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May 2015

Non-Emergency Medical Transportation

Department of Health Services

STATE OF WISCONSIN



Legislative Audit Bureau ■

Non-Emergency Medical Transportation

Department of Health Services

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Department of Health Services Regions

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From the Department of Health Services



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Joe Chrisman
State Auditor

May 12, 2015

Senator Robert Cowles and
Representative Samantha Kerkman, Co-chairpersons
Joint Legislative Audit Committee
State Capitol
Madison, Wisconsin 53702

Dear Senator Cowles and Representative Kerkman:

As directed by the Joint Legislative Audit Committee, we have completed a review of the provision of non-emergency medical transportation (NEMT) services to Medical Assistance recipients. The Medical Assistance program is administered by the Department of Health Services (DHS), which in fiscal year 2013-14 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.

Since September 2012, NEMT services have been managed statewide by a transportation broker, which is a private vendor hired by DHS to manage the provision of NEMT services. From August 2013 through June 2014, Medical Transportation Management (MTM), Inc., the current transportation broker, provided 2.3 million trips to approximately 69,300 Medical Assistance recipients and paid \$39.8 million to transportation providers.

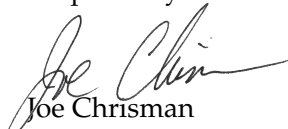
From July 2010 through January 2015, we received 386 NEMT-related complaints, mostly through our Fraud, Waste, and Mismanagement Hotline. Common complaints we received, as well as those received by MTM, related to drivers not arriving to transport recipients or arriving late to take them to their appointments. From August 2013 through June 2014, we found 4,154 instances in which transportation providers did not arrive to provide a scheduled trip and 55,320 instances in which they arrived more than 15 minutes late to take recipients to their appointments.

To further inform our review, we conducted an independent survey of 5,000 randomly selected Medical Assistance recipients who received at least one trip arranged by MTM from January through June 2014. We also surveyed 311 transportation providers with which MTM had entered into agreements to provide transportation services.

We include recommendations for DHS to improve its oversight of the transportation broker, including by establishing new performance standards; to change its practice of certifying specialized medical vehicles in order to comply with state statutes; and to consider how placement and utilization of new drug treatment programs may help to limit future NEMT costs.

We appreciate the courtesy and cooperation extended to us by DHS, MTM, counties, transportation providers, health care providers, Medical Assistance recipients, and the other individuals and groups we contacted to complete our work. A response from DHS follows the appendix.

Respectfully submitted,


Joe Chrisman
State Auditor

JC/PS/ss

Report Highlights ■

From August 2013 through June 2014, MTM provided 2.3 million trips to approximately 69,300 Medical Assistance recipients.

Data on NEMT expenditures are incomplete because of limitations in how they were collected and reported before FY 2011-12.

From July 2010 through January 2015, the Legislative Audit Bureau received a total of 386 complaints regarding NEMT services.

We recommend DHS take steps to reduce the extent to which transportation providers fail to arrive or arrive late for scheduled trips.

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
- areas in which NEMT services can be improved.

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. Table 1 shows the number of instances in which providers failed to arrive to transport recipients.

Table 1

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

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

¹ 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*).

■ ■ ■ ■

Introduction ■

Federal regulations require states to ensure necessary transportation for recipients to and from services covered by Medical Assistance.

Since 1965, states and the federal government have funded health care services for certain low-income individuals through the federal Medical Assistance program. The range of health care benefits covered by the Medical Assistance program is comprehensive and includes both primary and long-term care services. Within parameters set by the federal government, states have flexibility in determining some of the services to be provided, as well as who is eligible to receive services based on income and asset levels. However, federal regulations require states to ensure necessary transportation for recipients to and from services covered by Medical Assistance.

We reviewed the historical provision of NEMT services to Medical Assistance recipients who currently have these services provided through MTM, a transportation broker with which DHS has contracted to coordinate the provision of NEMT services statewide. Some NEMT services are provided to Medical Assistance recipients who are not served by a transportation broker, such as those elderly or disabled Medical Assistance recipients who receive long-term care through enrollment in Family Care, Family Care Partnership, or the Program of All-Inclusive Care for the Elderly (PACE), as well as those individuals covered by Medical Assistance who resided in nursing homes. Our review does not include transportation services provided to these individuals.

To be eligible for the Medical Assistance program, applicants must meet certain nonfinancial requirements. These include being a United States citizen or a qualified alien and a Wisconsin resident and typically having or having applied for a Social Security number.

Applicants must also meet certain financial eligibility requirements, which vary based on the type of Medical Assistance benefits they are seeking or on their personal health conditions. For example, individuals who are elderly or disabled must typically have assets of no more than \$2,000 and must meet certain monthly income limits, which can vary based on a variety of criteria, such as whether they are retired, unemployed, living with a spouse, or receiving federal Medicare benefits. For otherwise healthy children and adults who are seeking acute and primary care services, there is no asset limit, and applicants become eligible for Medical Assistance benefits based on income limits, which generally vary from 100 percent to 300 percent of the federal poverty level. As of February 2015, the annual income of a family of four at 100 percent of the federal poverty level was \$24,250, or \$2,021 per month.

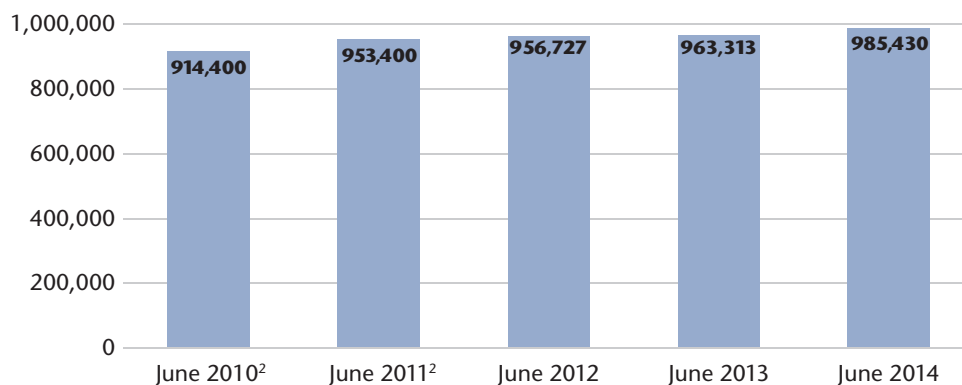
Eligible Recipients and Scope of NEMT Services

The number of recipients eligible for NEMT services increased from an estimated 914,400 in June 2010 to 985,430 in June 2014.

The number of Medical Assistance recipients who were eligible for those NEMT services included in our review increased from an estimated 914,400 in June 2010 to 985,430 in June 2014, as shown in Figure 1. The number of eligible recipients prior to July 2011 had to be estimated because of limitations in the available data.

Figure 1

Number of Recipients Eligible for NEMT Services¹



¹ Excludes recipients of NEMT services who were not served by transportation brokers, counties, or health maintenance organizations (HMOs), such as elderly or disabled Medical Assistance recipients who received long-term care through enrollment in Family Care, Family Care Partnership, or the Program of All-Inclusive Care for the Elderly (PACE), as well as individuals covered by Medical Assistance who resided in nursing homes.

² The number of eligible recipients prior to July 2011 is estimated.

The increase in the number of NEMT-eligible recipients is likely the result of several factors. For example, the number of eligible recipients increased from June 2010 to June 2011, in part, because those enrolled in the BadgerCare Plus Benchmark Plan became eligible for NEMT services beginning in July 2010. In addition, the number of eligible recipients increased from June 2013 to June 2014 largely because childless adults became eligible for Medical Assistance coverage, including NEMT services, beginning in April 2014.

Children are the largest group of NEMT-eligible recipients.

As shown in Table 2, children are the largest group of NEMT-eligible recipients, followed by adults with children. Combined, these two groups represented 82.1 percent of all NEMT-eligible recipients in June 2010 and 71.7 percent in June 2014. The number of adults with children declined from an estimated 324,800 in June 2010 to 255,586 in June 2014 largely because the BadgerCare Plus Benchmark Plan was eliminated in April 2014. While some of those who had been covered by the BadgerCare Plus Benchmark Plan retained coverage under the current BadgerCare Plus plan, DHS estimated that approximately 56,000 adults and 3,000 children became ineligible for Medical Assistance, including NEMT services, because their family incomes exceeded the new limits of 100 percent of the federal poverty level for adults and 300 percent for most children.

Table 2

Number of NEMT-Eligible Recipients, by Type¹

Recipient Type	June 2010		June 2014	
	Number ²	Percentage	Number	Percentage
Children	426,000	46.6%	451,293	45.8%
Adults with Children	324,800	35.5	255,586	25.9
Elderly or Disabled	163,600	17.9	175,281	17.8
Childless Adults ³	–	–	103,270	10.5
Total	914,400	100.0%	985,430	100.0%

¹ Excludes recipients of NEMT services who were not served by transportation brokers, counties, or HMOs, such as elderly or disabled Medical Assistance recipients who received long-term care through enrollment in Family Care, Family Care Partnership, or the Program of All-Inclusive Care for the Elderly (PACE), as well as those individuals covered by Medical Assistance who resided in nursing homes.

² The number of recipients in June 2010 is estimated.

³ Childless adults first became eligible for NEMT services in April 2014.

NEMT services are provided through a range of transportation providers, such as taxi companies, public transportation providers, ambulance providers, and private individuals known as “volunteer drivers” who typically use their own vehicles to transport recipients and are generally reimbursed exclusively for their mileage. In addition, mileage reimbursement may be provided to Medical Assistance recipients who have access to an automobile but indicate they need help to pay fuel costs.

Beginning in August 2013, DHS began requiring recipients to take a bus to their health care appointments if they are able to do so.

Beginning in August 2013, DHS began requiring Medical Assistance recipients to take a bus to their covered Medical Assistance appointments if they live within one-half mile of a bus stop and are traveling to an appointment located within one-half mile of a bus stop, provided they are not:

- individuals unable to get to a bus stop or ride a bus as a result of a physical or mental health condition;
- parents or caregivers of children age four or younger who are traveling with those children to the children’s appointment;
- children age 15 or younger who are traveling alone; or
- individuals age 70 or older who use a walker, crutches, or a cane.

From August 2013 through June 2014, 70.2 percent of trips were provided by sedan, van, or taxi.

Table 3 shows the types of trips MTM provided to Medical Assistance recipients from August 2013, when it assumed responsibility for providing trips as the transportation broker for Wisconsin’s Medical Assistance program, through June 2014, which was the most recently completed month for which data were available at the time of our fieldwork. A total of 2.3 million trips were provided during this period to approximately 69,300 Medical Assistance recipients. Of these trips, 70.2 percent were provided by sedan, van, or taxi to recipients not requiring a specialized vehicle. 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. A round trip, which includes travel to a covered service and back to the recipient’s home is considered two trips because some recipients receive NEMT services only to or from an appointment.

Table 3

Type of NEMT Trips Provided to Medical Assistance Recipients by MTM
August 2013 through June 2014

	Number of Trips ¹	Percentage of Total
Sedan, Van, or Taxi ²	1,649,548	70.2%
Mileage Reimbursement	398,683	17.0
Public Transportation	214,261	9.1
Wheelchair Vehicle ³	82,751	3.5
Ambulance	3,616	0.2
Total	2,348,859	100.0%

¹ 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.

² Includes transportation provided to recipients not requiring a specialized vehicle, including transportation provided by volunteer drivers.

³ Includes specialized vehicles designed to transport recipients in wheelchairs and stretchers.

History of NEMT Management

DHS has delegated responsibilities associated with managing NEMT services to various entities over time.

DHS is responsible for administering the Medical Assistance program and overseeing the provision of NEMT services to all eligible recipients. However, DHS has delegated responsibilities associated with managing NEMT services to various entities over time, as shown in Figure 2.

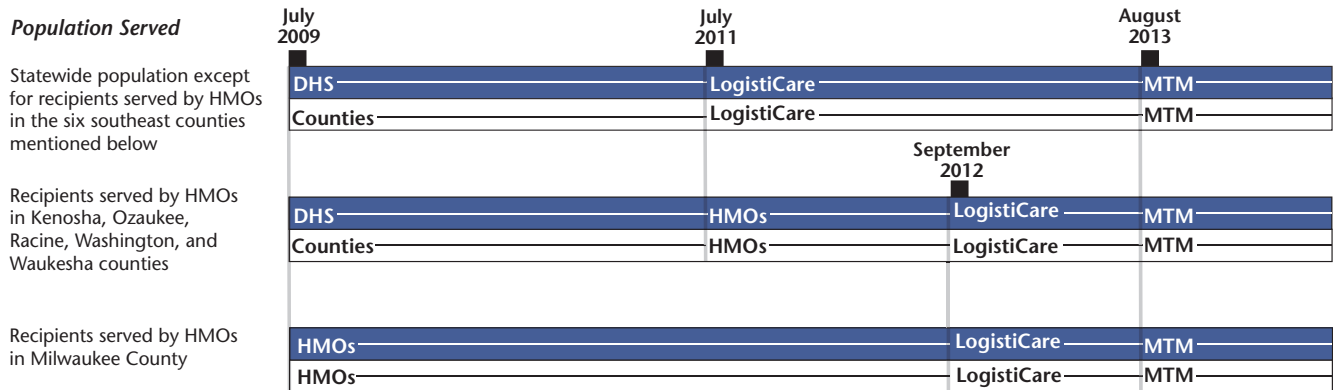
Except for recipients served by HMOs in Milwaukee County, before July 2011, DHS:

- delegated to counties responsibility for managing NEMT services provided by common carrier, which includes public transportation and transportation by sedan, van, or taxi for recipients not requiring specialized vehicles to meet their transportation needs; and
- managed NEMT services provided by SMVs for those recipients who required such transport.

Beginning in February 2008, responsibility for managing both common carrier and SMV services for those Medical Assistance recipients in Milwaukee County who received services through an

Figure 2

Entities Managing NEMT for Medical Assistance Recipients



Types of Non-Emergency Medical Transportation

- Specialized Medical Vehicle (SMV) and Ambulance
- Common Carrier¹ and Mileage Reimbursement for Personal Vehicle

¹ Includes public transportation and transportation by sedan, van, or taxi.

HMO became the responsibility of the respective HMOs. These HMOs were initially paid by DHS on a fee-for-service basis. However, in January 2009, the cost of NEMT services was first incorporated into the capitated rates paid to HMOs serving recipients in Milwaukee County in an effort to limit expenditures. A capitated payment system involves paying a set amount per recipient per month, regardless of the extent to which services are utilized. Beginning in July 2011, HMO responsibilities for NEMT management were expanded to NEMT services provided by HMOs to Medical Assistance recipients in the counties of Kenosha, Ozaukee, Racine, Washington, and Waukesha. HMOs serving recipients in these five counties were paid by DHS on a fee-for-service basis for the NEMT services they provided.

Beginning in July 2011, NEMT services for most Medical Assistance recipients not being served by HMOs in the six counties in southeastern Wisconsin began to be managed by LogistiCare Solutions (LogistiCare), LLC, which is a private vendor with which DHS contracted to act as a transportation broker for NEMT services. Its responsibilities included developing a transportation provider network, scheduling trips, paying transportation providers, and tracking and addressing complaints.

DHS indicated the use of a transportation broker is intended to accomplish several goals, including:

- improving access to and the quality of NEMT services statewide;
- providing for the uniform application of NEMT policies across the state;
- reducing costs by ensuring travel is provided through the most economical mode of transportation; and
- reducing instances of fraud and abuse.

In September 2012, LogistiCare became responsible for managing NEMT services statewide by assuming management of the NEMT services that had previously been the responsibility of HMOs serving recipients in Kenosha, Milwaukee, Ozaukee, Racine, Washington, and Waukesha counties.

MTM assumed responsibility as the statewide transportation broker for NEMT services in August 2013.

