Independent Assessment of the Florida Medicaid NET Program

Final Report
Deliverable #4

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September 28, 2016

Submitted to the Florida Agency for Health Care Administration
Contract MED179

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List of Abbreviations

AHCA = Agency for Health Care Administration

CSR = customer service representative

CMS = Children's Medical Services

CNET = Capitated Non-Emergency Transportation

CTC = Community Transportation Coordinator

CTD = Commission for the Transportation Disadvantaged

FFS = fee-for-service

FMMIS = Florida Medicaid Managed Information System

MMA = Managed Medical Assistance

MTM = Medical Transportation Management, Inc.

NET = Non-Emergency Transportation

PMPM = per member per month

PPEC = Prescribed Pediatric Extended Care

PSRDC = Policy and Services Research Data Center

SFY = State Fiscal Year

SMMC = Statewide Medicaid Managed Care

STP = Subcontracted Transportation Provider

TD = Transportation Disadvantaged

Executive Summary

The Florida Agency for Health Care Administration (AHCA) contracted with the University of South Florida to provide an independent assessment of the Non-Emergency Transportation (NET) program. NET services are provided to Medicaid recipients to access medical care if they are unable to drive, cannot afford to own or maintain a vehicle, or do not have access to affordable transportation. Multiple modes of transportation are available, including vans, wheelchair/stretcher vehicles, and public transportation. Currently, two vendors (LogistiCare and Medical Transportation Management, Inc. [MTM]) provide NET services to Medicaid recipients who are not enrolled in a managed care plan. This report provides background information on the NET program and presents results of the assessment which focuses on access to services, quality of services, and cost effectiveness of services.

Background

From 2004 through 2014, AHCA contracted with the Florida Commission for the Transportation Disadvantaged (CTD) to provide NET services throughout Florida. The CTD, in turn, contracted with community transportation coordinators or private, for-profit transportation providers. When the Statewide Medicaid Managed Care (SMMC) program was implemented in 2014, Medicaid managed care plans became responsible for providing NET as a covered service to plan enrollees. AHCA has contracted with LogistiCare and MTM to provide NET services to Medicaid recipients who are not enrolled in the SMMC program using capitated rates that are based on eligibility category and region. In addition to providing services to recipients who are not enrolled in the SMMC program, LogistiCare and MTM contract with most of the managed care plans to provide services to plan enrollees.

Method

The research design for this assessment consisted of qualitative and quantitative methods to evaluate access to services, quality of services, and cost effectiveness of services. Specifically, methods consisted of a review of documents, a mail questionnaire, a semi-structured telephone interview, and an analysis of Medicaid data that included AHCA Capitation files, Recipient files, Florida Medicaid Management Information System (FMMIS) encounters, and fee-for-service claims for health care services. In some instances, it was not possible to draw conclusions specifically for the population that is the focus of this report (i.e., individuals who are not enrolled in the SMMC program) because some data sources included information about all Medicaid recipients who received NET services.

Access to Services

Results suggest that it is easy for Medicaid recipients to schedule rides and that the new arrangement offers more flexibility in terms of scheduling. Both vendors offer various modes of transportation to meet the needs of Medicaid recipients and taxis and wheelchair vans are used most commonly. Clients with special needs are authorized to have one escort or personal care attendant to accompany them free of charge. Respondents indicated that drivers are safe and courteous, although riders often have to wait a long time to be picked up after their appointments. In general, Medicaid recipients appear to be satisfied with NET services.

Quality of Services

The annual rate of consumer complaints was lower for LogistiCare (0.1%) than MTM (0.8%). From the first quarter to the fourth quarter, the rate increased slightly for MTM and remained stable for LogistiCare. However, the annual complaint percentage for both vendors was less than 1%, suggesting that the vast majority of customers are satisfied with NET services.

With regard to safety, LogistiCare has specific vehicle requirements and detailed information about the responsibilities of vehicle operators. The MTM provider manual does not list vehicle requirements, but it does specify consequences for non-compliance with performance standards.

Cost Effectiveness of Services

Results suggest that total capitated payments by AHCA to the vendors were highest in the initial months of the NET program. In general, payments by AHCA to MTM were greater than the cost to MTM of services provided, and this difference is most notable for individuals receiving Prescribed Pediatric Extended Care (PPEC) services.

Recommendations

Recommendations include modifying the vendor performance reports to distinguish between the Medicaid fee-for-service and managed care populations, adding details to the MTM provider manual, addressing consumers' concerns about long waits for pick up after appointments, and providing justification for disparities in capitation rates.

Introduction

Purpose

The purpose of this project is to evaluate three aspects of the Florida Medicaid Non-Emergency Transportation (NET) program: access to services, quality and efficiency of services, and cost effectiveness of services. This independent assessment is a requirement of the Section 1915(b) waiver that authorized the program to serve individuals who are not enrolled in a Medicaid managed care plan. In order to serve this population, the Agency has contracted with two vendors, LogistiCare and MTM, to provide NET services throughout Florida. This report provides background information on the previous and current waiver programs, evaluates the current program, and offers recommendations for improvement.

Background

The Code of Federal Regulations (42 CFR 431.53) requires all States to ensure that eligible, qualified Medicaid recipients receive non-emergency transportation so that they can get to and from Medicaid-compensated appointments and services (Centers for Medicare & Medicaid Services, 2014). The Agency for Health Care Administration (AHCA), which administers the Medicaid program in Florida, is required to provide NET for Medicaid recipients to access medical care if they are unable to drive, cannot afford to own or maintain a vehicle, or do not have access to affordable transportation (Florida Commission for the Transportation Disadvantaged, 2015). From 2004 through 2014, NET services in Florida were provided under a waiver of Section 1915(b) of the Social Security Act which allowed for flexibility in establishing arrangements for Medicaid-sponsored transportation. During this time, AHCA contracted with the Florida Commission for the Transportation Disadvantaged (CTD) to administer NET services under the waiver program on a fixed fee basis. When the Statewide Medicaid Managed Care (SMMC) program was implemented in 2014, Medicaid managed care plans became responsible for providing NET as a covered service to plan enrollees, and the original 1915(b) waiver was allowed to expire. However, NET continues to be provided to Medicaid recipients who are not enrolled in the SMMC program since NET is one of the mandatory services that States are required to provide. AHCA has contracted with two vendors to provide NET services for this population using capitated rates that are based on eligibility category and region. These services are being provided under the authority of a new 1915(b) waiver, which is approved from January 1, 2015 through December 31, 2016, and the Agency will request an extension for five additional years.

