



## REPORT HIGHLIGHTS

State Auditor

Report 15-4

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May 2015

**Non-Emergency Medical Transportation***Department of Health Services*

The Department of Health Services (DHS) administers the State's Medical Assistance program, which is also known as Medicaid. The program uses state and federal revenue to fund health care-related services, which include non-emergency medical transportation (NEMT) services for individuals with low and moderate incomes. Public transportation, taxis, and specially equipped vans with ramps or lifts are used to take recipients to and from covered Medical Assistance services when a recipient has no means of transportation or needs financial help to cover transportation costs. In fiscal year (FY) 2013-14, DHS spent \$56.1 million in state and federal funds to provide NEMT services to those Medical Assistance recipients who did not receive long-term care services.

Concerns have been raised about the dependability, quality, and cost of NEMT since DHS began contracting with private vendors, known as transportation brokers, to coordinate the statewide provision of NEMT services in July 2011. Therefore, at the request of the Joint Legislative Audit Committee, we reviewed:

- changes in the administration of NEMT services over time;
- trends in expenditures and variations in the provision of services;
- program oversight;
- recipient and provider complaints;
- the level of satisfaction with the management and provision of NEMT services; and

**Expenditures for NEMT Services**

We compiled the best information available on NEMT expenditures from FY 2009-10 through FY 2013-14. However, these data are incomplete and do not always reflect actual costs, largely because of limitations in how data were collected and reported before FY 2011-12. We estimate that NEMT expenditures increased from \$44.4 million in FY 2009-10 to \$56.1 million in FY 2013-14 for those Medical Assistance recipients who did not receive long-term care services.

From August 2013 through June 2014, Medical Transportation Management (MTM), Inc., a transportation broker with which DHS has contracted, provided 2.3 million trips to approximately 69,300 Medical Assistance recipients and paid \$39.8 million to transportation providers. A trip is generally defined as travel from a recipient's home to the business, clinic, or hospital where a service covered by Medical Assistance will be provided, or travel from the health care provider back to the recipient's home.

**Oversight of NEMT Services**

DHS included oversight provisions in its contract with MTM, such as ensuring callers speak to a customer service representative within an average of four minutes. In addition, DHS requires MTM to oversee transportation providers, including screening and credentialing drivers and their vehicles and providing for disciplinary and corrective actions in instances of transportation provider noncompliance.

To monitor compliance with these requirements, MTM collects documentation from transportation providers, ensures drivers are subject to drug tests, and conducts annual inspections of providers' vehicles. MTM may assess liquidated damages against transportation providers under certain circumstances. We found that MTM made 439 assessments against 85 transportation providers totaling \$10,055 from August 2013 through June 2014.

In November 2014, DHS implemented a corrective action plan for MTM that remained in force through January 2015. It required MTM to undertake several corrective measures to ensure callers would be on hold for no more than four minutes, on average.

**Complaints about NEMT Services**

MTM is required under its contract with DHS to develop a formal written complaint process, provide a telephone line that is always staffed to receive complaints, and provide a website through which complaints may be submitted. Under the terms of its contract with DHS, at least 99.7 percent of the trips MTM provides are to be without a substantiated complaint. However, we found that MTM met the complaint-free standard during only three months from August 2013 through June 2014. In addition, we found that MTM did not send letters notifying complainants when it was going to exceed 30 business days to resolve their complaints. Approximately one-fourth of the 9,107 complaints that MTM substantiated from August 2013 through June 2014 involved drivers that never arrived for scheduled trips. Some recipients indicated their health care providers had discontinued seeing them because they missed too many appointments.

From July 2010 through January 2015, we also received a total of 386 complaints regarding NEMT services, and we were able to substantiate 65 complaints (16.8 percent). Common complaints we received, as well as those received by MTM, related to drivers not arriving to transport recipients or arriving late to take them to their appointments.