In August 2013, MTM, another private vendor with which DHS contracted, assumed responsibility as the statewide transportation broker for NEMT services after LogistiCare informed DHS that it wished to terminate its contracts. The three-year contract with MTM is in effect through July 2016, but the contract also provides for two one-year extensions upon mutual agreement of the two parties. If both extensions are agreed to and entered into, the contract would run through July 2018.

It is generally thought that advantages of using a transportation broker that does not use its own vehicles to provide transportation are a lack of bias in provider selection and the increased likelihood that it will select the least costly transportation option. However, selection of the least costly transportation option can also become a detriment to the quality of service if adequate standards for transportation brokers are not developed and enforced. For example, some states have found that transportation brokers tend to hire small transportation providers that do not maintain their vehicles properly.

Variation in Transportation Policies and Procedures

We reviewed available information on the transportation policies of entities managing NEMT services and found significant variation in some areas. Some of the variation is a result of the type of transportation being overseen, while other variation is due to policies in a managing entity's contract with DHS, choices made by a managing entity, or contractual requirements. Table 4 shows the

variation among many of the NEMT managers for selected policies. Policies among counties varied too greatly to make their inclusion in the table meaningful.

Table 4
Comparison of Selected NEMT Policies of Transportation Managers¹

Policy Type	NEMT Manager			
	DHS	HMOs ²	LogistiCare	MTM
Types of Transportation Provided	SMV and Ambulance	Common Carrier ³ , SMV, and Ambulance	Common Carrier ³ , SMV, Ambulance, and Mileage Reimbursement	Common Carrier ³ , SMV, Ambulance, and Mileage Reimbursement
Recipient Given Choice of Transportation Provider	Yes	No	No	No
Public Transportation Required to Be Used When Appropriate	Not Applicable	No	No	Yes
Volunteer Drivers Utilized	Not Applicable	No	Yes	Yes
Entity That Scheduled Trips with Transportation Providers	Recipient	Varied	LogistiCare	MTM

¹ Subject to DHS policy and contract provisions, where applicable.

² Based on a review of the practices of United Healthcare Services, Inc., and Independent Care Health Plan (iCare), which provided approximately 75 percent of NEMT trips to the recipients in Kenosha, Milwaukee, Ozaukee, Racine, Washington, and Waukesha counties who received services through HMOs.

³ Includes public transportation and transportation by sedan, van, or taxi.

DHS and some counties allowed recipients to select the transportation provider of their choice.

When LogistiCare was the NEMT manager, it determined the type of transportation to be provided and scheduled trips. This determination is also made by MTM. DHS policy has not allowed recipients to select their preferred transportation provider under either LogistiCare or MTM, and MTM must also require recipients to use public transportation if they are able to do so. In contrast, recipients scheduled trips directly with the SMV provider of their choice when DHS was responsible for managing SMV transportation. In addition, three counties included in our review also allowed recipients some choice in selecting a common carrier provider. Among the six counties we reviewed:

- Kenosha and Milwaukee counties generally allowed recipients to directly contact the transportation provider of their choice to schedule trips from a list of transportation providers selected by each county;

- Eau Claire County allowed recipients to schedule trips directly with one or two transportation providers with which the county contracted to provide NEMT services;
- Dane County required recipients to contact county staff or other designated entities who were responsible for selecting from among four transportation providers with which the county contracted, or from an organization that provided volunteer drivers;
- Burnett County provided trips through mileage reimbursement or volunteer drivers, who were generally selected by the county staff who also scheduled the trips; and
- Marinette County provided the majority of NEMT trips by reimbursing recipients for their mileage expenses, but when this was not an option, recipients contacted county staff who scheduled trips that were provided by either the county’s motor pool or a private taxi service.

Among the four counties we reviewed that had public transportation systems at the time they were managing NEMT services—Dane, Eau Claire, Kenosha, and Milwaukee—only Kenosha indicated that it required recipients to use public transportation if they were able to do so, and this requirement was limited to those recipients who had received bus passes through the Food Stamp Employment and Training program.

Use of Transportation Brokers in Other States

As of June 2014, transportation brokers were involved in the management of NEMT services in at least 41 states.

We reviewed the use of transportation brokers in other states and found that, as of June 2014, transportation brokers were involved in the management of NEMT services in at least 41 states. Among these 41 states, transportation brokers were paid on a capitated basis in at least 21 states and on a fee-for-service basis in at least 4 others. Information on payment structures for the remaining 16 states was not readily available. We also found significant variation in the extent and manner in which states relied upon transportation brokers. For example, at the time of our fieldwork:

- Iowa, like Wisconsin, contracted directly with a single transportation broker to serve all or most Medical Assistance recipients statewide, regardless of the extent of their mobility;

- Minnesota contracted directly with a single transportation broker to provide services exclusively to those Medical Assistance recipients statewide whose mobility limitations prevent them from using common carrier transportation;
- Maine and Washington took a regional approach to statewide NEMT management in which they contracted with multiple transportation brokers, and each transportation broker was responsible for managing NEMT services within a specified geographic region of the state;
- Colorado and Michigan contracted directly with transportation brokers to serve only those Medical Assistance recipients located within one or two large urban areas;
- Kansas contracted with managed care organizations to provide comprehensive services to Medical Assistance recipients and these organizations, in turn, subcontracted with transportation brokers to manage NEMT services; and
- some states have used one or more variations of these approaches. For example, while some state governments have contracted directly to provide NEMT services to a specific group of Medical Assistance recipients, local governments in these states may also be responsible for managing directly or contracting with transportation brokers to manage the provision of NEMT services for other groups of Medical Assistance recipients.

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Expenditures for NEMT Services ■

We estimated NEMT expenditures based on the best available information, but the information is incomplete, partly because most administrative costs related to providing NEMT services either were not separately recorded from other Medical Assistance expenditures or were not reported to DHS. In addition, a lack of complete information on the number of trips provided to recipients limits a meaningful interpretation of the data. Using more complete data that have been available since transportation brokers became responsible for the statewide provision of NEMT services, we analyzed payments made by transportation brokers to transportation providers, including payments for trips taken by the most frequent users of NEMT services.

Funding NEMT Services

NEMT services are funded with a combination of state and federal funds.

As with other Medical Assistance services, NEMT services are funded with a combination of state and federal funds. The amount of federal funding that states receive under the Medical Assistance program is based on the federal Medical Assistance percentage (FMAP), which is used to calculate the amount of federal matching funds that will be provided to support a state's Medical Assistance benefit expenditures. Each state's FMAP for health care services is calculated annually by comparing a three-year average of its per capita income to the national average per capita income. In recent years, Wisconsin's FMAP for health care services has been approximately 60 percent, but it increased to as much as 70.6 percent

for some months from October 2008 through June 2011 because of enhanced federal funding made available under the American Recovery and Reinvestment Act of 2009. In addition, states receive a fixed amount of matching funds for administrative expenditures ranging from 50 percent for most activities to 90 percent for developing new information systems.

Health care benefits, including NEMT services, are generally eligible for reimbursement at a state's FMAP rate for health care services. However, if states are unable to provide sufficient documentation of any of their benefit expenditures, they are instead considered administrative costs and reimbursed at the lower rate of 50 percent. When counties were involved in the management of NEMT services before July 2011, Wisconsin received the lower administrative reimbursement rate for county NEMT expenditures because the procedures counties used to document their NEMT expenditures did not provide sufficient detail for DHS to claim the higher reimbursement rate. Obtaining the higher federal reimbursement rate for NEMT expenditures was one factor in DHS's decision to change how these services were managed.

Estimating NEMT Expenditures

Data on expenditures are incomplete because of limitations in how they were collected and reported before FY 2011-12.

We compiled the best information available on NEMT expenditures. However, these data are incomplete and do not always reflect actual costs because of limitations in how data were collected and reported before FY 2011-12, as well as issues with bids submitted by LogistiCare for the provision of NEMT services.

First, when NEMT services were administered by counties, many administrative costs associated with county management were not included in expenditure totals because they were not reported to DHS and cannot be accurately estimated. County staff involved in NEMT management noted that counties invested a significant amount of staff resources in NEMT management activities, such as scheduling trips, verifying eligibility, and performing fraud investigations that they indicated were largely not claimed or reimbursed by DHS. For example, Milwaukee County staff indicated that prior to 2009, they did not attempt to claim reimbursement for any administrative costs associated with managing NEMT services because they believed reimbursement for these expenditures was not allowed. Other counties indicated that the amount DHS allowed counties to claim for administration of NEMT services was insufficient to cover their actual costs.

Second, administrative costs associated with DHS's oversight and administration of NEMT services, including its prior management of

SMV services, were not separately recorded and could not be accurately estimated. While DHS was not responsible for scheduling SMV trips, it did invest resources in other administrative activities, including overseeing the payment of claims submitted by SMV providers and conducting fraud detection and prevention activities. Although DHS continues to perform some oversight functions, they are not specifically recorded as NEMT expenditures.

Third, for the period during which LogistiCare managed NEMT services, the State's expenditures associated with payments to this transportation broker are known, but the actual cost of the NEMT services provided from July 2011 through July 2013 were likely understated because LogistiCare indicated that it underbid in responding to two requests for proposals (RFPs) to provide NEMT services. In its November 2012 letters to DHS expressing its intention to terminate its two contracts for NEMT management services, LogistiCare claimed that the funding provided under its contracts with DHS was insufficient to cover the cost of providing NEMT services. It asserted that it underbid because DHS provided insufficient information about the populations to be served and the scope of services to be provided.

It appears that this claim has merit. In the RFPs, DHS provided limited data, such as only one month of information on the number of eligible recipients and their associated NEMT costs. Also, this information was incomplete because it did not include costs associated with either SMV services managed by DHS or those NEMT services managed by HMOs. The claim of LogistiCare was further supported by a review of the procurement process conducted by DHS's Office of Inspector General, which found that a lack of detailed supporting information in the RFPs about the number, type, and cost of trips hampered the ability of vendors to accurately estimate the total cost of providing NEMT services. In March 2013, DHS amended one of its contracts with LogistiCare to increase capitated payment amounts for NEMT services by an average of 15.2 percent in order to facilitate the continued provision of NEMT services until the services of a new transportation broker could be obtained.

Complete data on the number of trips provided are limited to the period since September 2012.

Finally, information on the extent to which eligible individuals used NEMT services prior to NEMT management by transportation brokers is limited. These data are important in understanding the costs of providing NEMT services and how they have changed over time. However, complete data on the number of trips provided are limited to the period since September 2012, during which NEMT services have been entirely managed by transportation brokers. As a result of these limitations, we were unable to determine how the total cost of NEMT services managed by transportation brokers

compares with those managed by counties, DHS, or HMOs. Therefore, we used the best available data to provide basic information on known NEMT expenditures from FY 2009-10 through FY 2013-14.

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, we estimate that NEMT expenditures increased from \$44.4 million in FY 2009-10 to \$56.1 million in FY 2013-14, as shown in Table 5. Of the estimated \$244.6 million spent on NEMT services over this period, \$99.6 million (40.7 percent) was paid primarily with state general purpose revenue (GPR), and the remainder was paid with federal revenue. It should be noted that estimated expenditures were greatest in FY 2011-12, in large part because they include \$11.5 million for NEMT services provided by counties in FY 2010-11 but reimbursed by DHS in FY 2011-12. This delay occurred because counties were given several months to bill DHS for the NEMT services they provided.

Table 5
Estimated NEMT Expenditures, by Funding Source¹
 (in millions)

	Federal Revenue	State Revenue	Total
FY 2009-10 ²	\$ 26.8 ³	\$17.6	\$ 44.4
FY 2010-11 ²	25.5 ³	17.8	43.3
FY 2011-12	34.1	24.3	58.4 ⁴
FY 2012-13	25.4	17.0	42.4 ⁵
FY 2013-14	33.2	22.9	56.1 ⁶
Total	\$145.0	\$99.6	\$244.6

¹ Excludes recipients of NEMT services who were not served by transportation brokers, counties, or HMOs, such as elderly or disabled Medical Assistance recipients who received long-term care through enrollment in Family Care, Family Care Partnership, or the Program of All-Inclusive Care for the Elderly (PACE), as well as those individuals covered by Medical Assistance who resided in nursing homes.

² Expenditures for these years are incomplete because they exclude many administrative costs associated with DHS and county management of NEMT services, which could not be accurately estimated.

³ These years include enhanced federal reimbursement provided by the American Recovery and Reinvestment Act of 2009.

⁴ Includes \$11.5 million for NEMT services provided by counties in FY 2010-11 that were paid in FY 2011-12.

⁵ Expenditures may be lowest during this year because NEMT services were entirely managed by LogistiCare from September 2012 through June 2013, which claimed that the funding provided under its contracts with DHS was insufficient to cover the cost of providing NEMT services.

⁶ Excludes \$782,600 in retroactive payments to MTM under terms of a February 2015 contract amendment.

Estimated NEMT expenditures increased by \$11.7 million (26.4 percent) from FY 2009-10 through FY 2013-14 for several reasons, including:

- an estimated increase of 134,900 (15.9 percent) in the number of individuals eligible for NEMT services;
- an increase in the cost of providing transportation; and
- an increase in transportation broker payments.

Payments to Transportation Providers

Because concerns have been raised by some transportation providers about the amount they have been paid, we analyzed per-mile payments to transportation providers from September 2012, when LogistiCare began managing NEMT services for recipients statewide, through June 2014, which was the most recent month for which information was available at the time of our fieldwork. We excluded from our analysis payments for public transportation and payments to volunteer drivers.

Based on median payment amounts, MTM paid transportation providers 4.7 percent less per mile than LogistiCare.

To help control for potential changes in the distances travelled over this period, we compared median per-mile payments made by transportation brokers to transportation providers. As shown in Table 6, the overall median per-mile payments to transportation providers for providing NEMT trips decreased 4.7 percent, from \$2.33 per mile when LogistiCare managed NEMT services to \$2.22 per mile when MTM managed them. Payments for ambulance transportation decreased the most. The only increase was for transportation provided by wheelchair vehicles, which increased by \$0.65 per mile (21.7 percent). However, wheelchair vehicles accounted for less than 5 percent of all trips provided by these transportation providers during this period.

Table 6

Median Per-Mile Payments Made to Transportation Providers¹

Vehicle Type	LogistiCare ²	MTM ³	Percentage Change
Wheelchair Vehicle ⁴	\$ 3.00	\$ 3.65	21.7%
Sedan, Van, or Taxi ⁵	2.27	2.18	(4.0)
Ambulance	19.12	17.37	(9.2)
All Types	2.33	2.22	(4.7)

¹ Excludes volunteer drivers and public transportation.

² Includes payments made from September 2012 through July 2013, when LogistiCare managed NEMT services for recipients statewide.

³ Includes payments made from August 2013 through June 2014.

⁴ Includes specialized vehicles designed to transport recipients in wheelchairs and stretchers.

⁵ Includes transportation provided to recipients not requiring a specialized vehicle.

MTM made payments to 244 transportation providers from August 2013 through June 2014, excluding the 40 volunteers to whom it also made payments during this period. The median amount paid to the 244 transportation providers by MTM over this period was \$63,862. However, we found that 10 of the 244 transportation providers (4.1 percent) accounted for 39.8 percent of MTM's total transportation provider payments, as shown in Table 7. The table also shows the primary areas of the state served by these transportation providers based on the five regions into which DHS has grouped counties: Northern, Northeastern, Southern, Southeastern, and Western. A map of these regions is included as the appendix.

Table 7

Payments to Transportation Providers Made by MTM
August 2013 through June 2014

	Region of State Served ¹	Amount Paid by MTM	Percentage of Total
Transportation Provider A	Northern, Northeastern, Southern, and Western	\$ 2,847,807	7.2%
Transportation Provider B	Northern, Northeastern, Southern, and Western	2,320,086	5.8
Transportation Provider C	Northeastern, Southern, Southeastern, and Western	2,244,340	5.6
Transportation Provider D	Northeastern, Southern, and Southeastern	2,102,207	5.3
Transportation Provider E	Southern and Southeastern	1,876,225	4.7
Transportation Provider F	Northern and Northeastern	1,197,898	3.0
Transportation Provider G	Northern and Western	1,053,597	2.6
Transportation Provider H	Northern	778,591	2.0
Transportation Provider I	Southeastern	748,445	1.9
Transportation Provider J	Southern and Western	663,366	1.7
Subtotal		15,832,562	39.8
All 234 Other Transportation Providers		23,962,581	60.2
Total		\$39,795,143	100.0%

¹ Based on the five regions into which DHS has grouped counties: Northern, Northeastern, Southern, Southeastern, and Western. A map of these regions is included as the appendix.