Historical Overview

The original waiver program for NET was administered by the Transportation Disadvantaged (TD) program under the direction of the CTD. The CTD provided these services on a fixed fee basis beginning in 2004. The CTD was also responsible for establishing guidelines for program implementation, providing technical assistance regarding program requirements, collecting and analyzing operational data, and developing and submitting reports to AHCA (Florida Commission for the Transportation Disadvantaged,

2015). The CTD designated a Community Transportation Coordinator (CTC) to assist individuals who were identified as transportation disadvantaged for each county or multi-county area. If a CTC declined to contract with the CTD for the provision of Medicaid NET services, the CTD entered into contracts with private, for-profit transportation service providers to meet the needs of Medicaid recipients in that community. The local CTCs or subcontracted transportation providers (STPs) were responsible for accepting recipient calls, making trip reservations, scheduling vehicles, preparing invoices, and monitoring the quality of services and operator performance (Dewey et al., 2003). The State's goal was to ensure that Medicaid recipients had access to NET while reducing costs, increasing efficiency, and maintaining the quality of transportation services (Dewey et al., 2003, p. 6). In SFY 2013-14, the statewide allocation for transportation services was $61,051,033. During that time, approximately 2.5 million one-way NET trips were provided to 64,021 Medicaid recipients, for an average of 39 trips per person (Florida Commission for the Transportation Disadvantaged, 2015).

In 2011, the Florida Legislature created Part IV of Chapter 409, Florida Statutes, directing AHCA to develop the Statewide Medicaid Managed Care (SMMC) program for the purpose of providing Medicaid benefits in a more efficient and cost effective manner. The SMMC program was fully implemented in 2014 and requires mandatory enrollment in a managed care plan for most Medicaid recipients. Individuals enrolled in a managed care plan receive NET services through their plan as a covered service. As a result of the transition to SMMC, the CTD and the local CTCs no longer have oversight of Medicaid-sponsored NET, unless the designated NET vendors elect to coordinate their services with the CTD or CTC.

Current Program

In June 2014, AHCA requested a two-year waiver under Section 1915(b) of the Social Security Act in order to "improve the quality, cost-effectiveness, monitoring, and coordination of Medicaid Non-Emergency Transportation services" for Medicaid beneficiaries who are not enrolled in a managed care plan (Agency for Health Care Administration [AHCA], 2014, p. 3). A primary goal of the 1915(b) waiver is to limit Medicaid recipients' choice of transportation providers to one entity in order to avoid duplication of services. The Centers for Medicare and Medicaid Services approved the waiver request in December 2014 to be effective from January 1, 2015 through December 31, 2016.

Population Served

The current NET waiver program is limited to Medicaid recipients who are not enrolled in Florida's SMMC program and who have no other means of transportation to access a Medicaid-covered service.

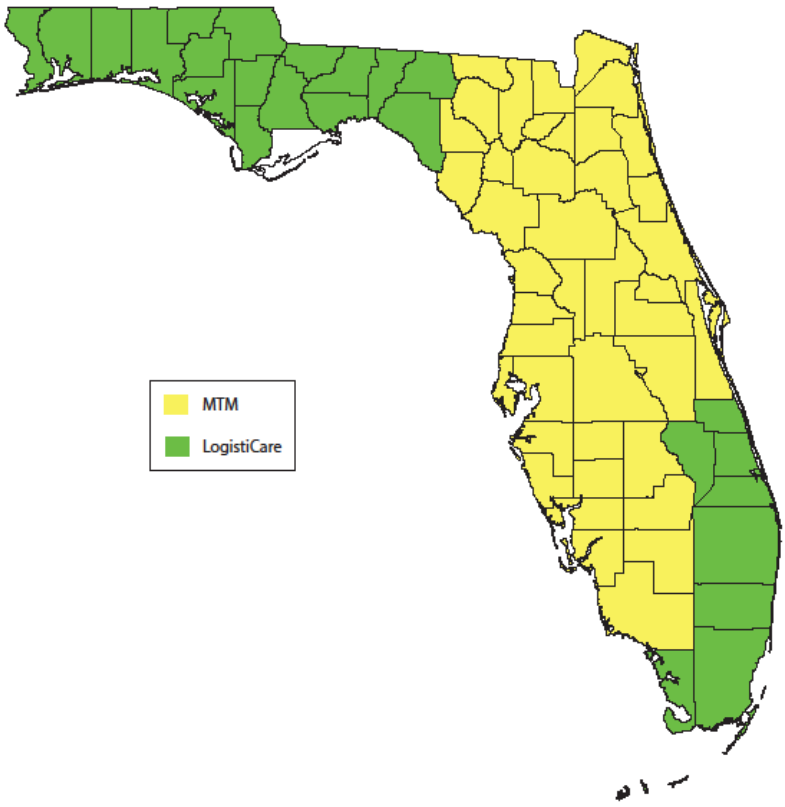
Vendors and Their Responsibilities

AHCA has contracted with two vendors to provide NET services throughout Florida. These vendors are also referred to as the Capitated Non-Emergency Transportation (CNET) plans. The vendors must ensure the provision of NET services and provide oversight and quality improvement programs (AHCA, 2014). A single vendor operates in each geographical area (see Figure 1). LogistiCare serves Medicaid recipients in Regions 1, 2, 9, 10, and 11. MTM serves Medicaid recipients in Regions 3, 4, 5, 6, 7, and 8.

Within their assigned regions, LogistiCare and MTM act as transportation brokers between the NET recipients and various STPs. Although LogistiCare and MTM manage administrative aspects of the NET

program including trip scheduling, dispatching, service oversight, and payment for service, they do not own vehicles, but partner with local service providers (both non-profit and for-profit) for the provision of NET.

Figure 1. *Counties Served by LogistiCare and MTM*



It is the responsibility of the vendors to provide the most medically appropriate mode of transportation for the recipient's needs, including the use of multiload vehicles, public transportation, wheelchair vehicles, stretcher vehicles, private volunteer transport, over-the-road bus services, or commercial air carrier transport. The vendors must also arrange all Medicaid NET trips between the STPs and eligible Medicaid recipients. Together, the vendors and STPs determine the most cost-effective and efficient means of transportation to access all Medicaid-covered services (AHCA, 2014, p. 19).

As specified in the waiver proposal, the vendors must meet several qualifications and requirements. For example, they must determine Medicaid recipient eligibility, assess recipient need for NET services, determine the most appropriate transportation method to meet the need, and provide education to recipients on the use of NET services. They must also ensure that (1) transportation providers (STPs) meet health and safety standards for vehicle maintenance, operation, and inspection; (2) drivers are trained and fully qualified; (3) Medicaid recipient grievance, appeal, and Medicaid Fair Hearings requirements are met; and (4) transportation services are delivered in a courteous, safe, and timely manner. The vendor must also maintain a secure transportation database and accept responsibility for

the management of daily operations and maintenance of records and systems of accountability (AHCA, 2014, pp. 15-16).