**Satisfaction with NEMT Services**

We conducted a survey of 5,000 randomly selected Medical Assistance recipients who received at least one trip arranged by MTM from January through June 2014, excluding those whose services were entirely limited to public transportation or mileage reimbursement.

Over 40 percent of respondents indicated they had experienced instances in which they missed or had to reschedule their appointments because drivers arrived more than 15 minutes late to pick them up or did not arrive at all. In addition, 56.8 percent of respondents indicated they or their children were picked up more than 15 minutes late for a return trip home, and 26.3 percent indicated they or their children were never picked up for a return trip home. However, 87.0 percent of respondents indicated that, overall, they were either "satisfied" or "very satisfied" with the NEMT services they received through MTM.

We also conducted a survey of 311 transportation providers. More than one-half of all respondents indicated dissatisfaction with the trip scheduling process, trip volume, and the amount of compensation provided.

**Improving the Provision of NEMT Services**

We found that from August 2013 through June 2014, MTM was unable to schedule 942 trips for recipients because no vehicle was available, including at least 164 trips in which recipients had called three or more business days in advance of their appointments. Beginning in February 2014, DHS required MTM to follow provisions of a corrective action plan to address instances in which no vehicles were available to provide trips. In January 2015, DHS assessed MTM \$25,500 in liquidated damages based on the frequency with which no vehicle was available to provide trips in September 2014.

However, DHS did not impose liquidated damages on MTM when transportation providers failed to arrive to transport recipients. From August 2013 through June 2014, we found 4,154 instances in which a transportation provider did not arrive to transport a recipient to an appointment or to provide a ride home, including 2,026 trips (48.8 percent) that were scheduled three or more business days in advance. From August 2013 through June 2014, 5.8 percent of recipients who received trips experienced at least one instance of a transportation provider failing to arrive for a scheduled trip.

**Instances in Which Transportation Providers Failed to Arrive for Scheduled Trips**  
August 2013 through June 2014

Number of Instances	Recipients Affected
1	2,814 <sup>1</sup>
2	414
3	83
4	27
5	3
6	4
7	2

<sup>1</sup> Excludes 102 recipients who scheduled a trip but never received one because transportation providers failed to arrive.

Transportation providers reported arriving more than 15 minutes late for 55,320 (8.7 percent) of the trips they provided from August 2013 through June 2014 to recipient appointments. Of these trips, 20.3 percent resulted in the recipients being more than 15 minutes late for their appointments.

**Recommendations**

We include recommendations for DHS to:

- consider developing additional performance standards related to caller hold times and abandoned calls (*p. 34*);
- discontinue certifying specialized medical vehicle (SMV) providers whose vehicles are not inspected under state statutes and alter its policies accordingly (*p. 42*);
- enforce contract provisions requiring MTM to provide every complainant with an update of the review being conducted within 10 business days (*p. 45*);
- amend its contract with MTM to formally establish the additional 14 business days it now permits for complaint review and notification (*p. 49*);
- amend its contract with MTM to require MTM to notify complainants by mail when it will take longer than 30 business days to review and respond to a complaint (*p. 49*);
- establish standards for the number or percentage of transportation provider no-shows that will be permitted each month (*p. 81*) and for the number or percentage of scheduled trips for which transportation providers arrive more than 15 minutes late that will be permitted each month (*p. 81*); and
- develop a corrective action plan that requires MTM to meet the new standards and report weekly to DHS on transportation provider no-shows and late arrivals (*p. 81*).

We also include recommendations for DHS to report to the Joint Legislative Audit Committee by December 1, 2015, on:

- its implementation of opioid treatment programs and the extent to which they may help reduce future NEMT costs (*p. 28*);
- the effectiveness of its corrective action plan for MTM in addressing caller hold times and the development of additional standards for hold times and abandoned calls (*p. 34*);
- its efforts to update SMV policies (*p. 42*); and
- the results of its efforts to establish standards for transportation provider no-shows and late arrivals, including the extent to which both no-shows and late arrivals have been reduced (*p. 81*).

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**Legislative Audit Bureau**

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