From August 2013 through June 2014, MTM paid transportation providers \$9.5 million for trips related to drug treatment.

We were also able to obtain sufficient information on trips provided by MTM to determine the medical purpose of the appointment for which transportation was provided. As shown in Table 8, MTM paid transportation providers for 1.4 million NEMT trips from August 2013 through June 2014, which excludes payments for public transportation and volunteer drivers. Based on their medical purpose, the largest amount paid was for trips to receive drug treatment, which accounted for \$9.5 million (23.9 percent) of the \$39.8 million paid to transportation providers during this period.

Table 8

Amounts MTM Paid to Transportation Providers, by Medical Purpose
August 2013 through June 2014

Medical Purpose	Number of Trips ¹	Percentage of Total Trips ¹	Payment Amount	Percentage of Total Payments
Drug Treatment	245,420	17.1%	\$ 9,509,169	23.9%
Day Treatment ²	194,769	13.6	5,904,264	14.8
Dialysis	192,564	13.4	4,217,271	10.6
Mental Health	190,904	13.3	4,454,327	11.2
Specialist Care	165,051	11.5	4,707,153	11.8
Primary Care	145,388	10.1	3,027,128	7.6
Therapy Services ³	73,906	5.2	1,404,695	3.5
Dental Services	42,738	3.0	1,470,597	3.7
Laboratory Services	39,673	2.8	903,458	2.3
Pain Management	37,738	2.6	1,029,505	2.6
Hospital Services	27,733	1.9	1,332,106	3.3
Vision and Hearing	21,239	1.5	520,838	1.3
Cancer Treatment	11,645	0.8	339,505	0.9
Pharmacies	10,413	0.7	206,632	0.5
Alcohol Treatment	3,143	0.2	80,575	0.2
Other	30,245	2.1	687,920	1.7
Total	1,432,569	100.0%	\$39,795,143	100.0%

¹ 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.

² Day treatment is a nonresidential program that provides case management, medical care, psychotherapy, and other therapies to address mental illnesses or emotional disturbances.

³ Includes services such as physical, occupational, and speech therapy.

High-Cost Recipients

The 100 highest-cost recipients accounted for 8.8 percent of all payments to transportation providers from August 2013 through June 2014.

We reviewed payments made by MTM associated with the 100 individual recipients with the largest NEMT-related costs. Transportation payments for these individuals accounted for \$3.5 million of the \$39.8 million (8.8 percent) MTM paid to transportation providers for trips provided from August 2013 through June 2014, representing an average of \$35,146 per recipient. Of the \$3.5 million spent transporting these individuals, \$3.0 million (85.7 percent) was spent for transportation

related to drug rehabilitation, and 91 of the 100 highest-cost recipients had at least one trip for this purpose. The significant costs associated with transportation to certain types of drug rehabilitation are largely due to the frequency of treatment and the distances some individuals must travel for treatment. Examples of the costs of trips primarily for drug rehabilitation appointments for specific individuals who are among those with highest costs include:

- \$78,199 for 540 trips, primarily between Ashland County and the City of Eau Claire;
- \$56,964 for 487 trips, primarily between Vilas County and the City of Wausau;
- \$54,413 for 491 trips, primarily between Juneau County and the City of Madison;
- \$54,121 for 321 trips, primarily between Polk County and the City of Eau Claire;
- \$51,258 for 494 trips, primarily between Crawford County and the City of Onalaska; and
- \$46,948 for 459 trips, primarily between Vernon County and the City of Madison.

Because of their frequency and distance, most of these trips for these individuals were likely related to treatment for opioid addiction. We found that 87.2 percent of trips for drug rehabilitation provided through MTM from August 2013 through June 2014 were to methadone clinics for the treatment of opioid addiction. Individuals receiving treatment for opioid addiction may require daily trips to specialized clinics that are primarily located in the State's urban areas. Based on data maintained by DHS, the northernmost clinic specializing in opioid treatment is currently located in Wausau.

2013 Wisconsin Act 195 directed DHS to create opioid treatment programs that use long-acting medications that can be taken at home.

Recently enacted legislation may affect these costs. 2013 Wisconsin Act 195 directed DHS to create two or three new comprehensive opioid treatment programs in rural and underserved, high-need areas. The Act prohibits the programs from offering methadone treatment and instead requires them to provide opioid treatment using long-acting medications that can be taken at home rather than medication requiring regular trips to clinics to be administered.

In May 2014, the Joint Committee on Finance approved the transfer of \$1.1 million in GPR from the Committee's supplemental appropriation to DHS to fund six months of services to be provided by the regional opioid treatment programs. As directed by the

Committee, the Department of Administration (DOA) established the adjusted base funding level available for the programs to \$2.0 million in the Governor's 2015-17 Biennial Budget Proposal.

In January 2015, DHS began soliciting bids from local governments and non-profit organizations to compete for grant funds to develop and implement these treatment programs. In April 2015, DHS awarded grants to provide regional opioid treatment services based in three counties: Douglas, Marinette, and Oneida. DHS anticipates the programs will begin serving clients in July 2015.

Given the amount of NEMT expenditures associated with transportation for the treatment of opioid addiction, effective placement and utilization of these new programs could help to reduce transportation expenditures for high-cost Medical Assistance recipients. In turn, this could help DHS limit future costs associated with capitated payments to transportation brokers for NEMT services.

Recommendation

We recommend the Department of Health Services report to the Joint Legislative Audit Committee by December 1, 2015, on its implementation of the opioid treatment programs and the extent to which they may help reduce future NEMT costs.

Other Transportation Services

Some recipients are also eligible for other publicly funded transportation services.

Some recipients eligible for NEMT services through MTM are also eligible for other publicly funded transportation services. For example, under the federal Americans with Disabilities Act of 1990, municipalities offering public transportation are required to provide similar services to those with disabilities who either: require vehicles equipped with wheelchair lifts, are unable to ride without assistance, or are unable to access fixed-route public transportation. These municipal services for eligible people with disabilities are known as paratransit services.

Paratransit services are largely financed with public funds, although some users pay a small portion of the overall cost, typically less than \$4.00 for each one-way trip. Individuals who are eligible for paratransit services cannot be denied trips, even when they are Medical Assistance recipients who can also receive NEMT services through MTM. The potential for excess payments exists because DHS pays MTM an agreed upon monthly fee for each NEMT-eligible recipient, regardless of whether a recipient uses NEMT services.

Data we received from the City of Madison Metro Transit shows that 273 Medical Assistance recipients received 5,054 paratransit trips from August 2013 through June 2014 that potentially could have been provided through MTM. Although we were able to determine that these individuals were Medical Assistance recipients at the time the trips were provided and that the trips were either to or from health care providers, we do not know whether these individuals received services covered by Medical Assistance at the locations to or from which they were transported. Based on data we received from the City of Madison Metro Transit, we estimate the total cost of the 5,054 trips to be \$157,000.

Recipients who also qualify for paratransit services cannot be compelled to secure rides through MTM.

Because it is possible these types of trips could have been provided through NEMT services at no additional cost to the State or to local governments, the additional expenditures borne by municipalities providing such trips may represent an added cost. The City of Madison Metro Transit indicated that in May 2014 it began advising eligible NEMT recipients to contact MTM to schedule rides for their appointments. However, recipients who also qualify for paratransit services cannot be compelled to secure rides through MTM.

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Oversight of NEMT Services ■

Although DHS currently contracts with MTM as the transportation broker for management of NEMT services, DHS remains responsible for ensuring proper oversight. Similarly, while MTM has entered into agreements with transportation providers to transport recipients to their covered appointments, MTM remains responsible under its contract with DHS for ensuring the adequate and timely provision of NEMT services. We assessed the contractual provisions DHS has used for transportation broker oversight, as well as related provisions used by the transportation brokers in their policies and agreements with transportation providers, and include recommendations to improve DHS oversight of NEMT services.

Oversight of Transportation Broker Operations

Federal law requires that transportation brokers be subject to state oversight.

Federal law allows states to contract with transportation brokers for management of NEMT services, but it requires states to oversee these services in order to ensure adequate recipient access and the quality of transportation services. To address these requirements, DHS has included oversight provisions in its contracts with LogistiCare and MTM including, for example, requiring the transportation brokers to:

- comply with standards established in the contract for call center operations;
- comply with the provisions of any corrective action plans DHS may impose;

- participate in regular monthly meetings with DHS staff and allow them to access records, facilities, and transportation provider vehicles; and
- participate, when requested by DHS, in meetings of the Medicaid Transportation Advisory Council, which is an organization that DHS established to provide suggestions to the transportation broker and DHS for improving NEMT services. The Council includes staff of state, federal, and county governments; transportation providers; health care providers; consumer advocates; and individuals who use NEMT services.

DHS staff indicate that both LogistiCare and MTM have participated in required meetings and provided access to all required documents, facilities, and vehicles. Therefore, we framed our analysis of compliance on MTM's call center requirements and corrective action plans.

Call Center Operations Standards

The contract DHS entered into with MTM contains standards for call center operations.

The contract DHS entered into with MTM contains several standards for call center operations, including that:

- callers never receive a busy signal;
- callers speak to a customer service representative within an average of four minutes, which is to be calculated daily; and
- when this four-minute standard is not met, the rate of daily call abandonment, which is when a caller hangs up before a call is answered by a customer service representative, be no more than 5.0 percent each day.

MTM indicates that its telephone system prevents callers from receiving a busy signal by automatically answering calls electronically and placing them in a queue for the next available customer service representative. Using data provided by MTM, we analyzed all calls received by the call center from August 2013 through June 2014. We found MTM did not meet the requirement that callers speak with a customer service representative within four minutes during nine days, or 2.7 percent of the time. For the nine days during which the standard was not met, the average hold time for callers to speak to a customer service representative was 5.3 minutes, and exceeded 6.0 minutes in two instances. Furthermore, for each of the nine days that the standard was not met, call abandonment rates exceeded the 5.0 percent contract standard and averaged 21.7 percent.

Of 103,431 calls made to MTM's call center in June 2014, 14.3 percent were abandoned before they were answered.

Although MTM generally met standards associated with average hold times, complaints we received suggested some callers were on hold for an extended period of time. Therefore, we analyzed data for all 103,431 calls made to MTM's Wisconsin call center in June 2014. Of this total, 85.7 percent of calls were answered and 14.3 percent were abandoned before they were answered. The average time individuals were on hold before their calls were answered was 2.9 minutes, and the average time individuals were on hold before their calls were abandoned was 2.6 minutes. Among the 103,431 calls:

- 72,937 (70.5 percent) were on hold for 4.0 minutes or less;
- 28,561 (27.6 percent) were on hold for more than 4.0 minutes up to 10.0 minutes;
- 1,710 (1.7 percent) were on hold for more than 10.0 minutes up to 15.0 minutes;
- 197 (0.2 percent) were on hold for more than 15.0 minutes up to 20.0 minutes; and
- 26 (< 0.1 percent) were on hold for more than 20.0 minutes.

Data reported by MTM to DHS show that the average hold time in September 2014 exceeded the four-minute standard for the first time during an entire month since MTM began serving as the transportation broker. In addition, the call abandonment rate had increased each month and more than doubled over several months from 11.8 percent in April 2014 to 24.1 percent in September 2014.

In November 2014, DHS implemented a corrective action plan intended to ensure MTM limits average hold times to no more than four minutes.

In response, DHS took additional steps permitted under its contract with MTM to require it to cooperate with DHS in developing and implementing a corrective action plan to address any issues DHS identifies. In November 2014, DHS implemented a corrective action plan for MTM that remained in force through January 2015. The corrective action plan required MTM to undertake several corrective measures to ensure it would meet the four-minute hold time standard, including:

- maintaining appropriate staffing levels in the call center;
- implementing a workforce management tool to better monitor staff; and
- modifying its phone system in order to provide additional support for call center operations.

The most recent data available indicate that hold times and the rate of call abandonment have decreased markedly.

The most recent information submitted by MTM to DHS prior to our report's publication indicates that hold times decreased from 4.1 minutes in September 2014 to 1.3 minutes in December 2014, and the rate of call abandonment decreased from 24.1 percent to 6.4 percent during the same period. In part, these declines may be the result of DHS and MTM efforts related to preparing and finalizing a corrective action plan for hold times, which was implemented in November 2014.

Although establishing standards associated with average hold times is appropriate, using the average hold time as the only measure on which to base a performance standard may limit DHS's ability to identify instances in which callers are on hold for an extended period of time. In addition, limiting the application of a performance standard for abandoned calls exclusively to days when the standard for average hold time is not met prevents the identification of some calls that were likely abandoned because of long hold times. Long hold times can also create financial burdens for recipients. For example, some recipients who use cellular phones expressed concerns because long hold times reduce the number of monthly cellular phone plan minutes they have available to use for other purposes.

Recommendation

We recommend the Department of Health Services:

- *consider developing additional performance standards related to caller hold times, such as establishing a standard limiting the number or percentage of calls per day that are permitted to be on hold for more than a specified number of minutes before being answered;*
- *consider establishing performance standards related to abandoned calls that are independent of caller hold times; and*
- *report to the Joint Legislative Audit Committee by December 1, 2015, on the effectiveness of the corrective action plan in addressing average hold times exceeding four minutes and whether it will pursue the development of additional standards related to hold times and abandoned calls.*

Oversight of Transportation Providers

Federal law requires that states monitor recipients' access to services and ensure that transportation providers are licensed, competent, and courteous.

Federal law requires that states contracting with transportation brokers for NEMT management establish oversight procedures to monitor recipients' access to services and ensure that transportation providers are licensed, competent, and courteous. As required by its contract with DHS, MTM has established mechanisms to provide oversight of transportation providers, such as developing contractual requirements associated with screening and credentialing drivers and their vehicles, and providing for disciplinary and corrective actions in instances of transportation provider noncompliance.

Requirements for Transportation Providers, Drivers, and Vehicles

With the exception of public transportation systems, MTM typically enters into contracts or agreements with the transportation providers it uses to provide NEMT services. These contracts and agreements, along with policies established by DHS and MTM provide mechanisms for overseeing transportation providers, drivers, and vehicles.

Transportation Provider Requirements

MTM requires transportation providers to submit certain information prior to entering into contracts to provide NEMT services, such as:

- a federal tax identification number;
- proof of general and automobile liability insurance;
- proof of worker's compensation insurance, if applicable;
- evidence of having completed MTM's online fraud detection and reporting training program; and
- a copy of the transportation provider's SMV license, if applicable.

Quarterly transportation provider reports submitted to DHS demonstrate that MTM tracks certain information concerning its transportation provider contracts, such as the effective date of approved contracts and the status of those that are pending.

MTM staff conduct transportation provider inspections annually.

MTM staff conduct transportation provider inspections annually. They may be conducted either onsite or offsite and entail a review of transportation provider documents and records to determine whether the transportation provider meets contractual requirements, including whether the transportation provider meets insurance and licensure requirements; meets driver training requirements; has implemented policies on driver training, driver performance, and accident investigation; has reviewed information on protection of personal information; and performs and documents daily pre-trip inspections and regular vehicle maintenance. A total of 245 inspections were conducted from August 2013 through June 2014. Aggregated data on the results of these inspections were not readily available.