Rights and Responsibilities of Medicaid Recipients

The LogistiCare and MTM handbooks describe the rights and responsibilities of Medicaid recipients regarding NET services (LogistiCare, 2015; Medical Transportation Management, Inc., 2015). Medicaid recipients in need of transportation must call the contracted vendor in their region (LogistiCare or MTM) to schedule a routine ride at least three business days in advance. Calls for routine rides must be made Monday through Friday between 8 a.m. and 5 p.m. Urgent rides, such as hospital discharges, can be scheduled 24 hours a day, seven days a week and are provided within three hours or less. Recipients have a $1.00 copayment for each one-way trip, but are exempt from copayment if they meet certain conditions as specified in the Provider General handbook. If recipients are denied a trip request or wish to file a complaint, the handbooks provide detailed instructions for doing so.

Reimbursement

AHCA pays each contracted NET vendor a monthly amount based on a capitation rate established for non-emergency transportation services provided to Medicaid fee-for-service populations. These are separate rates for members receiving services through Prescribed Pediatric Extended Care (PPEC) centers and non-PPEC members by region. The rates also vary widely by region and eligibility category, with an overall PPEC rate of $601.63 per member per month (PMPM) and an overall non-PPEC rate of $1.43 PMPM for the August 2014 – August 2015 NET rates. The projected capitation rates were based on the SFY 2012-13 population with projected population growth rates incorporated for each of the groups as well as an inflation factor. The rates are adjusted annually based on historical and projected utilization data across eligibility categories, regions, and clinical risk profiles of the recipients (Agency for Health Care Administration [AHCA], n.d., p. 2). The vendor, in turn, pays their transportation providers in each county based on the amount agreed upon in the Transportation Provider Agreement between the vendor and the transportation provider.

Independent Assessment

An independent assessment of the NET program for recipients not enrolled in a health plan is a requirement of the new Section 1915(b) waiver. The purpose of the assessment is to evaluate access to services, quality of services, and cost effectiveness of services provided by the vendors. AHCA has contracted with the University of South Florida to conduct the assessment for the first approval period, which is from January 1, 2015 through December 31, 2016. In addition to findings from the assessment, this report will provide a summary of the program's strengths and recommendations for improvement.

Access to Services

Research Questions

1. What strategies does the NET program utilize to improve access to care?
2. What changes in access to transportation occurred due to the implementation of the NET program?
3. How is the NET program ensuring there is an adequate network of drivers and vehicles to provide the most medically appropriate mode of transportation for each recipient's needs?
4. How does participation in the NET program vary by race, ethnicity, age, health condition, and medical services utilized?
5. What changes in timeliness of services (which includes scheduling, receiving and delivering transportation services) occurred over the course of the implementation of the waiver?
6. How does the NET program ensure that transportation is accessible and available to special needs populations (i.e., blind, deaf or physically disabled)?
7. What are the characteristics associated with transportation escorts and personal care attendants (recipient demographics, frequency, and factors associated with picking up and returning the escort/personal care attendant to a location that is separate from the associated recipient)?
8. What are the characteristics (age, gender, eligibility group, chronic health conditions) of the population that utilizes transportation services compared to the population that does not utilize transportation services?

Method

The research design for this assessment consisted of qualitative and quantitative methods to evaluate access to services for individuals in the NET program. For RQs 1, 3, 6, and 7, we reviewed the provider operations manuals for both vendors. In order to answer RQ 2, we used Medicaid data, a telephone interview with AHCA staff (see Appendix B), and a consumer questionnaire (see Appendix A). In order to answer RQs 4 and 8, we used Medicaid data, as described below. For RQ 5, we reviewed the monthly performance reports that are submitted by the vendors to AHCA. We determined which data elements were reported in common across both vendors in order to make comparisons. A limitation of this analysis is that the monthly performance reports include all NET recipients, including individuals who are enrolled in an MMA plan. As noted in the Executive Summary, LogistiCare and MTM contract with most of the managed care plans to provide services to plan enrollees in addition to the fee-for-service (FFS)

population. Thus, we are unable to draw conclusions specifically for the FFS population that is the focus of this report.

Medicaid Data. The primary sources of Medicaid data were the AHCA Capitation files, Recipient files, Florida Medicaid Managed Information System (FMMIS) encounters submitted by the capitated non-emergency transportation vendors, and fee-for-service claims data. The Capitation files are monthly files that contain person-level information on capitated payments, including the specific vendor (MTM or LogistiCare) and the payment from AHCA to the vendor for a given individual. The Capitation file is also the source for recipient residence based on the managed care region, which is typically reported as county of residence and is then aggregated to AHCA region. The Recipient file contains information on enrollee demographics, including date of birth, race, and gender. FMMIS was the source of encounter data for transportation services provided by the Capitated Non-Emergency Transportation (CNET) plans. CNET plans (i.e., vendors) are required to submit an encounter for each service provided. Information on an encounter includes the Medicaid ID for the person receiving the service, the date of service, the service provided, the provider, and what the CNET plan paid for the service. Encounters for the CNET plans were identified based on the submitting provider identifier (MTM = 301571; LogistiCare = 301595). All transportation encounters were extracted for individuals reported in the Capitation file for the time they were enrolled in a CNET plan. Fee-for-service claims were used to obtain information on healthcare services.

Enrollment in LogistiCare began in February 2015 while enrollment in MTM began in March 2015. LogistiCare covers enrollees in AHCA Regions 1, 2, 9, 10, and 11, and MTM covers enrollees in AHCA Regions 3, 4, 5, 6, 7, and 8. We analyzed all encounters with a date of service through December 2015. There was one significant limitation to the analysis. LogistiCare had not provided encounter data to FMMIS when the analysis for this report was performed. As a result, their services were not included in this evaluation. Thus, the analysis of service provision is limited to only one vendor, MTM.

Telephone Interview. In May 2016, the research team conducted a semi-structured telephone interview with four AHCA staff members who are familiar with the historical and current operations of the NET program. The interview protocol focused primarily on cost effectiveness of services, but also included questions regarding access and quality of services (see Appendix B for interview protocol). All participants provided fully informed consent according to USF Institutional Review Board policy. The interview was audio recorded and transcribed and quotes are presented in the results.

Consumer Questionnaire. A consumer questionnaire was developed and mailed to 500 Medicaid recipients who utilized NET services between August 2015 and February 2016 (see Appendix A for consumer questionnaire). Names and residential addresses were obtained directly from MTM (N = 3,864 unique individuals) and LogistiCare (N = 3,087 unique individuals), and these lists were randomized using Microsoft Excel in order to select 500 recipients. These individuals were mailed a copy of the survey along with a stamped return envelope and a cover letter that explained the purpose of the study. The questionnaire contained 17 items that included both Likert-type scales and open-ended responses. For Likert-type items, responses were given on 4-point or 5-point scales, depending on the item (see Appendix A). For example, Item #4 was scored as 1 = *very easy* and 5 = *very difficult*, and Item #7 was scored as 1 = *always* and 5 = *never*. Questionnaire data were analyzed using the Statistical Package for the Social Sciences (SPSS) 22.0. Independent samples t-tests were used to determine if there were statistically significant differences ($p < .05$) in mean scores by vendor.

