related to

drug and alcohol testing, accident and incident procedures and vehicle and driver requirements. From August 2019 to 2020, primary care gaps among members in the program decreased by 50% and primary care physician visits increased by 40%.<sup>3</sup> Although the pilot program was initially limited to members that did not need personal assistance, Lyft now serves all members in the regions in which it operates. Lyft drivers are exempt from background testing and vehicle requirements that conventional NEMT providers must comply with.

### Virginia

Virginia Medicaid recently approved the use of TNCs including Uber, Lyft, UZURV and Veyo by NEMT brokers contracted through Virginia's Medicaid managed care organizations and fee-for-service (FFS) Medicaid program. TNCs act as a provider of last resort when conventional providers are unavailable and when trip requests are rerouted on short notice. Virginia has developed a different set of requirements for TNC drivers than NEMT providers; these requirements include additional liability insurance and use of software that meets HIPAA and Department of Medical Assistance Services security requirements, as well as background checks. Virginia Medicaid has developed a tiered system for trip assignment based on a TNCs capacity to meet or exceed these requirements. Type 1 TNCs, which include Uber and Lyft, can only provide services to members who have access to a smartphone, can interpret and understand texted trip information, and do not need hand-to-hand or door-to-door assistance. Type 2 TNCs, which include UZURV and Veyo, train their drivers to provide assistance to members with greater physical and behavioral health needs and are not subject to the same restrictions on ridership.

### Additional Pilots

Centene, a healthcare company that administers Medicaid managed care plans in multiple states, including Louisiana, launched pilot NEMT programs in Georgia, Ohio, Texas and Florida. While separate data from each state was not available, the on-time arrival rate and average wait times for the programs were 99% and seven minutes respectively, compared to 28 minutes for a conventional NEMT ride.<sup>4</sup>

### Subsection 3.3 Lessons Learned

Lessons learned from NEMT policy in the states reviewed include:

- Popular commercial TNCs such as Uber and Lyft are unlikely to change their own safety standards to suit more stringent state safety standards. States that allow Uber and Lyft to serve as NEMT providers have modified or waived some or all of their NEMT provider requirements to allow TNCs to participate in the benefit.
- Not all members may be able to use TNCs. Uber and Lyft drivers do not have the training and may not drive vehicles that meet the specifications necessary to provide transportation to individuals with greater physical or behavioral health needs.
- TNCs work best as providers of last resort. Most of the states reviewed use TNCs to fulfill trip requests on short notice or when other providers are unavailable.

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<sup>3</sup> Ibid.

<sup>4</sup> Lyft. *Modernizing medical transportation with rideshare*. August 2020.

## Section 4 – Issues with NEMT brokers

Currently, LDH carves most NEMT into Medicaid managed care. LDH also has a contract with a broker to manage transportation for FFS members. MCOs subcontract with four separate brokers to administer the benefit in managed care. These four brokers (one of which also holds the FFS contract) are responsible for dispatching and reimbursing transportation providers.

### Subsection 4.1 Issues with brokers

The multi-broker carve-in system creates a number of issues for transportation providers in Louisiana. Providers typically contract with more than one broker, each of which has different operational practices. Some of the main issues cited by NEMT providers include:

- **The cost of credentialing.** Before becoming a part of a broker’s network, an NEMT provider must meet a number of requirements to be credentialed. The time, effort, and financial cost to the provider involved in credentialing is multiplied based on the number of brokers with which the provider contracts.
- **Managing records.** Transportation providers must keep a manifest, which contains information used to authorize trip requests and route trips, for each broker where they are contracted. Consolidating multiple manifests is complicated and time-intensive.
- **Billing practices.** Billing practices vary between brokers. Transportation providers have found it difficult to negotiate these practices, and are often denied or delayed payment as a result.
- **Over-assignment.** Providers that contract with multiple brokers are often assigned more trips than they are capable of performing. Consequently, no-show and late-show rates suffer.
- **Misaligned incentives.** Brokers typically pay providers special rates for higher mileage trips. Because most NEMT providers have low profit margins, better reimbursement incentivizes providers to pursue higher mileage trips. As a result, members who need to travel shorter distances are often unable to access transportation.

### Subsection 4.2 Broker models in other states

#### Virginia

Virginia contracts with a single statewide broker to provide NEMT to members enrolled in FFS Medicaid and carves NEMT into the responsibilities of the state’s Medicaid managed care organizations, many of which subcontract with brokers to provide transportation to their members.<sup>5</sup> Brokers are paid on a per-member per-month (PMPM), capitated basis. Brokers coordinate transportation, screen for eligibility, provide prior authorization and track and monitor service quality.

#### Idaho

NEMT services in Idaho are carved out of managed care and are provided by a single statewide broker.<sup>6</sup> Idaho’s broker performs all of the administrative functions involved in coordinating NEMT. The broker is reimbursed on a capitated, PMPM basis. Since the single, statewide, carve-out model was implemented, administrative costs for both the state and for NEMT providers have declined. Evaluations of the model

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<sup>5</sup> The Hilltop Institute. *Non-emergency medical transportation (NEMT) study report*. September 26, 2008.

<sup>6</sup> Institute on Disability and Human Development. *An independent evaluation of non-emergency medical transportation in Idaho*. August 8, 2018.

have attributed this to the consolidation of trip assignment, provider reimbursement and issue resolution under one umbrella.

### Kentucky

In Kentucky, NEMT services are carved out of Medicaid managed care and are provided by eight regional transportation brokers.<sup>7</sup> Regional brokers schedule and coordinate transportation, conduct utilization review, oversee vehicle inspection and maintenance and monitor provider performance. Brokers are reimbursed on a capitated, PMPM basis. Whereas NEMT expenditures in Kentucky were projected to increase to over \$69 million under the previous model, expenditures under the regional multi-broker carve-out model remained below \$50 million that fiscal year.

## Section 5 – Conclusion and Recommendations

### 1. **Improve communication between provider/broker and member and increase provider availability.**

According to missed trip data, members are responsible for the majority of missed trips. While enrollee no-shows may occur for a number of reasons, poor communication between the provider/broker and the member prior to the trip is a common complaint that providers and brokers can address. Missed trip data also indicates that a large majority of missed trips were scheduled at least 48 hours in advance. This is likely related to network adequacy -- although requesting transportation in advance should allow brokers enough time to schedule rides, the inadequacy of a broker's provider network constrains the number and kind of rides a broker can schedule. The incorporation of new providers into the NEMT system may help this.

### 2. **Develop state criteria to allow for the utilization of TNCs for NEMT.**

Other states utilize TNCs to provide transportation to specific populations when conventional NEMT providers are unavailable. Limiting eligibility for TNC NEMT is a best practice, as drivers for commercial TNCs like Lyft and Uber are not equipped or trained to provide transportation to members with extensive physical, mental, cognitive or developmental limitations.

### 3. **Consider contracting with a single statewide NEMT broker.**

The number of NEMT brokers contracted through Louisiana's managed care program complicates the work of transportation providers. Contracting with a single statewide broker would cut back on administrative costs for the state and for providers and potentially address other issues caused by overlap between brokers, such as over-assignment and inconsistency in trip incentives.

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<sup>7</sup> The Hilltop Institute. Non-emergency medical transportation (NEMT) study report. September 26, 2008.



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