Its contract with DHS requires MTM to monitor the federal Department of Health and Human Services excluded provider list, revocation of transportation provider certifications by DHS, and criminal prosecutions by the Wisconsin Department of Justice's Medicaid Fraud Control Unit. MTM indicated it contracts for services associated with a monthly review of the federal excluded provider list, and it monitors transportation provider certification using data provided to it by DHS on a weekly basis. MTM noted that no criminal prosecutions of transportation providers have occurred since it became responsible for management of NEMT services in Wisconsin.

Driver Requirements

MTM is required to ensure that all drivers have appropriate and valid Wisconsin licenses and pass criminal background checks.

MTM is required under the terms of its contract with DHS to ensure that all drivers have appropriate and valid Wisconsin licenses. It is also required to ensure that all drivers pass criminal background checks, which must indicate that they have no felony convictions related to their current employment circumstances, and ensure these individuals are subject to drug tests. Additionally, the contract requires MTM to ensure SMV drivers have training in cardiopulmonary resuscitation (CPR); first aid; care for passengers having a seizure; and the use of all ramps, lift equipment, and restraint devices used by the transportation provider.

In addition to these contractual requirements, MTM's policies require all drivers working for its contracted transportation providers to submit a copy of a valid driver license, results of background checks, results of drug tests, a driver history record, and evidence of having completed MTM's driver training course, which includes sensitivity training and training on responding to individuals experiencing seizures. MTM indicated these policies apply to volunteer drivers as well as drivers employed by transportation providers with which MTM contracts. SMV providers

are required to submit documents showing each driver has received CPR, first aid, and passenger assistance and securement training.

In May 2014, MTM was responsible for overseeing 1,624 drivers.

In May 2014, MTM was responsible for overseeing 1,624 drivers. Quarterly reports provided by MTM to DHS include information on drivers' names, license numbers, dates of birth, dates of criminal background checks, dates of driver history record checks, and whether each driver has been approved, rejected, or has yet to have a review of driver documentation. MTM also provided us with documentation showing the date of annual drug tests for each driver. However, we did not independently verify the accuracy of the reported information.

Vehicle Requirements

The contract DHS entered into with MTM and MTM's own policies require MTM to ensure that all vehicles used to transport recipients:

- are covered by adequate personal injury and property damage insurance;
- meet state operating requirements, including registration with the Department of Transportation (DOT) and having functioning heating and air conditioning systems;
- comply with state and federal safety standards;
- comply with operating and maintenance standards issued by the manufacturer; and
- are inspected annually by MTM, including examination of the body, lights, mirrors, tires, windows, seatbelts, heating and air conditioning systems, communication devices, signs, and specialized equipment, such as ramps and lifts for transporting recipients in wheelchairs or stretchers.

MTM indicated these policies apply to the vehicles of volunteer drivers, as well as vehicles used by the transportation providers with which MTM contracts.

Reports MTM provides to DHS indicate that it performs required oversight of the vehicles used to transport recipients.

We reviewed the monthly vehicle reports that MTM prepared for DHS for the period from August 2013 through June 2014. The reports indicate that MTM has complied with the requirements for vehicles used to transport recipients, and they include information about each vehicle, such as its make, model, year, body style, vehicle identification number, passenger capacity, license plate number, registration date, insurance coverage, and date of last inspection. However, we did not independently verify the accuracy of information contained in these reports.

Disciplinary and Corrective Actions

The policies established by MTM indicate that it must terminate a contract with a transportation provider or place the transportation provider on a performance improvement plan when any complaint related to a safety issue is substantiated. MTM also places transportation providers on a performance improvement plan for non-safety issues when 2.0 percent or more of the transportation provider's trips within one month:

- receive complaints;
- result in the transportation provider failing to arrive to provide transportation for a scheduled trip; or
- are cancelled by the transportation provider with notice of less than two business days.

For non-safety issues in the first month of noncompliance, MTM is to issue a letter to inform the transportation provider of the problem and to indicate what actions are needed to address it. If noncompliance with non-safety issues occurs for two or more months, policies indicate that the transportation provider is to be suspended from receiving additional trips beyond those that have already been scheduled. The number of days a suspension is imposed increases based upon the length of noncompliance. For example, for two months of noncompliance a two-day suspension is imposed. In contrast, a 30-day suspension is imposed for four months of noncompliance. In addition, should noncompliance occur for five or more months, MTM may terminate its contract with the transportation provider.

MTM also prohibits drivers who are the subject of two or more substantiated complaints within a 90-day period from providing trips until action is taken to correct the issues. Similarly, vehicles that are the subject of two or more substantiated complaints within a five-day period may not be used to provide trips until the issues are addressed and the vehicle passes an inspection. In addition, MTM's policies and transportation provider contracts permit it to suspend or terminate its contract with a transportation provider at the request of DHS and for issues such as endangering a recipient, failing to comply with the provisions of the contract, and filing for bankruptcy or insolvency.

From August 2013 through June 2014, MTM suspended 21 drivers, 4 vehicles, and 4 transportation providers, and it permanently discontinued 3 transportation providers.

We obtained documentation showing that MTM suspended 21 drivers and 4 vehicles from August 2013 through June 2014. Drivers were suspended for reasons such as suspected drug or alcohol use, involvement in an accident, and general issues with their behavior. Vehicles were suspended primarily because they failed multiple inspections. In addition, from August 2013 through June 2014, four transportation providers were suspended and three were permanently discontinued as transportation providers for MTM. The four transportation providers were suspended as a result of two consecutive months of noncompliance with the previously noted standards. Of the three transportation providers whose services were discontinued by MTM, two were discontinued because of suspected fraud, and the other was discontinued due to performance issues.

MTM has policies and transportation provider contract provisions that allow it to assess liquidated damages against transportation providers under certain circumstances, such as:

- submitting potentially fraudulent information;
- failing to provide a scheduled trip;
- canceling or requesting trip reassignment more than 24 hours after the trip was assigned;
- tardiness in arriving to take recipients to or from an appointment; and
- failing to respond to MTM's requests for information.

From August 2013 through June 2014, MTM assessed \$10,055 in liquidated damages against 85 transportation providers.

We analyzed data on the assessment of liquidated damages by MTM. Our analyses excluded assessments that were later reversed. As shown in Table 9, we found that MTM made 439 assessments against 85 transportation providers totaling \$10,055 from August 2013 through June 2014. Approximately one-half of the assessments and assessment amounts were the result of fraud, which includes actions such as falsifying information on drivers' trip logs that document pick-up and drop-off times. Liquidated damage assessments for fraud ranged from \$12 to \$74. The five transportation providers with the largest total liquidated damage assessments accounted for \$4,593, or 45.7 percent, of the total.

Table 9

Liquidated Damage Assessments by MTM Against Transportation Providers¹
August 2013 through June 2014

Reason for Assessment	Number of Liquidated Damage Assessments	Amount Assessed	Percentage of Total Amount Assessed
Fraud	218	\$ 4,695	46.7%
Failure to Submit Documentation	89	2,195	21.8
Late Trip Cancellation	74	1,850	18.4
Failure to Provide a Trip	49	1,225	12.2
Tardiness in Arrival	9	90	0.9
Total	439²	\$10,055	100.0%

¹ Excludes assessments that were subsequently reversed.

² The 439 assessments were made against 85 transportation providers.

Additional Oversight Mechanisms

From August 2013 through June 2014, transportation providers reported 36 accidents to MTM after the reporting deadline.

Another mechanism used in overseeing transportation providers is mandatory reporting of accidents. MTM's policies require transportation providers to report to it all accidents within 24 hours of their occurrence. Similarly, MTM is contractually required to report to DHS within 24 hours those accidents that involve an injury, and within 72 hours for all other accidents. We obtained accident reports MTM filed with DHS from August 2013 through June 2014 and analyzed the 60 accidents that were reported. We found that MTM reported all accidents to DHS within one day of receiving the report from the transportation provider. However, 36 of the accidents (60.0 percent) were reported by transportation providers to MTM after the required reporting deadline. Of the 36 accident reports, the average time they exceeded the reporting deadline was 8.4 days, and 4 exceeded the deadline by more than 10 days. MTM imposed a total of \$675 in liquidated damages on transportation providers associated with 11 of the 36 accidents that were reported after the reporting deadline.

MTM also exercises oversight of transportation providers and NEMT services by investigating fraud, waste, and abuse, about which it submits monthly reports to DHS. We analyzed these reports and found that MTM investigated and substantiated 1,194 cases of fraud, waste, or abuse from July 2013, when MTM first began scheduling trips, through June 2014. An additional 1,203 cases were investigated over this period but not substantiated.

Of the 1,194 substantiated cases of fraud, waste, or abuse, 1,125 cases involved recipients and 58 cases involved transportation providers. Due to data limitations, we could not determine who or what the remaining 11 cases involved. As a result of its investigations, MTM terminated service contracts with two transportation providers and assessed \$4,695 in liquidated damages against 20 other transportation providers that had substantiated cases of fraud, waste, or abuse. In addition, MTM noted that when a recipient is suspected of fraud, it may attempt to recoup public transportation or mileage reimbursement funds when the recipient schedules future trips.

Regulation of Specialized Medical Vehicle Providers

DHS policies require that all SMV providers be certified to provide services under the Medical Assistance program.

DHS is required by s. 49.45(2)(a)11.a., Wis. Stats., to establish criteria for certification of Medical Assistance providers. DHS policies, as stated in the State’s Medical Assistance handbook and its contract with MTM, require that all SMV providers be certified to provide services under the Medical Assistance program. Section 49.45(3)(m)1., Wis. Stats., states that certification for the Medical Assistance program requires every SMV to be a “human service vehicle,” and to undergo annual inspections by DOT or a certified law enforcement officer.

In the past, DOT annually inspected SMVs providing NEMT services to Medical Assistance recipients as human service vehicles. However, DOT issued an informational memorandum in February 2012 interpreting the statutory definition of human service vehicles to exclude SMVs providing NEMT services to Medical Assistance recipients. Therefore, DOT discontinued inspection of SMVs used to provide NEMT services to Medical Assistance recipients.

DHS’s current practice of certifying SMVs conflicts with state statutes because they are no longer inspected by DOT as human service vehicles.

Although DOT has stopped inspecting those SMVs providing NEMT services exclusively to Medical Assistance recipients, DHS continues to certify SMVs providing NEMT services to Medical Assistance recipients, which conflicts with s. 49.45(3)(m)1., Wis. Stats., because they are no longer inspected by DOT as human service vehicles. If the Legislature believes DOT’s decision to exclude SMVs providing NEMT services to Medical Assistance recipients from the definition of human service vehicles is inconsistent with its intent, it could amend current statutes to specifically require DOT to continue to inspect these vehicles. Alternatively, the Legislature could modify statutes to require a different inspection procedure.

Recommendation

We recommend:

- *the Department of Health Services discontinue certifying specialized medical vehicle providers whose vehicles are not inspected as required under s. 49.45(3)(m)1., Wis. Stats., and alter its policy so that transportation providers using specialized medical vehicles to transport Medical Assistance recipients are no longer required to be certified by the Medical Assistance program to provide NEMT services, unless a statutory change is made to modify the inspection requirements under s. 49.45(3)(m)1., Wis. Stats.; and*
- *report to the Joint Legislative Audit Committee on its actions by December 1, 2015.*

■ ■ ■ ■

Complaints about NEMT Services ■

Complaints regarding the provision of NEMT services are received by both MTM and DHS. In addition, numerous complaints were received through our Fraud, Waste, and Mismanagement Hotline, as well as by staff conducting this audit. In reviewing these complaints, we confirmed ongoing problems with NEMT services experienced by some recipients that have been highlighted in media reports and brought to the attention of legislators, and we used the available data to quantify the extent of these problems. We also reviewed the processes used by MTM and DHS to address the complaints they received, and we include recommendations for DHS to improve those processes.

Complaints Received by NEMT Managers

MTM is required under the terms of its contract with DHS to develop a formal written complaint process.

MTM is required under its contract with DHS to develop a formal written complaint process, provide a telephone line that is staffed 24 hours per day and 365 days per year to receive complaints, and provide a website through which complaints may be submitted. MTM's policies allow recipients and health care providers to file complaints against it or transportation providers through its "We Care" toll-free telephone line, through its website, or by mailing complaints to MTM. Information on how to file a complaint is included in the State's Medical Assistance handbook, a newsletter distributed by DHS to Medical Assistance recipients, MTM's website, and other written materials MTM has distributed to Medical Assistance recipients. As of October 2014, MTM employed

eight staff in Wisconsin that dealt with complaints, including: four complaint call representatives, two complaint coordinators, one complaint manager, and one ombudsman. However, at times complaint representatives outside of the state receive complaints from Wisconsin callers.

MTM is also required to provide DHS with written records of the complaints it receives and how they were resolved, including any corrective actions taken, within three business days of a request for this information from DHS. Additionally, for each complaint received, MTM is required to:

- acknowledge the complaint within one business day of receipt;
- provide the complainant with an update of the complaint review within 10 business days;
- deem each complaint as substantiated or unsubstantiated within 30 business days; and
- send a letter to the complainant documenting the disposition of the complaint to be received within 30 business days.

MTM's policies mirror contractual requirements for responding to complaints. MTM indicated that complaints made by telephone are verbally acknowledged by recapping the complaint at the end of the call, and complaints made online or by mail are acknowledged within 24 hours via follow-up telephone calls or through emails. However, MTM staff indicated that complainants were not typically provided with an update of the complaint review prior to receiving a final complaint disposition letter, as is required.

MTM did not meet timeliness standards in responding to over two-thirds of the 12,748 complaints it received from August 2013 through June 2014.

DHS staff indicated that some complaints are resolved in 10 business days or less, and in those instances it is appropriate for MTM to send a letter documenting the final disposition of the complaint, rather than an update of the complaint review. We reviewed the 12,748 complaints filed with MTM from August 2013 through June 2014 and found that 67.7 percent were resolved in more than 10 business days, and the resolution time for complaints averaged 22.7 business days. Consequently, MTM was not timely in providing updates of the investigations being conducted for over two-thirds of the complaints it received during this 11-month period.

☑ Recommendation

We recommend the Department of Health Services enforce contract provisions requiring MTM to provide every complainant with an update of the review being conducted within 10 business days of a complaint being received, unless MTM has sent the complainant a letter addressing the final disposition of the complaint within that time.

MTM staff indicated that complaint reports are run daily, and complaints are investigated based on the date they were filed in order to help ensure they are resolved within 30 business days. The process for substantiating complaints differs depending on the type of complaint filed. For example, MTM staff indicated that to investigate a complaint regarding transportation provider timeliness, trip logs prepared by drivers are reviewed to determine reported pick-up and drop-off times. In addition, to investigate an internal complaint against MTM, the recorded telephone calls of the relevant customer service representatives may be reviewed to determine if the correct protocol was followed.

Under the terms of its contract with DHS, at least 99.7 percent of the trips MTM provides are to be without substantiated complaints. As noted, all trips are considered to be one-way, in part, because some recipients receive trips that are limited to travel either to or from an appointment. We found that MTM does not directly measure the percentage of complaint-free trips. Instead, it estimates the percentage of trips with substantiated complaints by dividing the total number of substantiated complaints it receives by the total number of completed trips. Data that would allow us to calculate a more precise percentage of complaint-free trips were not readily available.

From August 2013 through June 2014, MTM provided 2.3 million trips and substantiated 71.4 percent of 12,748 complaints it received.

We reviewed complaint data from August 2013 through June 2014 and found that MTM provided 2.3 million trips, received 12,748 complaints, and substantiated 9,107 (71.4 percent) of complaints it received. Using MTM's methodology, an estimated 99.6 percent of all trips over this period were complaint-free, and MTM met the 99.7 percent complaint-free standard during only 3 of the 11 months. However, it never missed the complaint-free standard by more than 0.2 percentage points in any of the eight months in which it failed to meet the standard, as shown in Table 10.