Results

RQ 1: What strategies does the NET program utilize to improve access to care?

In order to improve access to care, both vendors offer a variety of services to meet the needs of Medicaid recipients. According to the interview with AHCA staff members, "our contract explicitly requires the vendors to make sure they have access to every mode of transportation that's required…to safely and adequately transport that individual to their service." For example, the LogistiCare provider manual explicitly states that different modes of transportation are available, including sedans, wheelchair vehicles, and stretcher vehicles. LogistiCare also uses services from paratransit companies, ambulance companies, public bus systems, taxi cabs, charitable foundations, buses, trains, and planes (LogistiCare, n.d., p. 9). Although the provider manual indicates that LogistiCare does not provide non-emergency ambulance services (p. 9), the beneficiary handbook indicates that it does so under certain circumstances (e.g., the recipient is continuously dependent on oxygen that must be administered by trained personnel, the recipient is receiving intravenous treatment, the recipient is heavily sedated). As shown in Table 6, ambulance services represent a small proportion of NET rides by LogistiCare.

Both LogistiCare and MTM require recipients to schedule a ride at least three days in advance, unless the ride is urgent. These "routine" rides can be scheduled on weekdays between 8:00 a.m. and 5:00 p.m. However, both vendors also provide urgent rides, which can be scheduled 24 hours a day, seven days a week. Urgent rides consist of transportation for urgent care, which includes discharges from facilities, medical tests or procedures scheduled within the last 72 hours, and appointments for services which cannot be scheduled to meet the three-day rule without affecting the recipient's life or limb (LogistiCare, n.d., p. 10). As explained later in the report (p. 26), LogistiCare also authorizes escort services for specific populations.

RQ 2: What changes in access to transportation occurred due to the implementation of the NET program?

Table 1 examines the modes of transportation that were utilized by MTM enrollees. The most common form of transportation was taxi. There were 3,235 MTM enrollees who used taxi services. Wheelchair vans were the next most common form of transportation used.

Table 1*. Modes of Transportation (MTM)*

Procedure code	Description	People	Encounters	Total cost	Per user cost
A0090	NEMT, per mile, vehicle provided by individual	238	4,051	$31,260	$131
A0100	NEMT, taxi	3,235	108,504	$2,402,111	$742
A0110	NEMT, bus, intra-or inter-state carrier	219	2,748	$3,164	$14
A0130	NEMT, wheelchair van	1,227	25,381	$857,408	$698
A0428	NEMT, ambulance service	405	894	$97,162	$240
Total		5,038	141,578	$3,391,105	$673

Note. Data are from February 2015-December 2015 FMMIS encounters. Recipients can receive services using multiple modes of transportation.

Information obtained from the telephone interview with AHCA staff members revealed two primary benefits of the new NET waiver program. First, users "only have to deal with one contractor in the area as opposed to having to contact the local CTC." According to AHCA, both contractors (i.e., LogistiCare and MTM) have a large provider network and "more resources in terms of the call center," so they are better able to address the needs of users throughout a region. This has resulted in more flexibility in terms of scheduling trips. A related benefit is that users can schedule medical appointments based on their personal needs rather than around the schedule of the CTC: "…if I wanted to go to North Broward County and the local CTC only took that trip on Mondays, Wednesdays, and Fridays, I would have my medical appointment accommodate their trip schedule, and this is the reverse." Additionally, the vendors "have the ability to ensure that whenever a recipient calls, whether on the weekend, morning, or evening, they have individuals available to accommodate scheduling any trips for them."

In order to measure satisfaction with NET services, the research team mailed 500 questionnaires to a random sample of individuals as described earlier. The team received 64 completed questionnaires for a response rate of 12.8%. A total of 79 surveys (15.8%) were returned as undeliverable. The results of the survey are summarized below and in Table 2 and Figures 2-11. Due to the low response rate, readers should exercise caution when making comparisons between the vendors. Slightly more than half (54.7%) of the respondents were assigned to MTM, and a majority were female (65.6%) and over the age of 40 (76.6%). Most respondents (71.9%) reported that they use the service for 1 to 5 trips per month.

***Table 2**. Demographics of the Consumer Questionnaire Respondents*

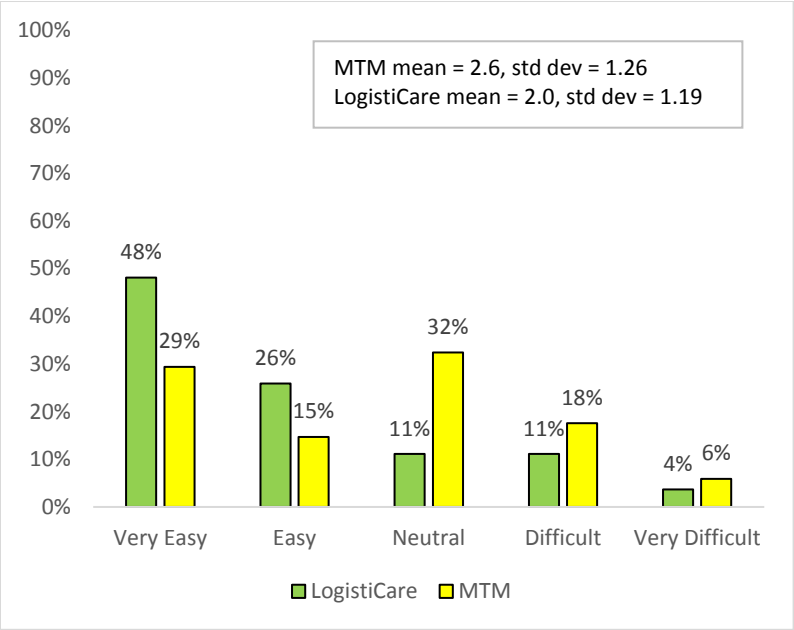
	N	%
Vendor		
LogistiCare	29	45.3%
MTM	35	54.7%
Gender		
Male	21	32.8%
Female	42	65.6%
Age Group		
18-24	3	4.7%
25-39	10	15.6%
40-60	20	31.3%
61 or older	29	45.3%
Trips per Month		
1-5	46	71.9%
6-10	3	4.7%
11-15	2	3.1%
16-20	4	6.3%
More than 20	5	7.8%

Note. Percentages may not add to 100% due to missing data.