Table 10

Percentage of Complaint-Free Trips Provided by MTM¹
August 2013 through June 2014

Month	Complaint-Free Trip Standard (99.7 percent) Was Not Met		
	Number of Completed Trips ²	Number of Substantiated Complaints	Percentage of Trips without Substantiated Complaints
August 2013	196,589	947	99.5%
September 2013	195,026	723	99.6
October 2013	224,739	694	99.7
November 2013	197,083	700	99.6
December 2013	196,563	803	99.6
January 2014	215,112	944	99.6
February 2014	204,314	891	99.6
March 2014	216,558	988	99.5
April 2014	231,545	851	99.6
May 2014	237,542	787	99.7
June 2014	233,788	779	99.7
Total	2,348,859	9,107	99.6

¹ MTM estimates the percentage of complaint-free trips by dividing the total number of substantiated complaints it receives by the total number of completed trips.

² 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.

Approximately one-fourth of all complaints that MTM substantiated involved drivers that never arrived for scheduled trips.

As shown in Table 11, 74.1 percent of the 9,107 substantiated complaints involved transportation providers, including complaints about drivers and vehicles, and 25.9 percent involved MTM, including complaints about its policies, practices, and inability to provide some trips because no vehicles were available to provide them. Approximately one-fourth of all substantiated complaints involved drivers that never arrived for scheduled trips.

Table 11

Complaints Substantiated by MTM
August 2013 through June 2014

	Number of Substantiated Complaints	Percentage of Total
Complaints Concerning Transportation		
Driver Never Arrived	2,262	24.8%
Driver Was Late	2,011	22.1
Other Complaints about Drivers	1,452	15.9
Complaints about Transportation Providers	811	8.9
Complaints about Vehicles	213	2.3
Subtotal	6,749	74.1
Complaints Concerning MTM		
Complaints Involving Policies, Practices, Customer Service, or Accuracy	1,416	15.5
Complaints Concerning MTM Being Unable to Provide Trips Because No Vehicles Were Available	942	10.3
Subtotal	2,358	25.9
Total	9,107	100.0%

Examples of complaints that MTM substantiated include:

- two April 2014 phone calls to MTM to schedule an appointment for a Juneau County recipient in which MTM customer service representatives abruptly ended the calls with the recipient's spouse;
- a September 2013 trip for which no vehicle was available to transport a Lincoln County recipient for a surgery that had to be rescheduled because of the lack of available transportation;
- a total of three trips for a Milwaukee County recipient during a three-week period from January 2014 to February 2014 in which the recipient missed dialysis appointments because a driver did not arrive or arrived too late to provide transportation to the recipient's appointments;
- a June 2014 trip for which the driver overslept, making a Dunn County recipient 45 minutes late for a dialysis appointment;

- a June 2014 trip for which the driver arrived more than two hours late to transport a Milwaukee County recipient home after a dialysis appointment;
- a March 2014 trip for a Milwaukee County recipient who uses a wheelchair that had to be cancelled because MTM scheduled it with a transportation provider that did not own any vehicles with a wheelchair lift; and
- a February 2014 trip for which a 10-year old Brown County recipient was dropped off for an appointment before the medical facility had opened and remained standing outside the facility for an unspecified amount of time until a staff member arrived.

The 6,749 complaints concerning transportation that MTM substantiated involved 251 transportation providers. The 10 transportation providers with the most substantiated complaints during this period accounted for approximately one-third of substantiated complaints involving transportation, while they provided less than 20 percent of the trips over the same time period.

We found that MTM chose to substantiate complaints in instances where complete information was unavailable.

We reviewed a sample of 50 decisions MTM made as part of its review of complaints, including 25 that it substantiated and 25 that it did not substantiate. We found that MTM chose to substantiate complaints in instances where complete information was unavailable. For example, although insufficient information was available to allow MTM to confirm complainants' allegations in two cases, it chose to substantiate both complaints. We found that MTM had taken a similar approach to substantiating complaints when we reviewed the actions it took on complaints that were directed to both MTM and to the Legislative Audit Bureau. We also found that all of the 25 cases we reviewed in which MTM did not substantiate the complaint contained sufficient information to demonstrate that the allegations were not supported by the relevant data.

MTM is required under the terms of its contract with DHS to provide recipients who file a complaint with written documentation of complaint disposition within 30 business days. However, if MTM requires more time to resolve the complaint, DHS allows it an additional 14 business days beyond what the contract provides. Although this policy change was not incorporated into its contract with MTM, DHS published information in a June 2013 newsletter to recipients notifying them that MTM may take an additional 14 business days to resolve a complaint. The newsletter also stated that MTM would notify complainants by mailing them a letter when a complaint review would take more than 30 business days to complete. However, DHS did not require MTM to provide this

notification to complainants, and MTM did not do so. This creates confusion on the part of recipients and others attempting to understand and comply with program requirements.

We reviewed data on the resolution of all 12,748 complaints received by MTM from August 2013 through June 2014. We found:

- 11,301 (88.6 percent) were resolved within 30 business days;
- 1,342 (10.5 percent) were resolved in more than 30 business days;
- 61 (0.5 percent) were submitted by DHS to be recorded as instances where no vehicle was available and for which no further action was required; and
- 44 (0.3 percent) contained missing or incorrect information that prevented us from determining when or whether they were resolved.

We found that MTM did not send letters to complainants when it was going to exceed 30 business days to resolve their complaints.

Of the 1,342 complaints for which resolution exceeded 30 business days, the average was 33.6 business days, and none exceeded 44 business days before being resolved. As noted, we found that MTM did not send letters to complainants when it was going to exceed 30 business days to resolve their complaints.

MTM indicated that the reasons some complaints were not resolved in a timely manner include transportation providers not responding promptly to requests for information, delays in receiving additional information requested from complainants, and untimely action on the part of MTM staff.

Recommendation

We recommend the Department of Health Services amend its contract with MTM to:

- *formally establish the change to the 30-business-day timeline it made to MTM's complaint review and notification requirements by noting the additional 14 business days permitted; and*
- *require MTM to notify complainants by mail when it will take longer than 30 business days to review and respond to a complaint, as recipients were informed would be the case.*

Under the terms of its contract, MTM is also required to employ an individual to act as an ombudsman for the purpose of assisting recipients and advocating on their behalf. Under MTM's policies, recipients who are not satisfied with the resolution of a complaint may request it be reviewed by the ombudsman. Recipients may also appeal denials of transportation services to the ombudsman. MTM indicates the ombudsman addresses an average of 12 complaints and 54 appeals of denied trips each month.

Its own policies require MTM to acknowledge appeals within 24 hours of receipt, provide the recipient with an update of the review within 10 business days, and mail a resolution letter within 45 days, except in urgent situations in which appeals are to be resolved within 2 business days of receipt. However, MTM was unable to provide documentation showing its timeliness in responding to appeals.

DHS instructed MTM to change its complaint decisions, provide additional information, or conduct additional work for 999 complaints.

Each month, MTM provides DHS with information on each complaint it received. DHS then reviews the complaints to ensure that applicable policies have been applied properly and provides feedback to MTM on the complaints, notes where more information is necessary or where additional questions exist, and in some cases reverses MTM's decision regarding whether a complaint should be substantiated. We reviewed documentation provided by DHS on the complaints it reviewed from August 2013 through June 2014 and found DHS had instructed MTM to change its complaint decisions, provide additional information, or conduct additional work for 999 complaints, or approximately 8 percent of the 12,748 complaints received by MTM during this period. These include:

- 308 that DHS indicated should be recorded as having "no vehicle available," which is significant because DHS uses this as a performance standard and regularly monitors the number of instances in which no vehicles were available to provide trips;
- 222 that MTM had initially substantiated but which DHS indicated should not be substantiated;
- 194 requiring MTM to provide more detailed information;
- 95 that MTM initially did not substantiate but which DHS indicated should be substantiated;
- 78 for which DHS indicated MTM's resolution was unrelated to the complaint and required clarification;

- 45 for which MTM incorrectly applied a policy; and
- 57 that involved other reasons.

DHS contracts for a transportation advocate to assist recipients, primarily by addressing complaints from those who contact DHS directly.

DHS has also contracted with a vendor to provide an individual to serve as a transportation advocate for Medical Assistance recipients eligible for NEMT services. The transportation advocate assists recipients primarily by addressing complaints from those who contact DHS directly. Additionally, recipients who filed a complaint with MTM may appeal the decision to the transportation advocate if they find the decision made by MTM to be unsatisfactory. From October 2013 through June 2014, the transportation advocate received 409 complaints through DHS and 17 appeals of MTM decisions. Of the 426 complaints and appeals, 177 were substantiated and 249 were unsubstantiated. DHS was unable to separately identify outcomes of the complaints and the appeals. Therefore, it could not provide information on the final disposition of the appeals. DHS indicated that it recently requested that the transportation advocate begin reporting the data in a manner that would provide this type of information.

In July 2014, DHS released an RFP related to a new contract for transportation advocate services. In addition to the advocate's current responsibilities, the contract will also require the advocate to conduct semiannual audits of MTM's reports on complaint investigations. In September 2014, DHS indicated its intent to award a contract to Disability Rights Wisconsin to provide these services for a three-year period with the option of two additional one-year extensions. However, Disability Rights Wisconsin indicated it declined to enter into a contract with DHS based on concerns about the level of oversight DHS sought to have over employees of Disability Rights Wisconsin, restrictions DHS would place on its ability to act as an advocate for recipients, and liquidated damage provisions that Disability Rights Wisconsin believes are inappropriate to place on an advocacy agency. As of April 2015, DHS indicated that its current vendor is continuing to provide transportation advocate services on an interim basis while it explores additional options.

After MTM has made an initial decision on a complaint's disposition, a complainant also has the option of appealing the decision to the DOA's Division of Hearings and Appeals. An appeal can be made by completing a "Request for Fair Hearing" form or by submitting a written request to the Division of Hearings and Appeals. Hearings are usually conducted by an administrative law judge, and the parties are permitted to have legal representation.

In resolving complaints, MTM most often took steps to educate the transportation providers or MTM staff members whose actions resulted in the complaints.

We reviewed data concerning how MTM responded to substantiated complaints from August 2013 through June 2014. As shown in Table 12, MTM most often took action to educate the transportation provider or the MTM staff member who was responsible for the action leading to the complaint. This accounted for 73.7 percent of actions taken to resolve 8,860 complaints from August 2013 through June 2014 for which data were provided. The next most common action was to work to address the number of instances in which no vehicle was available to provide a trip, which primarily entailed MTM working to expand its transportation provider network.

Table 12

Resolution of Substantiated Complaints
August 2013 through June 2014

Action Taken	Number of Complaints	Percentage of Total
Educated Transportation Provider	5,496	62.0%
Educated MTM Staff Member	1,037	11.7
Worked to Address Instances Where No Vehicles Were Available	655	7.4
Issue Was Already Resolved by Transportation Provider	346	3.9
Trip Assignments Were Modified	287	3.2
Communications Issue Was Resolved	105	1.2
Inaccurate Information Was Corrected	74	0.8
Vehicle Was Inspected	74	0.8
Other	786	8.9
Total	8,860	100.0%

At times, MTM or transportation providers took more forceful action in responding to complaints, including:

- in 12 cases, prohibiting the drivers from providing future NEMT services;
- in 7 cases, reducing the number of trips given to transportation providers;
- in 3 cases, requiring the drivers to be tested for drug use; and
- in 2 cases, suspending the drivers.

Complaints Received by the Legislative Audit Bureau

From July 2010 through January 2015, the Legislative Audit Bureau received a total of 386 complaints regarding NEMT services.

From July 2010 through January 2015, the Legislative Audit Bureau received a total of 386 complaints regarding NEMT services. Of these, 332 came to our Fraud, Waste, and Mismanagement Hotline and 54 were received by staff conducting this audit. Using information obtained from DHS and MTM, we analyzed the complaints we received. As shown in Table 13, the largest number of complaints, 54 (14.0 percent), were complaints about recipients not having a choice in the selection of a transportation provider. The next most common complaint involved administrative issues with MTM, such as MTM staff failing to schedule trips for recipients.

Of the 386 complaints we received, we were able to substantiate 65 complaints (16.8 percent). Examples of complaints that we substantiated include:

- an October 2013 trip that was not provided because MTM was unable to secure transportation to a surgery appointment for a paralyzed recipient from Richland County;
- a May 2014 trip for a cognitively disabled Dane County recipient for which the driver failed to arrive and that resulted in the recipient walking home in a thunderstorm;
- a March 2014 trip for a Marinette County recipient during which the driver fell asleep while operating the vehicle; and
- a March 2014 trip for a Rock County recipient that was not provided because the vehicle sent lacked a wheelchair lift that met the recipient's acknowledged needs.

We found that 113 complaints (29.3 percent) were unsubstantiated because the actions that were the subject of the complaints were consistent with MTM policies or the available data did not support the allegations contained in the complaints. Information available for the remaining 208 complaints (53.9 percent) was insufficient to allow us to make a determination, often because complainants did not provide basic information necessary for us to further review

Table 13

**NEMT Complaints Received by the Legislative Audit Bureau
From July 2010 through January 2015**

Subject	Substantiated Complaints	Unsubstantiated Complaints	Complaints Having Insufficient Information to Make a Determination	Total
Complaints Concerning Policies				
Recipient Not Allowed to Choose Transportation Provider	0	54	0	54
Mileage Reimbursement	1	8	9	18
Recipient Required to Use Public Transportation	0	6	2	8
Subtotal	1	68	11	80
Complaints Concerning Transportation				
Driver Never Arrived	12	4	17	33
Driver Was Late	17	1	11	29
Other Concerns with Drivers	9	0	18	27
Complaints about Vehicles	3	2	14	19
Subtotal	41	7	60	108
Complaints Concerning MTM				
Administrative Issues with MTM	7	3	34	44
Concerns with MTM Staff	3	2	21	26
No Vehicle Available to Provide a Trip	9	1	13	23
Concerns Raised by Transportation Providers	0	3	13	16
Telephone Hold Times	0	0	14	14
Subtotal	19	9	95	123
Other Complaints	4	29	42	75
Total	65	113	208	386

their concerns, such as the names of the recipients involved, the dates that trips were to be provided, or contact information that would allow us to request needed information from the complainant. Only one of the complaints related to NEMT policies was substantiated. The actions that were the subject of the 68 unsubstantiated complaints were consistent with NEMT policies. For example, the 54 complaints involving recipients not being able

to select the transportation provider of their choice were not substantiated because program policies do not provide for that option. Instead, MTM is required to select the least costly transportation arrangement that meets a recipient's needs. Similarly, six of the eight complaints involving recipients being required to use public transportation were also unsubstantiated because policies require them to use public transportation if they are able, and we did not find any evidence that they were unable to do so.

Of the 54 complaints related to transportation provider selection, 68.5 percent were based on the inability to select one specific transportation provider.

Of the 54 complaints involving recipients not being able to choose the transportation provider of their choice, 37 (68.5 percent) were based on the inability to select one specific transportation provider. Many of these complainants also made complaints about policy violations, mistreatment by customer service personnel, or poor quality service involving other transportation providers that we found were not supported by the available data. For example, one complainant indicated that transportation providers, other than the one the complainant prefers, were unreliable. However, the data did not support this allegation because at the time the complaint was made the only trips the complainant had received through MTM were from the complainant's preferred transportation provider.

The 44 complaints involving administrative issues with MTM, including the 7 complaints we were able to substantiate, primarily concerned scheduling issues, such as a trip being scheduled by MTM for an incorrect date, MTM not renewing recurring trips in a timely manner, and MTM not informing a recipient in a timely manner that a trip was cancelled. None of the 16 complaints we received from transportation providers were substantiated largely because they provided insufficient information to allow us to confirm the allegations made.

Concerns Raised by Transportation Providers

MTM has at times provided inaccurate or untimely information to transportation providers on trip assignments.

Although none of the 16 specific complaints we received from transportation providers were substantiated, during the course of our audit we interviewed transportation providers and analyzed available information regarding several of the concerns they raised. For example, documentation provided to us indicates that MTM appears to have provided inaccurate or untimely information on some trip assignments that created administrative obstacles for the transportation providers and at times resulted in drivers arriving late or not at all to take recipients to or from their appointments. For example, in some instances MTM sent faxes assigning trips to transportation providers that they received after the trips were to be provided. At times, this resulted in missed trips for recipients and required additional work on the part of transportation providers to

contact MTM in order to avoid being financially penalized for failing to provide the trips.

MTM made 365 payments of one cent to 87 providers from August 2013 through June 2014.

We also identified instances in which MTM sent trip assignments to transportation providers with incorrect payment amounts, including instances in which the amount was listed as one cent. Some transportation providers indicated that if they did not contact MTM to get the incorrect payment amount adjusted prior to providing the trip, then their payment would be limited to the incorrect amount. Based on data we received from MTM, we found 365 payments of one cent were made to 87 transportation providers from August 2013 through June 2014. However, we were unable to determine whether any of the subsequent payments made were for the purpose of making transportation providers whole for the trips for which they were not adequately paid.

MTM did not always provide advanced notice when scheduled trips had been cancelled.

Some transportation providers also indicated that MTM did not always provide advanced notice when scheduled trips had been cancelled. The policy MTM established related to cancellations states that a customer service representative will contact the transportation provider regarding a cancellation if the trip is to be provided on the same day or the day following the cancellation request, as well as ensure a cancellation fax is sent to the transportation provider. However, some transportation providers indicated that these notices were either not provided or were provided too late to be useful. As a result, they indicated that drivers arrived to provide trips to recipients who were not there to receive them, found upon arrival that another transportation provider was already there to provide transportation, or provided the trip only to find out later that MTM had cancelled it. This required them to contact MTM in an effort to receive payment for the trip they provided.

Finally, we reviewed concerns raised by some ambulance providers. When LogistiCare became responsible for managing NEMT services, many ambulance providers chose not to enter into contractual arrangements with LogistiCare. This decision was, in part, because they believed contracting with LogistiCare would have increased their costs due to duplicative background check and staff training requirements.

During the time LogistiCare was the transportation manager, some hospitals continued to directly contact ambulance providers to request transportation for Medical Assistance recipients. Ambulance providers that did not have a contract with LogistiCare indicated that they frequently were not paid for these hospital trips when they chose to provide them. However, the ambulance providers indicated they were hesitant to deny transportation requests from hospitals because they feared losing other business from them, such as the

transportation of nursing home residents and other long-term care recipients. Therefore, some ambulance providers indicated that they continued to provide trips knowing they would not be reimbursed by LogistiCare. The available data on trips provided by LogistiCare are limited. Therefore, we were unable to confirm these assertions.

■ ■ ■ ■

Satisfaction with NEMT Services ■

Because some transportation providers, county staff, and interest groups suggested that many Medical Assistance recipients did not file complaints or stopped filing complaints because of dissatisfaction with the complaint process, we conducted a survey of Medical Assistance recipients who received NEMT services provided by MTM to assess their experiences and their level of satisfaction. We asked recipients about their experiences with scheduling trips, the timeliness of the transportation provided, the extent to which their special transportation needs were addressed, and the quality of service provided. In addition, we conducted a survey of transportation providers with which MTM entered into agreements in order to assess their satisfaction with MTM's management of NEMT services.

Assessing Recipient Satisfaction

We conducted an independent survey of 5,000 randomly selected Medical Assistance recipients.

We conducted an independent survey of 5,000 randomly selected Medical Assistance recipients who received at least one trip arranged by MTM from January 2014 through June 2014, excluding those whose services were entirely limited to public transportation or mileage reimbursement. Of the 5,000 surveys we sent to recipients, 323 were returned as undeliverable, which left 4,677 potential respondents in our sample. Surveys of Medical Assistance recipients who were under 18 years of age were sent to their parents or guardians for completion.

We received 773 responses to our survey of recipients who received NEMT services from MTM.

We received a total of 773 responses to our survey for a response rate of 16.5 percent. However, the number of responses to individual survey questions varied because some respondents did not answer every question. The surveys were completed from late August through mid-November 2014, and respondents were asked to answer all questions based on their service experience with MTM since January 1, 2014, in order to assess recent performance and avoid potential confusion with services provided by LogistiCare, which MTM replaced in August 2013.

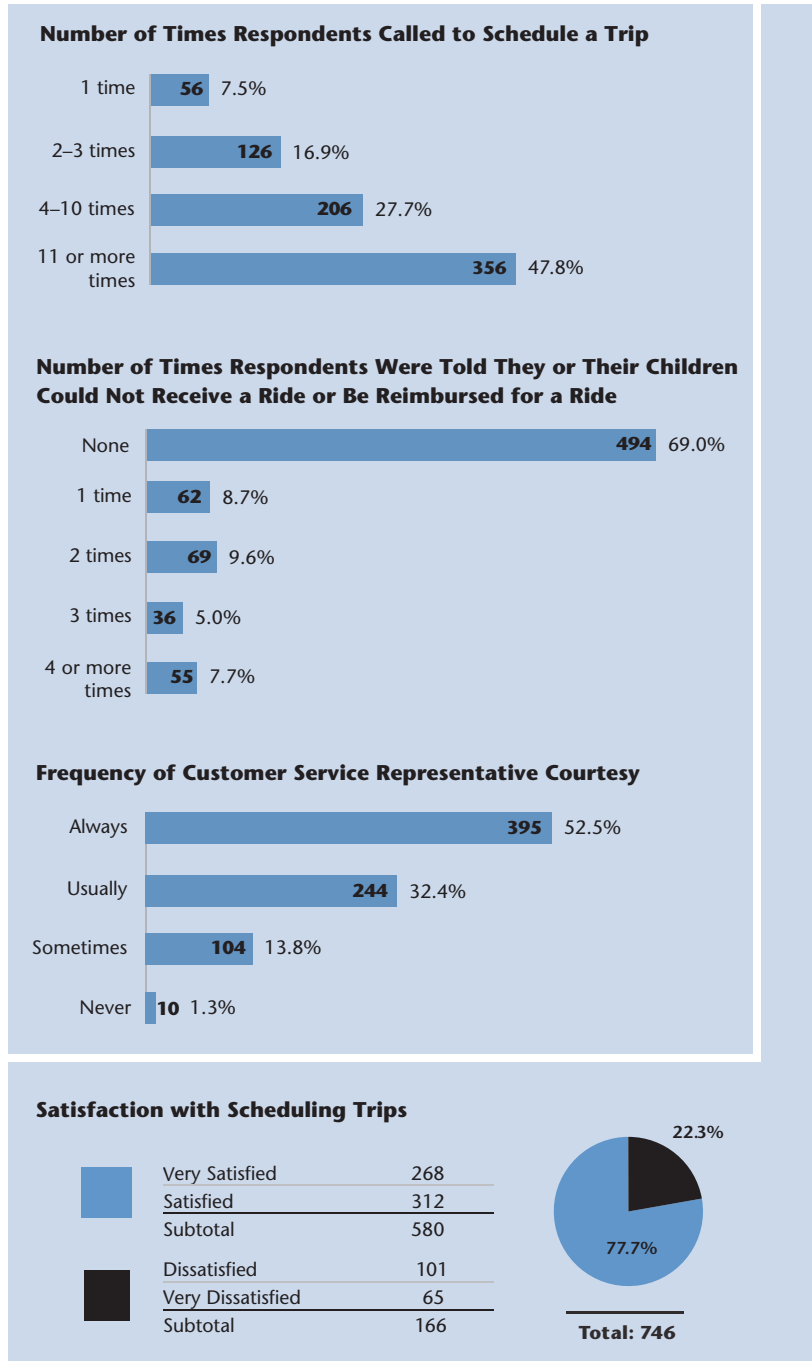
We asked questions related to recipients' experience with scheduling trips through MTM. Figure 3 shows the responses provided to questions about the number of times recipients called to schedule trips, the number of times they were told they or their children could not receive a ride or be reimbursed for a ride, the courtesy of the customer service representative they spoke with, and their satisfaction with the process of scheduling trips through MTM.

Most of the 222 respondents who were told they were not able to receive a ride or be reimbursed for a ride for themselves or their children indicated that this was because they had not called more than two business days in advance to schedule transportation for a non-urgent appointment, as required, or because the trip was not to a service covered by Medical Assistance. When told they were not able to receive a trip:

- 44.3 percent of respondents indicated they rescheduled their health care appointment for a time when a trip could be provided;
- 29.8 percent indicated they found alternate transportation, such as from a friend or family member;
- 22.3 percent indicated they or their children did not go to the appointment, and
- 3.6 percent indicated they were eventually able to schedule the trip with MTM after initially being told they or their children could not receive one.

Figure 3

Scheduling Trips through MTM¹



¹ Based on responses to a Legislative Audit Bureau survey of Medical Assistance recipients who received at least one trip arranged by MTM from January through June 2014.

A total of 40.9 percent of respondents indicated they or their children missed or had to reschedule appointments because drivers were more than 15 minutes late.

Some of the most common concerns that have been reported involve drivers failing to arrive or arriving late to take recipients to or from their appointments. Program policies require transportation providers to arrive within 15 minutes of a scheduled pick-up time. Among those responding to questions about the timeliness of the trips they received, 47.1 percent indicated that they or their children were late for an appointment because the driver was more than 15 minutes late, 40.9 percent indicated they missed or had to reschedule an appointment because the driver was more than 15 minutes late, and 42.8 percent indicated they missed or had to reschedule an appointment because the driver never arrived, as shown in Table 14. In addition, over 10 percent of these respondents indicated that each of these issues occurred with trips to three or more appointments.

Table 14

Concerns Survey Respondents Identified with Trips to Scheduled Appointments¹

Appointments Affected	Appointments for Which Recipients Were Late Because the Driver Was More Than 15 Minutes Late ²		Appointments Missed or Rescheduled Because the Driver Was More Than 15 Minutes Late ²		Appointments Missed or Rescheduled Because the Driver Never Arrived	
	Number	Percentage	Number	Percentage	Number	Percentage
None	397	52.9%	443	59.1%	431	57.2%
1 Appointment	135	18.0	120	16.0	152	20.2
2 Appointments	82	10.9	84	11.2	83	11.0
3 Appointments	76	10.1	54	7.2	46	6.1
4 or More Appointments	60	8.0	49	6.5	41	5.4
Subtotal	353	47.1	307	40.9	322	42.8
Total	750	100.0%	750	100.0%	753	100.0%

¹ Based on responses to a Legislative Audit Bureau survey of Medical Assistance recipients who received at least one trip arranged by MTM from January through June 2014.

² Program policies require transportation providers to arrive within 15 minutes of a scheduled pick-up time.

In addition, 48 of 749 respondents (6.4 percent) indicated that a health care provider had discontinued seeing them or their children because they had been late for, or missed, too many appointments due to drivers being more than 15 minutes late or never arriving to pick them up.

Because concerns have also been reported involving drivers failing to arrive or arriving late to take recipients home from their appointments, we asked respondents to indicate whether this had happened to them. Among those responding to these questions, 56.8 percent indicated they or their children had been picked up more than 15 minutes late for a return trip, and 26.3 percent indicated that a driver never arrived to take them or their children home from an appointment at least once, as shown in Table 15. In addition, 27.9 percent of these respondents indicated drivers were more than 15 minutes late arriving for return trips on three or more occasions, and 5.8 percent indicated drivers never arrived to take them or their children home on three or more occasions.

Table 15

Concerns Survey Respondents Identified with Return Trips¹

Return Trips Affected	Return Trips Where Drivers Were More Than 15 Minutes Late ²		Return Trips Where Drivers Never Arrived	
	Number	Percentage	Number	Percentage
None	319	43.2%	546	73.7%
1 Trip	112	15.2	91	12.3
2 Trips	101	13.7	61	8.2
3 Trips	80	10.8	18	2.4
4 or More Trips	126	17.1	25	3.4
Subtotal	419	56.8	195	26.3
Total	738	100.0%	741	100.0%

¹ Based on responses to a Legislative Audit Bureau survey of Medical Assistance recipients who received at least one trip arranged by MTM from January through June 2014.

² Program policies require transportation providers to arrive within 15 minutes of a scheduled pick-up time.

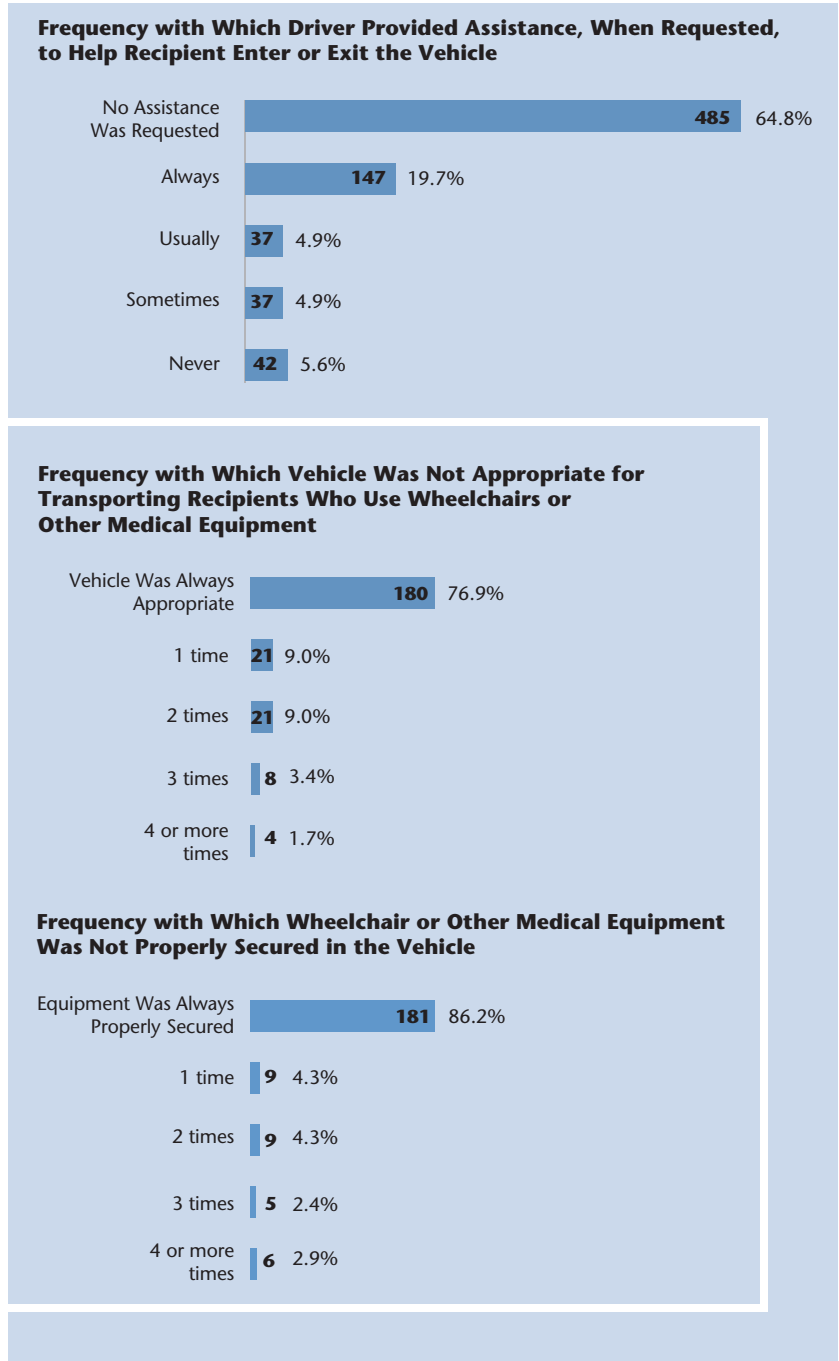
We also asked questions concerning those with special transportation needs. Figure 4 shows the responses to questions concerning the frequency with which drivers assisted recipients in entering or exiting the vehicles, the frequency the vehicle provided was appropriate for their medical needs, and the frequency with which their wheelchairs or other medical equipment were properly secured in the vehicles.