As shown in Figure 2, a majority of the respondents indicated that it is "very easy" or "easy" to schedule a ride (57.3%). MTM customers reported slightly more difficulty with scheduling than LogistiCare customers; however, the difference in mean scores was not statistically significant. In addition, most

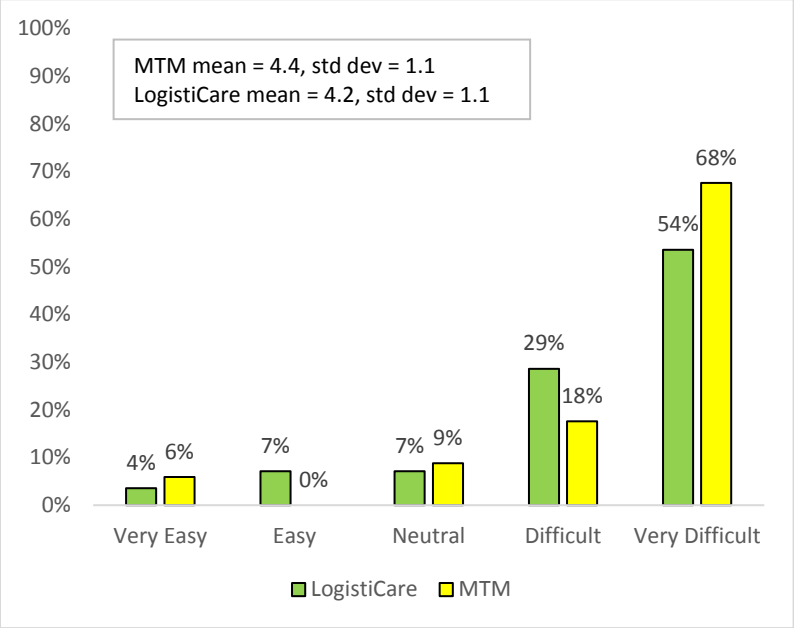
respondents indicated that it would be “very difficult” or “difficult” to get to their appointments without the service (83.8%). Again, there was no statistically significant difference in mean scores (see Figure 3). One respondent added this comment: “I have multiple chronic illnesses and without non-emergency vehicles it would be extremely difficult. Many of my appointments would be missed because I have no way of getting there.”

Figure 2*. How easy is it for you to schedule your ride?*



Note. There were no significant differences in mean scores by vendor in Figure 2. MTM *N* = 34; LogistiCare *N* = 27.

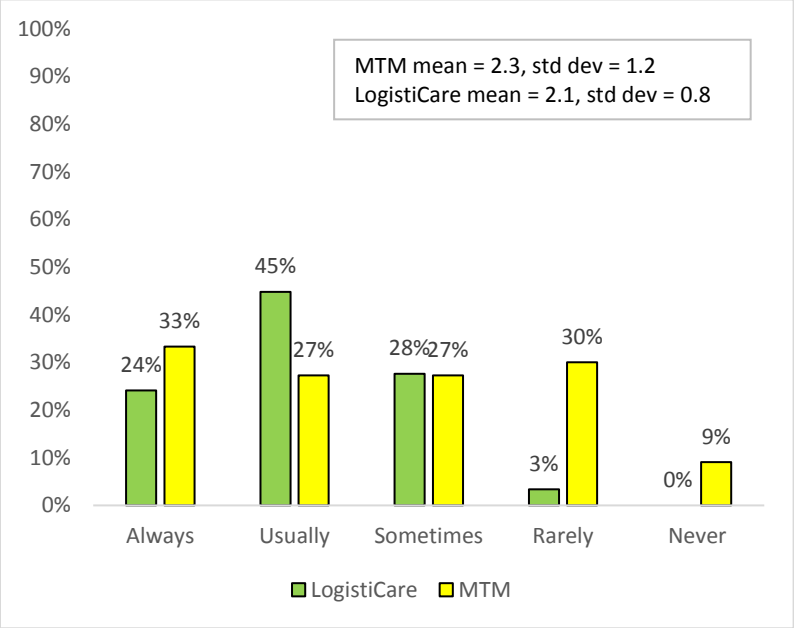
Figure 3. *If non-emergency transportation was not available, how easy would it be for you to get to your appointments?*



Note. There were no significant differences in mean scores by vendor in Figure 3. MTM *N* = 34; LogistiCare *N* = 28.

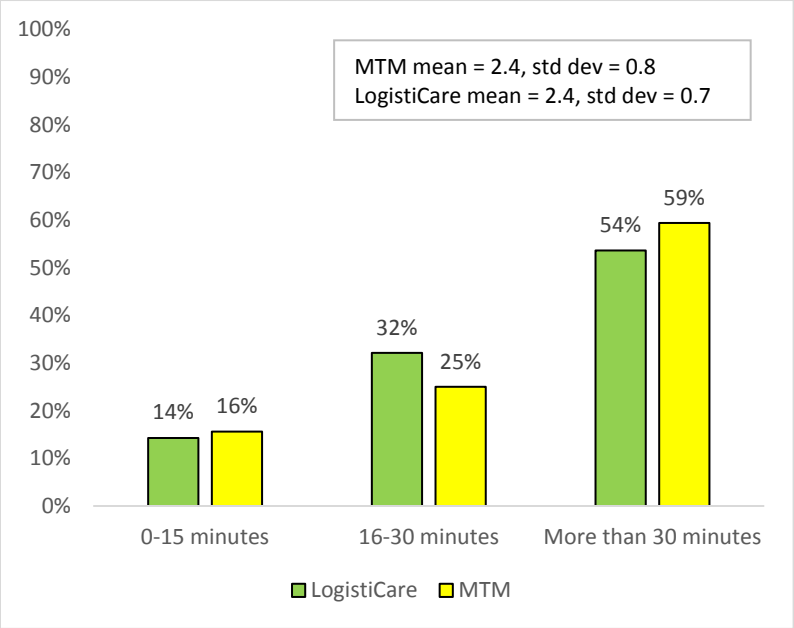
Although the majority of respondents indicated that they are usually or always picked up on time (64.5%), over half (56.7%) of the respondents must wait more than 30 minutes for a return trip after their appointment (see Figure 4 and Figure 5). As one respondent noted, “The biggest problem is being picked up from appointment. I usually wait one hour if not longer.” Other respondents confirmed this: “They make you wait after appointment for up to two hours,” and “Waiting for a return trip is always a long time, about 1-2 hours.”

***Figure 4**. Are you picked up on time?*



Note. There were no significant differences in mean scores by vendor in Figure 4. MTM *N* = 33; LogistiCare *N* = 29.