In assessing their overall experience with MTM, 87.0 percent of respondents indicated they were “satisfied” or “very satisfied.”

In an effort to assess opinions on the quality of service among all respondents, we asked questions related to the condition of the vehicles used to transport recipients, driver courtesy, and whether the drivers did anything that made them or their children feel unsafe. The answers to these questions, as well as respondents’ assessments of their overall experience with trips provided through MTM are shown in Figure 5. The most frequently cited reasons for respondents or their children feeling unsafe were due to driver conduct, such as speeding, using a cell phone, being inattentive, or driving recklessly. In assessing their overall experience with NEMT services provided through MTM, 87.0 percent of the 733 respondents indicated they were “satisfied” or “very satisfied.” However, 50 respondents indicated they had stopped using NEMT services provided by MTM because of concerns with the quality of the service, primarily its reliability and timeliness.

Figure 4

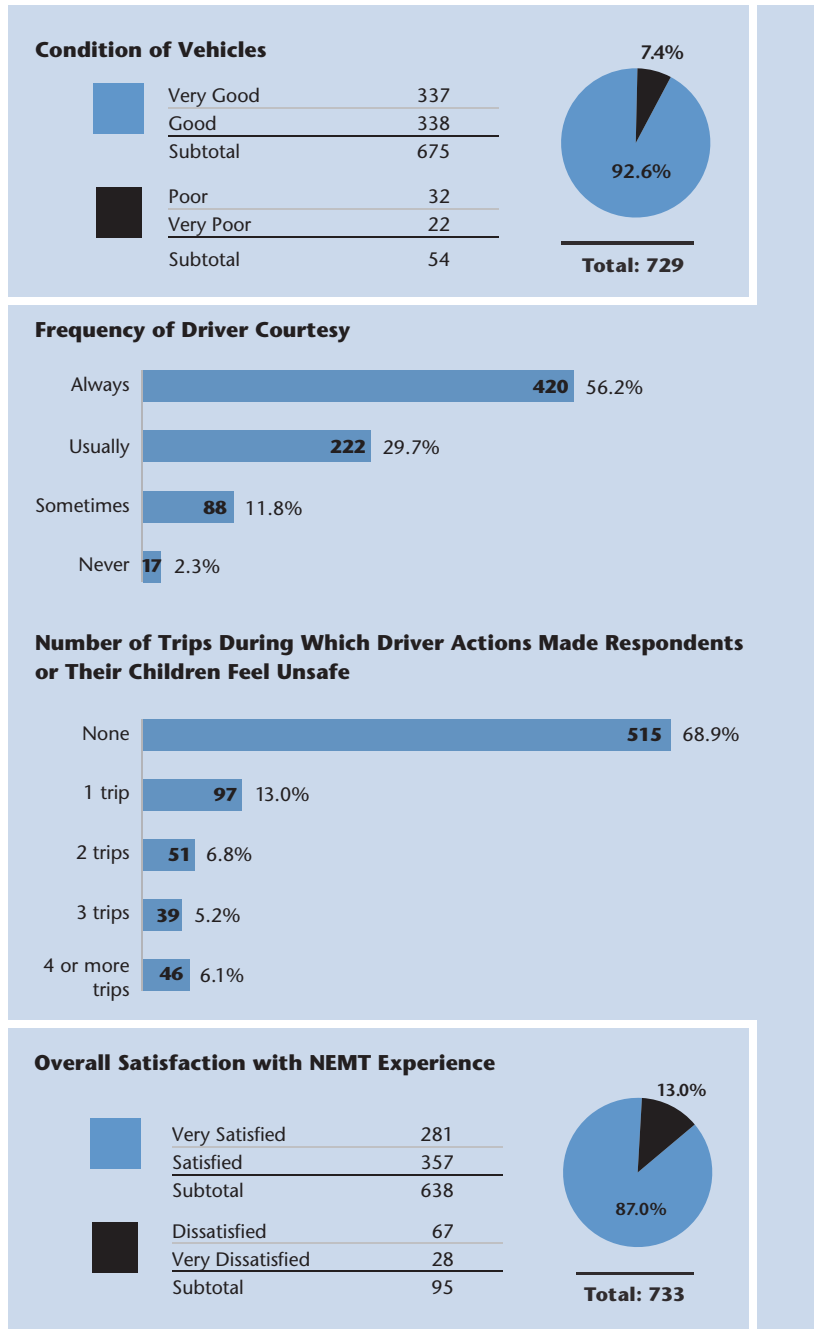
Special Transportation Needs¹



¹ Based on responses to a Legislative Audit Bureau survey of Medical Assistance recipients who received at least one trip arranged by MTM from January through June 2014.

Figure 5

Quality of Service and Overall Satisfaction¹



¹ Based on responses to a Legislative Audit Bureau survey of Medical Assistance recipients who received at least one trip arranged by MTM from January through June 2014.

Assessing Transportation Provider Satisfaction with NEMT Management

A total of 114 transportation providers responded to our survey.

We also conducted a survey of transportation providers with which MTM had entered into agreements to provide transportation services. The survey was conducted in November 2014. Of the 311 transportation providers to whom our email notification of the Internet-based survey was sent, we received responses from 114 (36.7 percent). However, not every transportation provider chose to answer every question. Of the 114 transportation providers who responded, nine providers indicated they were no longer accepting trips from MTM. Based on their survey responses, the main reason the nine providers were no longer accepting trips appears to be dissatisfaction with the number of trips they were being assigned by MTM.

As shown in Table 16, over one-half of the 114 transportation providers responding to a question on the source of their trips indicated that more than 75 percent of their total trips came from their business with MTM, while business with MTM represented less than 25 percent of trips for one-fourth of the transportation providers.

Table 16

Percentage of Transportation Provider Trips Coming from MTM¹

	Number of Responses	Percentage of Total
Less than 25 Percent	29	25.4%
25 to 50 Percent	12	10.5
51 to 75 Percent	14	12.3
More than 75 Percent	59	51.8
Total	114	100.0%

¹ Based on responses to a November 2014 Legislative Audit Bureau survey of transportation providers providing services to MTM.

As shown in Table 17, the average number of monthly trips arranged through MTM also varied widely. While 10 transportation providers responding to this question indicated they received 10 or fewer trips per month, 26 indicated they received more than 500 trips per month. Among the 111 transportation providers

responding to a question about their satisfaction with the trip volume, 46.8 percent indicated they were satisfied or very satisfied, and 53.2 percent indicated they were dissatisfied or very dissatisfied, including 6 of the 9 that indicated they are no longer accepting trips from MTM. Of transportation providers who chose to provide additional information about their level of satisfaction, 26 indicated that their trip volume was too low, and 11 indicated their trip volume was inconsistent.

Table 17

Number of Average Monthly Trips Arranged by MTM¹

	Number of Responses	Percentage of Total
Less than 5 Trips	6	5.4%
5 to 10 Trips	4	3.6
11 to 25 Trips	11	9.8
26 to 100 Trips	27	24.1
101 to 500 Trips	38	33.9
More than 500 Trips	26	23.2
Total	112	100.0%

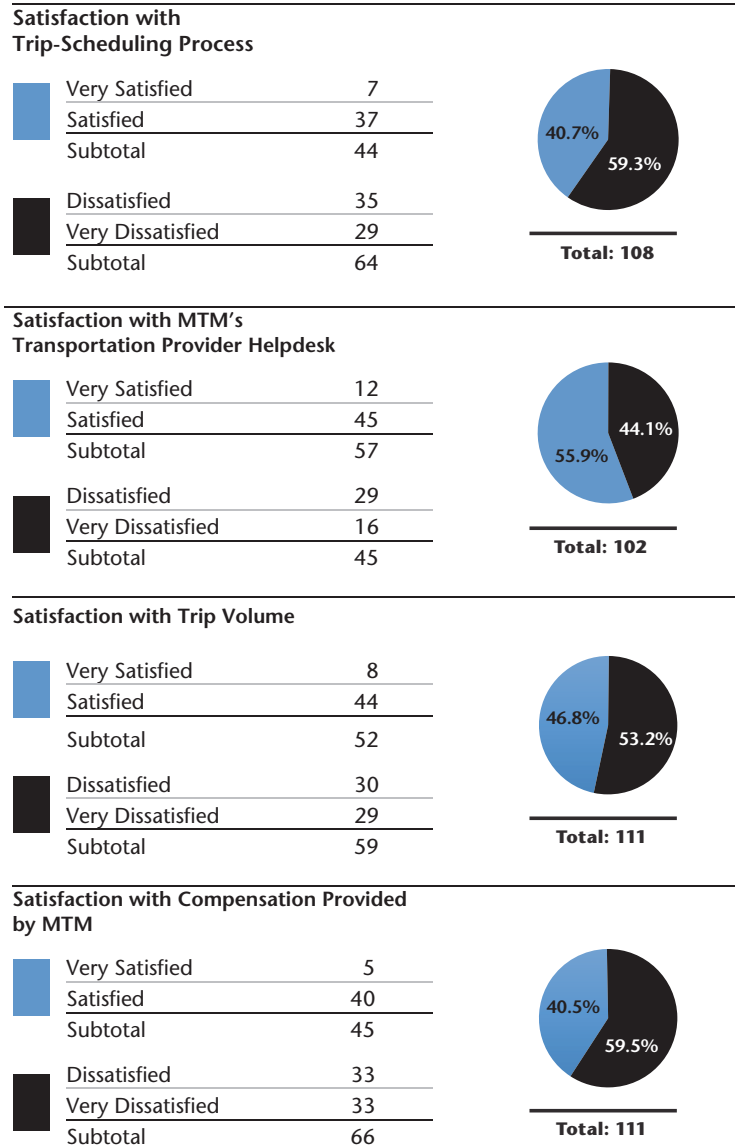
¹ Based on responses to a November 2014 Legislative Audit Bureau survey of transportation providers providing services to MTM.

In addition, we asked transportation providers how the volume of NEMT trips they provide has changed since MTM assumed responsibility for managing NEMT services from LogistiCare. Of the 89 transportation providers who had experience with both transportation brokers and responded to this question, 11 indicated their trip volume had increased, 26 indicated it had stayed about the same, and 52 indicated it had decreased. Of those transportation providers who indicated their trip volume had decreased, the most common reason cited related to MTM selecting providers based on their rates.

As shown in Figure 6, we also asked transportation providers to rate their level of satisfaction with various aspects of their association with MTM, including the trip-scheduling process, the broker's transportation provider helpdesk, the volume of trips received, and the compensation provided.

Figure 6

Transportation Provider Satisfaction with Selected Issues¹



¹ Based on responses to a November 2014 Legislative Audit Bureau survey of transportation providers providing services to MTM.

The most common complaint cited with the scheduling process was that MTM does not always call transportation providers when assigning trips that are to occur within 24 hours to ensure that the transportation provider can arrange transportation quickly enough to provide service. Other complaints included, for example, concerns about trip assignments being made based on their cost to MTM and concerns about not receiving faxes from MTM assigning the trips. In addition, of the 57 transportation providers who offered additional comments about their level of satisfaction with the compensation they receive for their services:

- 21 indicated they felt pressured by MTM to lower their prices;
- 10 indicated the payment offered by MTM was too low;
- 9 indicated that MTM should provide payment for miles driven to a recipient's location for pick-up, scheduled trips where the recipient is not available to receive the ride, or transport of more than one recipient in a trip; and
- 5 indicated that MTM should pay all transportation providers a uniform set of fees for their services.

The agreements MTM has with transportation providers allow it to reduce trip volumes and assess liquidated damages when transportation providers fail to meet performance standards. Of the 114 transportation providers who responded to questions about these issues, 20 indicated that their trip volume was reduced as a result of failing to meet performance standards. Among these 20 transportation providers, 3 indicated the reduction in trip volume was usually or always justified, 6 indicated it was sometimes justified, 10 indicated it was never justified, and 1 did not respond to this question. In addition, of the 35 transportation providers who indicated they had been assessed liquidated damages by MTM, 3 indicated the damages were usually justified, 17 indicated they were sometimes justified, and 15 indicated they were never justified. The most common reasons transportation providers cited for indicating their decreased trip volumes or liquidated damages were unjustified included issues such as miscommunication, errors in data recording, and circumstances that were beyond the transportation provider's control.

Our survey indicated that the greatest level of dissatisfaction among transportation providers with MTM was with its complaint process.

Our survey indicated that the greatest level of dissatisfaction among transportation providers with MTM was with its complaint process. Of the 114 respondents, 40 transportation providers indicated they had filed a complaint with MTM. Of these 40 transportation providers, 27.5 percent indicated they were satisfied with MTM's complaint process, 22.5 percent were dissatisfied, and 50.0 percent were very dissatisfied. Among the concerns noted by transportation providers were that MTM did not always follow up on transportation providers' complaints; that the complaint process was not helpful; and that even when their complaint was satisfactorily resolved, MTM later repeated the action that led them to file the complaint.

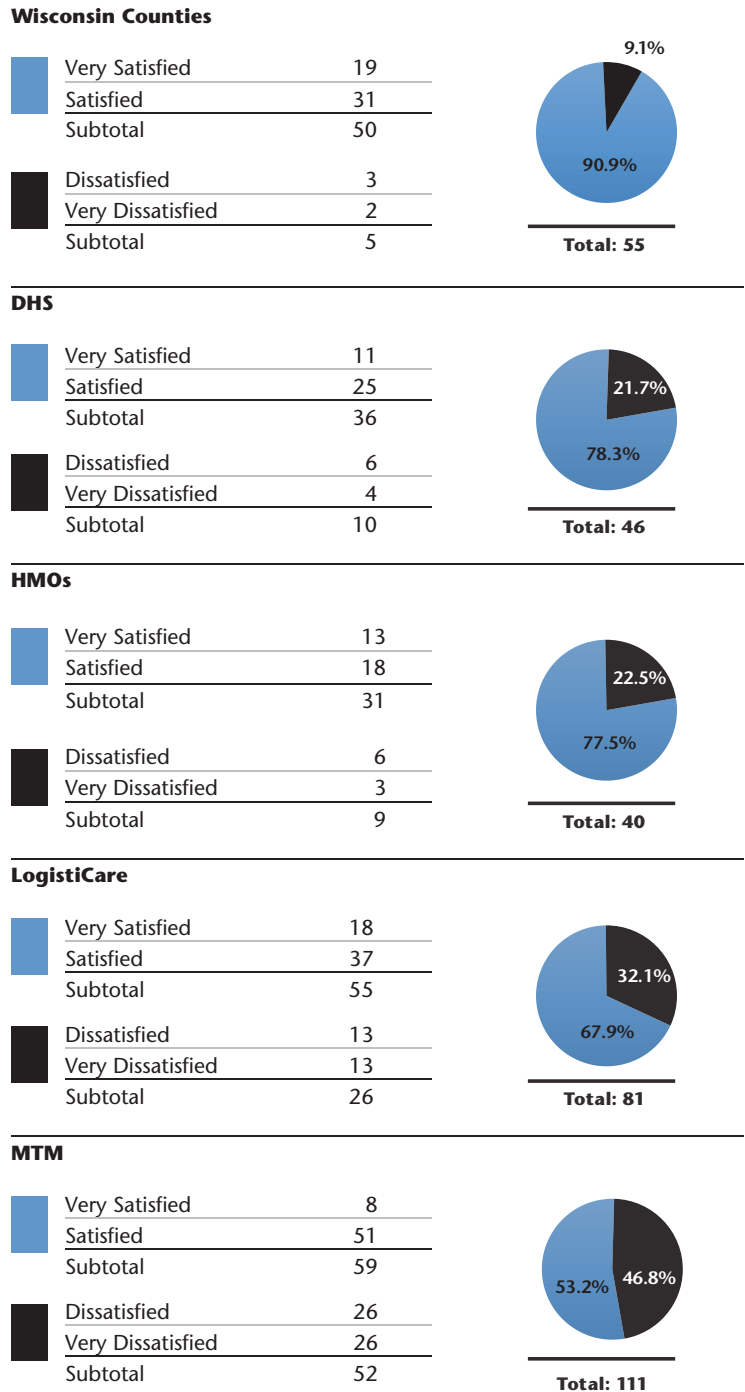
Transportation providers reported the greatest level of satisfaction with counties as the NEMT manager and the least with MTM.