***Figure 5**. How long do you usually wait to be picked up after your appointments?*

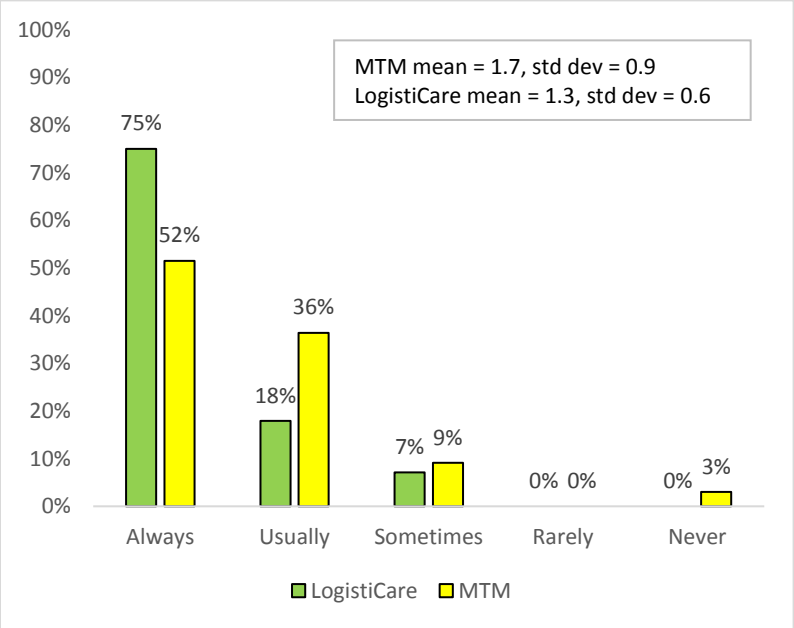


Note. There were no significant differences in mean scores by vendor in Figure 5. MTM *N* = 32; LogistiCare *N* = 28.

With regard to safety and courtesy, 90% of the respondents reported that drivers "usually" or "always" operate the vehicles safely, and the same percentage reported that drivers are "courteous" or "very courteous." Figure 6 and Figure 7 show the responses by vendor and, again, there was no statistically significant difference in mean scores. According to one respondent: "They never speed, they make sure

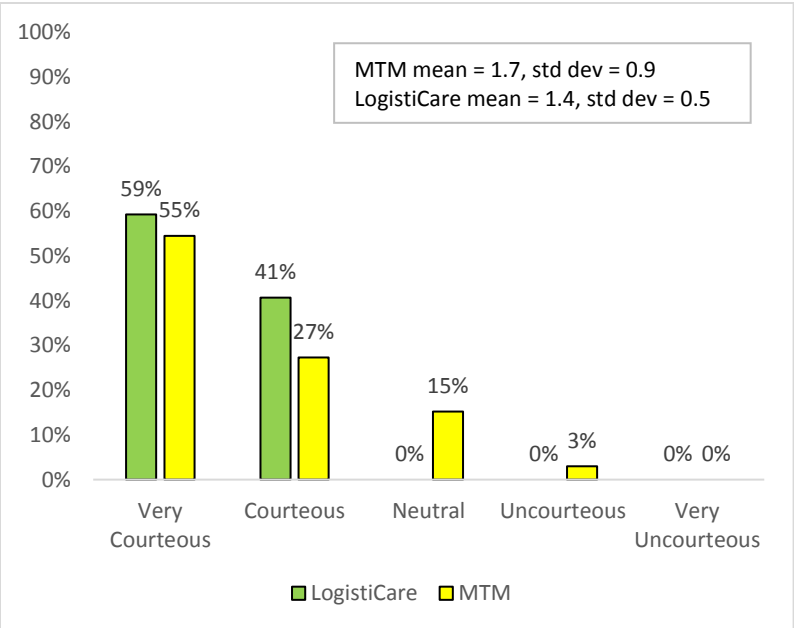
you are buckled up and they drive safely." Another respondent indicated that dispatch was notified about a driver who swerved in and out of traffic, and that the driver did not return for pick up. Due to the anonymous nature of the questionnaire, we were unable to follow up with respondent to determine whether a different driver was assigned for the return trip.

***Figure 6**. Do the drivers operate the vehicles in a safe manner?*



Note. There were no significant differences in mean scores by vendor in Figure 6. MTM *N* = 33; LogistiCare *N* = 28.

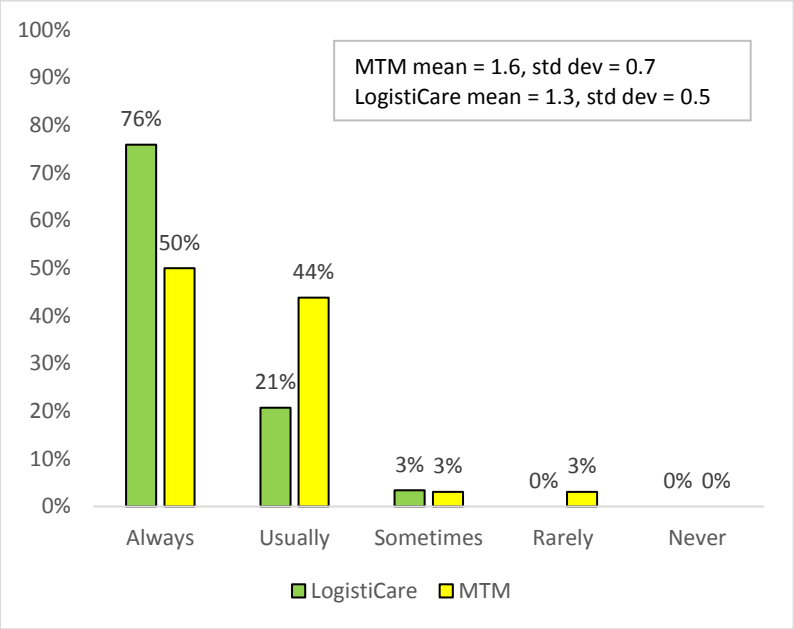
***Figure 7**. How would you rate the attitude of the drivers?*



Note. There were no significant differences in mean scores by vendor in Figure 7. MTM *N* = 33; LogistiCare *N* = 27.

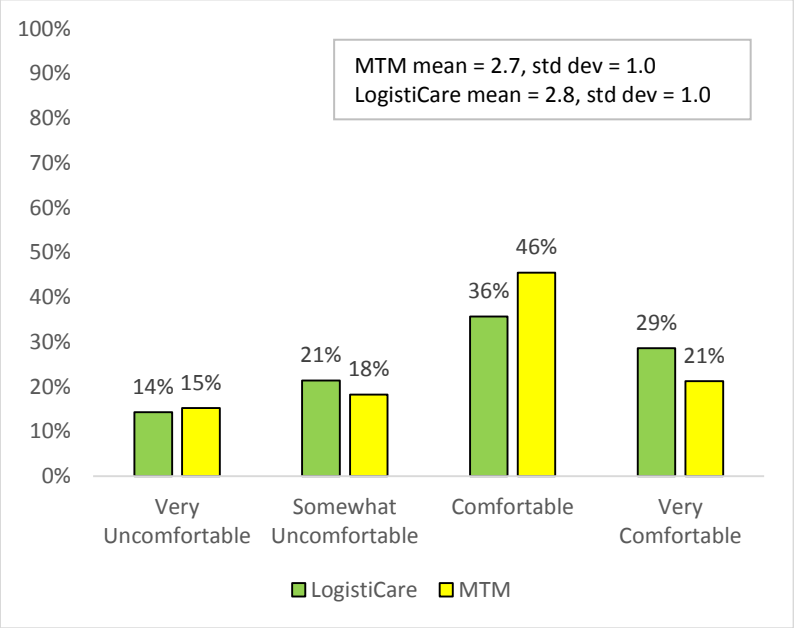
When asked whether the type and size of vehicles meet their needs, 95% of respondents indicated this was true “always” or “usually” (see Figure 8). Results of an independent samples t-test indicated that there was a borderline statistical difference in scores by vendor on this item (t = -1.99, p = .05), with more LogistiCare respondents reporting that the vehicles meet their needs. Similarly, 65.6% reported being “very comfortable” or “comfortable” during transport (see Figure 9). The majority of comments for this item were very positive, with respondents noting that the “vehicles are always spacious and comfortable” and “even when I go to make an appointment they take time to ask you about your needs.” However, two respondents indicated that “wheelchair lifts have had mechanical problems” and “sometimes the van is overloaded.”