We also asked transportation providers to rate their overall satisfaction with MTM as an NEMT manager, as well as their satisfaction with other entities that have managed the provision of NEMT services in the past for which they have provided transportation services. As shown in Figure 7, in providing NEMT services to Medical Assistance recipients, transportation providers reported the greatest level of satisfaction with county management of NEMT services and the least satisfaction with MTM's management. However, it should be noted that fewer transportation providers we surveyed had experience providing NEMT services when counties, DHS, and HMOs were responsible for managing NEMT services than when LogistiCare and MTM were the NEMT managers.

Overall, transportation providers responding to our survey reported greater satisfaction with county, DHS, and HMO management of NEMT services than with the two transportation brokers. Based on the comments provided to our survey, their dissatisfaction with LogistiCare and MTM appears to be largely based on: the level of compensation for the services they provided; decreased trip volume, which is partly the result of increased use of public transportation; and policies that do not allow recipients to select the transportation provider.

Figure 7

Transportation Provider Satisfaction with NEMT Managers¹



¹ Based on responses to a November 2014 Legislative Audit Bureau survey of transportation providers providing services to MTM.

Improving the Provision of NEMT Services ■

The provision of NEMT services in Wisconsin has changed substantially over the past several years, and concerns have been raised about the current provision of services through transportation brokers. We analyzed and provide recommendations to address some of the most common issues experienced by Medical Assistance recipients using NEMT services in Wisconsin: the transportation broker having no vehicles available to provide some trips and transportation providers failing to arrive, or arriving late, to take recipients to their health care appointments or home from their appointments.

Issues with the Provision of NEMT Services

Some of the most common complaints associated with transportation broker management of NEMT services involve recipients not being able to schedule a trip because no vehicle is available, not being picked up for a scheduled appointment, or arriving late for their appointment because the driver picked them up after the scheduled time. Therefore, we reviewed the causes of these issues.

As noted, there were 942 instances from August 2013 through June 2014 when MTM was unable to provide a scheduled trip for a recipient because no vehicle was available. During this same period MTM provided a total of 2.3 million trips.

Recipients in some counties could benefit from an expanded transportation provider network.

Almost one-half of the 942 trips for which no vehicles were available were scheduled either on the day of or the day before the recipients' appointments. Because trips are generally required to be scheduled at least two business days in advance, this indicates these trips were likely urgent in nature or could not be scheduled in advance, such as a discharge from a hospital. However, in at least 164 (or 17.4 percent) of these instances recipients had called three or more business days in advance of their appointments, including 39 that called six or more business days in advance. This suggests that recipients could benefit from an expanded transportation provider network. As shown in Figure 8, the frequency with which no vehicle was available varied significantly across the state, but was greatest in the counties of Bayfield, Florence, and Iron.

In February 2014, DHS implemented a corrective action plan to address instances in which no vehicles were available to provide trips.

To address concerns raised about the frequency with which MTM was unable to provide a trip because no vehicle was available to provide one, including trips for patients receiving kidney dialysis and cancer treatment, DHS required MTM to follow the provisions of a corrective action plan that was developed. The corrective action plan was implemented in February 2014 and remained in effect through June 2014. It required MTM to undertake several corrective measures, including:

- further developing its network of transportation providers;
- establishing procedures to address trips that transportation providers are likely to cancel or not provide;
- providing additional instruction to transportation providers in an effort to help prevent trip cancellations;
- providing weekly updates to DHS on each instance in which a scheduled trip was not provided because no vehicle was available; and
- complying with new standards on the acceptable number of instances in which a scheduled trip was not provided because no vehicle was available.

Table 18

**Scheduled Trips Not Provided Because MTM
Could Not Obtain the Services of a Transportation Provider**

	Corrective Action Plan Standard	Actual Performance
February 2014	1 in 2,500	1 in 2,714
March 2014	1 in 3,000	1 in 4,110
April 2014	1 in 3,500	1 in 14,736
May 2014	1 in 4,000	1 in 23,189
June 2014	1 in 7,000	1 in 16,765

The corrective action plan also established standards for the acceptable number of instances in which scheduled trips for kidney dialysis and cancer treatment could not be provided because MTM could not obtain the services of a transportation provider. The standard was set at a maximum of eight instances for February 2014 and decreased to five instances per month for the period from March 2014 through June 2014. MTM met the standard in each month. MTM identified instances in which a scheduled trip was not provided because it could not obtain the services of an appropriate transportation provider for a dialysis or cancer treatment appointment, including one in January 2014, one in February 2014, and two in June 2014.

In January 2015, DHS assessed liquidated damages totaling \$25,500 based on MTM's failure to meet performance standards.

As noted, this corrective action plan was formally in effect from February 2014 through June 2014. However, in a letter to MTM in October 2014, DHS indicated it would continue to monitor MTM's performance on a monthly basis using the June 2014 standards established in the corrective action plan. In January 2015, DHS informed MTM that it was assessing liquidated damages totaling \$25,500 based on MTM's failure to meet the performance standard in September 2014. Based on the number of trips scheduled for September 2014, MTM was permitted to have 40 trips for which it was unable to secure transportation for recipients, but it reported 66 trips in which this occurred.

Although the corrective action plan addressed trips for which MTM was unable to secure transportation, it did not impose any requirements associated with transportation providers that do not arrive to transport recipients to or from a health care appointment, which are known as “no-shows.” DHS indicated that efforts to reduce transportation provider no-shows were not included in the corrective action plan because MTM has less control over whether a transportation provider arrives for a scheduled trip. However, under the terms of its contract with DHS, MTM is “solely responsible” for the performance of its transportation providers, including ensuring that trips are provided. We note that the result for the recipient is the same, a missed health care appointment, regardless of whether a scheduled trip is not provided because MTM could not locate a transportation provider to provide the trip or because the provider did not arrive to transport the recipient to an appointment.

From August 2013 through June 2014, we found 4,154 instances in which transportation providers did not arrive for a scheduled trip.

In addition, we found there were more than four times as many instances of transportation provider no-shows as instances of MTM not providing a scheduled trip for a recipient because no vehicle was available. From August 2013 through June 2014, data provided by MTM indicate that there were 4,154 instances in which a transportation provider did not arrive for a scheduled trip to transport a recipient to a health care appointment or to provide a trip home. In many instances these trips were scheduled more than two business days before they were to be provided. For example, a total of 2,026 trips (48.8 percent) were scheduled three or more business days before they were to be provided, including 730 trips (17.6 percent) that were scheduled six or more business days before they were to be provided.

From August 2013 through June 2014, 5.8 percent of recipients experienced at least one instance of a transportation provider failing to arrive for a scheduled trip.

Of the 57,459 recipients who received trips from August 2013 through June 2014, 3,347 (5.8 percent) experienced at least one instance of a transportation provider failing to arrive for a scheduled trip. In addition, 533 recipients (0.9 percent) experienced more than one instance of a transportation provider failing to arrive for a scheduled trip. As shown in Table 19, this ranged from 414 recipients who did not get picked up for two scheduled trips, to 2 individuals who each were not picked up for seven scheduled trips. It should be noted that an additional 102 recipients who scheduled a trip never received one because transportation providers failed to arrive.

Table 19

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

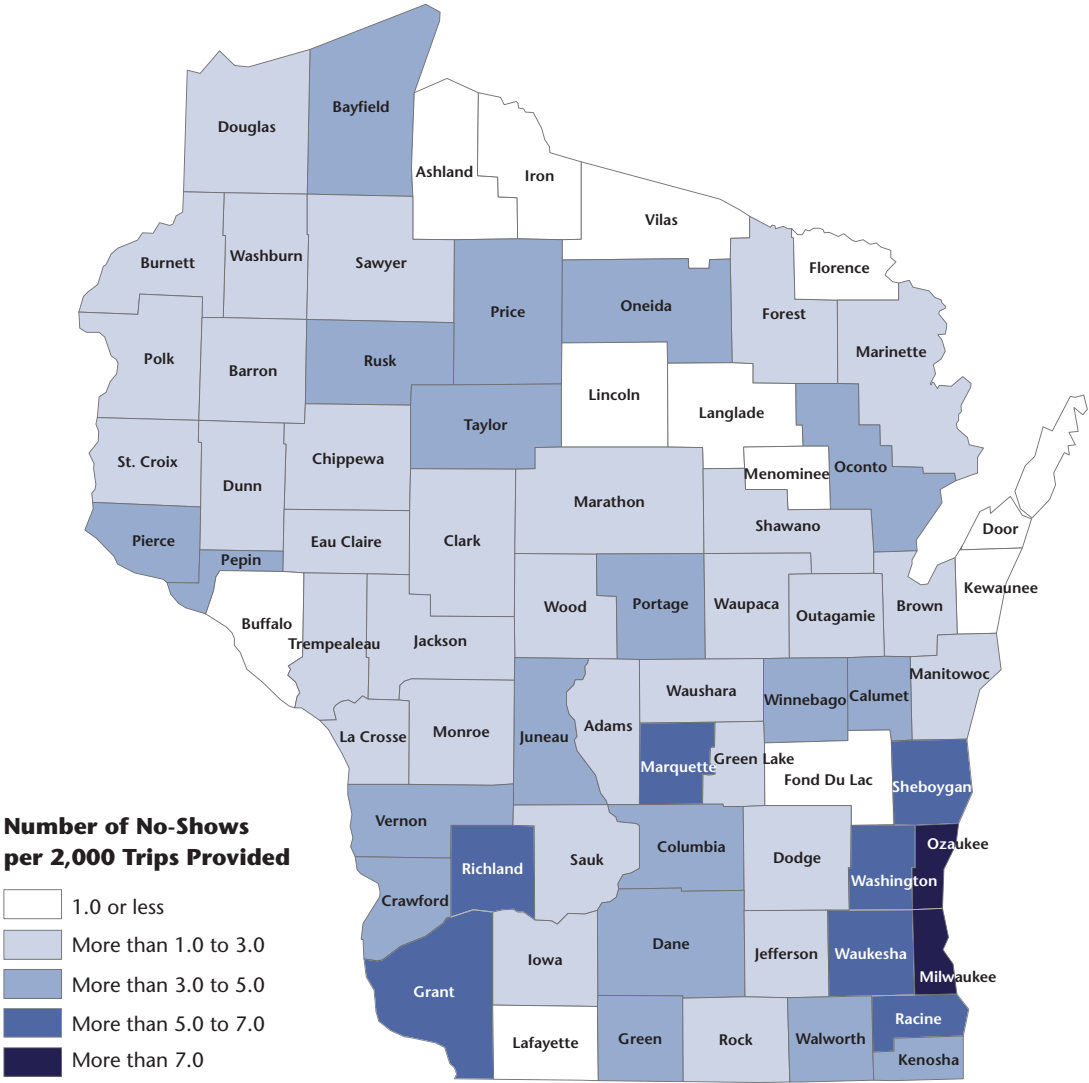
Number of Instances	Number of Recipients Affected	Percentage of Total
0	54,112	94.2%
1	2,814 ¹	4.9
2	414	0.7
3	83	0.1
4	27	<0.1
5	3	<0.1
6	4	<0.1
7	2	<0.1
Total	57,459	100.0%

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

As shown in Figure 9, the frequency with which transportation providers failed to arrive to transport recipients varied significantly across the state but was greatest in Milwaukee and Ozaukee counties.

Figure 9

Frequency of Transportation Providers Failing to Arrive to Transport Recipients
August 2013 through June 2014



We also analyzed available data to assess transportation provider timeliness in arriving to transport recipients to their appointments. We excluded trips from an appointment back to a recipient's home because late departures could have resulted from a recipient's appointment taking longer than expected. In addition, we excluded from our analyses those trips containing apparently erroneous time reporting, such as trips for which the scheduled pick-up time was reported as being the same or later than the time of the recipient's health care appointment and trips for which the reported pick-up time was the same or later than the reported drop-off time. Of the remaining 639,343 trips provided to a health care appointment from August 2013 through June 2014, transportation providers reported arriving:

- more than 15 minutes late for 55,320 trips (8.7 percent);
- more than 30 minutes late for 22,507 trips (3.5 percent); and
- more than 60 minutes late for 5,648 trips (0.9 percent).

For 11,218 trips, recipients arrived late to their appointments when drivers arrived more than 15 minutes late.

In addition, based on data reported by transportation providers to MTM, of those trips for which the recipients were picked up more than 15 minutes late, 11,218 trips (20.3 percent) also resulted in the recipients being more than 15 minutes late for their appointments. Depending on the nature of the appointments, this may create problems for busy health care professionals who have to address the consequences of late arrivals, and it can also lead to health care providers refusing to continue seeing patients who arrive late. As noted, 48 of 749 respondents to a question in our survey of Medical Assistance recipients indicated that a health care provider had discontinued seeing them or their children because they had been late for, or missed, too many appointments due to drivers being more than 15 minutes late or never arriving to pick them up. In addition, potential negative effects on the health of certain recipients resulting from delays in receiving needed health care and the discontinuity of care for those with chronic health conditions could increase the State's Medical Assistance costs.

☑ Recommendation

We recommend the Department of Health Services:

- *establish standards for the number or percentage of transportation provider no-shows that will be permitted each month;*
- *establish standards for the number or percentage of scheduled trips for which transportation providers arrive more than 15 minutes late that will be permitted each month;*
- *develop a corrective action plan that requires MTM to meet the new standards, provide weekly updates to DHS on the extent to which the standards are being met, determine the primary causes when standards are not met, and establish strategies to address the causes it identifies; and*
- *report to the Joint Legislative Audit Committee by December 1, 2015, on the results of these efforts, including the extent to which both no-shows and late arrivals by transportation providers have been reduced.*

■ ■ ■ ■

Appendix ■

Appendix

Department of Health Services Regions



Response ■



State of Wisconsin
Department of Health Services

Scott Walker, Governor
Kitty Rhoades, Secretary

May 6, 2015

Joe Chrisman, State Auditor
Legislative Audit Bureau, STE 500
22 East Mifflin Street
Madison, WI 53703

Dear Mr. Chrisman:

The Department of Health Services (DHS) has completed its review of the Legislative Audit Bureau (LAB) report on the provision of non-emergency medical transportation (NEMT) services to Medical Assistance members and we appreciate the remarkable professionalism of the LAB Program Evaluation staff who conducted the audit and worked closely with our program staff. The report illustrates the auditors' understanding and appreciation of the challenges and complexities of providing these services to an eligible group of nearly 1 million Wisconsin citizens. It is our goal to provide efficient, high quality services and we agree these recommendations will help to improve the oversight and management of the program.

The Department concurs with the recommendation that we provide a written report to the Joint Legislative Audit Committee regarding progress on expanding the number of locations for members to receive opioid treatment. This expansion of service locations for members will hopefully help to reduce costs for NEMT services, as the distances that members will need to travel to receive these services will be reduced.

The LAB's recommendation that additional metrics be added to monitor the transportation manager's call center performance will be explored further. Close oversight of the experience of our members is extremely important to us. We appreciate the recommendations made regarding the complaint process and providing members with more information in writing throughout the process. The Department is committed to ensuring a positive overall member experience and will work on incorporating these recommendations.

The Department recognizes the importance of the recommendation of creating additional standards that focus on rides being available when needed and on-time. We will work to establish new metrics to be monitored regarding provider no shows and late rides. We will continue to monitor the performance of the transportation manager on a weekly basis to ensure that our standards are being met.

The Department again wishes to thank the Legislative Audit Bureau staff for their work on this audit and the thorough and thoughtful analysis that led to these helpful recommendations.

Sincerely

A handwritten signature in black ink that reads "Kitty Rhoades".

Kitty Rhoades
Secretary