Figure 8*. Do the type and size of vehicles provided for your travel meet your needs?*



Note. There was a borderline statistical difference in mean scores by vendor in Figure 8 (t = -1.99, p = .05). MTM N = 32; LogistiCare N = 29.

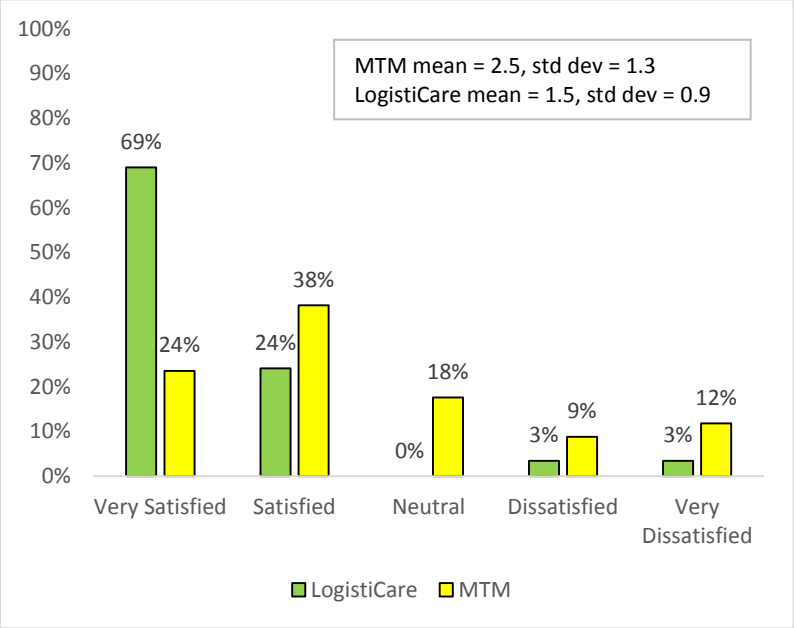
***Figure 9**. How comfortable are the vehicles during your transport?*



Note. There were no significant differences in mean scores by vendor in Figure 9. MTM *N* = 33; LogistiCare *N* = 28.

In general, the respondents were satisfied with NET services as shown in Figure 10. Results of an independent samples t-test indicated that there was a statistically significant difference in scores by vendor on this item ($t = -3.50$, $p < .001$), with LogistiCare customers reporting higher levels of satisfaction. As one respondent noted: "Everyone is very nice and helpful. I am so glad this transportation is available because I don't have a car and my kids also have appointments, so I am very thankful!"

***Figure 10**. In general, how satisfied are you with the quality of non-emergency transportation services?*



Note. There was a statistically significant difference in mean scores by vendor in Figure 10 (t = -3.50, p < .001). MTM N = 34; LogistiCare N = 29.

RQ 3: How is the NET program ensuring there is an adequate network of drivers and vehicles to provide the most medically appropriate mode of transportation for each recipient's needs?

The LogistiCare provider manual has explicit requirements for driver and attendant job duties. For example, drivers are required to assist passengers with fastening of seat belts and securing of wheelchairs. They must also provide an appropriate level of assistance and must not leave vehicles unattended with passengers aboard for more than five minutes (LogistiCare, n.d., p. 27). Drivers and attendants are also required to receive training that includes information about emergency procedures, record keeping requirements, and customer service protocols.

The MTM provider manual states that any new driver or new vehicle must be credentialed before providing transportation services. Personnel credentials include a background check, driver's license, and driving record information that are uploaded to the MTM website. Specific vehicle credentials are not described in the provider manual. Additionally, the MTM website offers an online application for prospective transportation providers. After the provider submits the application, they are contacted by a member of the Network Management team to discuss current needs and available contracts.

In response to a request for information about the capacity of their provider networks, LogistiCare and MTM supplied data tables with the total number of providers and vehicles in each region. In 2015, LogistiCare had 174 providers operating across five regions, and MTM had 98 providers operating across six regions. In order to compare vehicle availability across regions, we divided the total number of vehicles by the number of eligible NET recipients. The rates ranged from 1.6 vehicles per 1,000 eligible recipients in Region 11 to 13.5 vehicles per 1,000 eligible recipients in Region 3. This information is summarized in Table 3. It should be noted that the number of vehicles does not reflect vendor reimbursements for public transportation, which is used frequently in more populated regions.

Table 3. *Provider Network Capacity*

Region	MTM	LogistiCare	Recipients Eligible for NET	Vehicles per 1,000 Eligible Recipients
	N of Vehicles		N	
1	--	114	35,481	3.2
2	--	269	33,915	7.9
3	1,059	--	78,709	13.5
4	960	--	97,299	9.9
5	483	--	61,114	7.9
6	687	--	131,213	5.2
7	788	--	133,577	8.9
8	773	--	63,523	12.2
9	--	513	82,208	6.2
10	--	786	91,556	8.6
11	--	315	198,745	1.6

RQ 4: How does participation in the NET program vary by race, ethnicity, age, health condition, and medical services utilized?

Table 4 contains the demographic characteristics for individuals enrolled in MTM and LogistiCare. Individuals enrolled in LogistiCare tended to be older than individuals enrolled in MTM. A higher proportion of LogistiCare enrollees were Black or Hispanic, while a higher proportion of MTM enrollees were White. As expected, the AHCA regions differ for enrollees in LogistiCare and MTM. There were 399 PPEC enrollees in MTM and 515 in LogistiCare.

***Table 4**. Demographic Characteristics of Recipients Eligible for NET Services*

	MTM			LogistiCare		
	N	Mean/%	Std dev	N	Mean/%	Std dev
Age at time of CNET enrollment	565,435	27.1	22.5	442,905	34.2	26.9
Gender						
Female	334,830	59.2%		267,195	60.3%	
Male	230,545	40.8%		175,529	39.6%	
Unknown	60	0.0%		181	0.1%	
Race						
Asian	8,346	1.5%		4,531	1.0%	
Black	116,663	20.6%		111,381	25.1%	
Hispanic	128,987	22.8%		150,554	34.0%	
American Indian/Alaskan Native	1,445	0.3%		764	0.2%	
White	225,245	39.8%		93,121	21.0%	
Other/Not determined	84,758	15.0%		82,554	18.6%	
AHCA Region						
1	--			35,481	8.0%	
2	--			33,915	7.7%	
3	78,709	13.9%		--		
4	97,299	17.2%		--		
5	61,114	10.8%		--		
6	131,213	23.1%		--		
7	133,577	23.6%		--		
8	63,523	11.1%		--		
9	--			83,208	18.8%	
10	--			91,556	20.7%	
11	--			198,745	44.9%	
PPEC	399	0.1%		515	0.1%	
Total number of recipients	565,435			442,905		

Table 5 examines the fee-for-service claims for individuals enrolled in CNET plans. We matched the transportation encounters with the related fee-for-service claims for health care services based on Medicaid ID and date of service. We were able to match transportation encounters for 71,129 fee-for-service claims for health care services on the same date as the trip. Clearly, we cannot say the transportation was directly related to this service; only that the service occurred on the same day that NET services were provided. The most common services included *Intensive, Extended Multidisciplinary Services Provided in a Clinical Setting to Children with Complex Medical, Physical, Mental, and Psychosocial Impairments* and *Psychosocial Rehabilitation Services*.

***Table 5**. Most Common Medicaid Reimbursable Services Associated with NET*

CPT	Description	Claims	%
T1025	Intensive, Extended Multidisciplinary Services Provided in a Clinical Setting to Children with Complex Medical, Physical, Mental, and Psychosocial Impairments	15,164	21.3
H2017	Psychosocial Rehabilitation Services	9,344	13.1
S5102	Day care services, adult	5,164	7.3
92507	Speech Therapy	4,219	5.9
97530	Physical Therapy	4,099	5.8
97110	Occupational Therapy	3,395	4.8
H2019	Therapeutic Behavioral Services	1,171	1.7
T1017	Targeted Case Management	700	1.0
G9012	Other Specified Case Management	712	1.0
		43,968	61.9

Note. CNET transportation data are from February 2015-December 2015 FMMIS encounters. Medicaid reimbursable services are from February 2015-December 2015 Medicaid fee-for-service claims. Data were matched based on Medicaid ID and date of service.

RQ 5: What changes in timeliness of services (which includes scheduling, receiving and delivering transportation services) occurred over the course of the implementation of the waiver?

Table 6 summarizes information from the vendors' monthly performance reports about scheduling, receiving, and delivering NET services. Specifically, scheduling services is described by Indicator 3, receiving services is described by Indicators 1, 4, and 5, and delivering services is described by Indicators 6-11. Information about complaints (Indicators 12 and 13) is not necessarily related to timeliness, but represents an important indicator of quality and is included in the table. Although data for the first quarter of 2015 are reported in the table, this quarter consisted of a single month (i.e., March 2015) because the vendor contracts were not authorized until 1/30/15 for LogistiCare and 2/12/15 for MTM. Thus, this section will compare trends from the second quarter to the fourth quarter for both vendors.

For MTM, the number of completed trips decreased by 18% from the second quarter to the fourth quarter. Similarly, the number of unique members utilizing NET services decreased by 32%. For LogistiCare, the number of completed trips increased by 26% during the same period and the number of unique members utilizing NET services increased by 27%. Fluctuations in these indicators are expected; thus, it is more useful to compare the utilization rate over time. The utilization rate, which is calculated as the number of completed trips divided by the number of eligible members, remained stable for MTM but decreased from March to December for LogistiCare (see Figure 11).

For both vendors, the majority of trips were provided by sedan (75% of all trips from March 2015 to December 2015). LogistiCare had a steady increase the number of trips provided by vehicles equipped for wheelchairs and stretchers as well as by ambulances. According to the performance reports, LogistiCare did not provide mileage reimbursement for its members in 2015, but MTM had an increase of 132% in mileage reimbursements from the second to the fourth quarter. Mileage reimbursement is provided to Medicaid recipients who own a car or can provide their own transportation in order to pay for costs related to getting to their care, including gasoline.

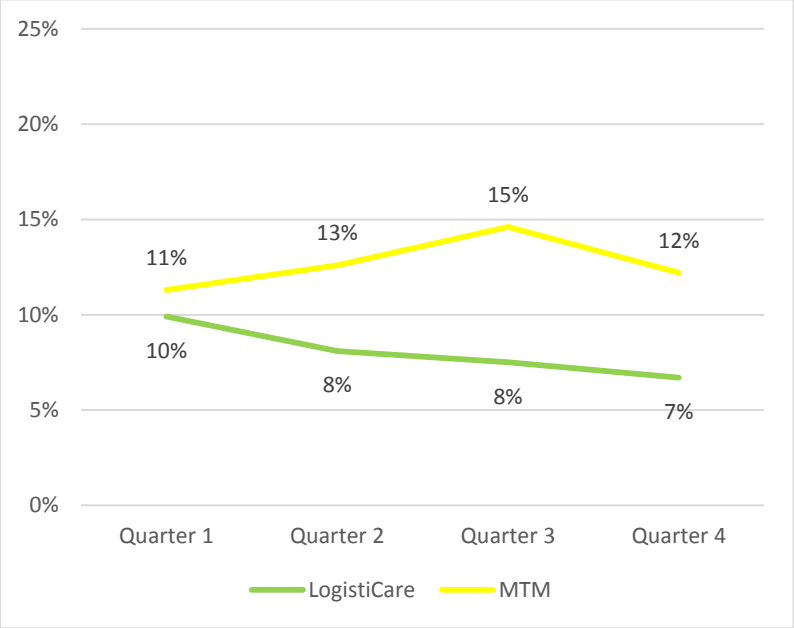
***Table 6**. Summary of Selected Quarterly Performance Indicators for Non-Emergency Transportation*

		1st Quarter[1]		2nd Quarter		3rd Quarter		4th Quarter	
No.	Indicator	MTM	LogistiCare	MTM	LogistiCare	MTM	LogistiCare	MTM	LogistiCare
1	Number of unique members utilizing transportation	1,659	994	5,545	3,789	5,021	Invalid	3,776	4,840
2	Number of eligible members (all Medicaid)	164,512	172,606	503,123	672,002	442,642	819,183	425,139	1,022,517
3	Number of reservations calls received	10,177	19,352	24,417	17,550	23,396	23,794	19,508	23,157
4	Number of completed trips	18,579	17,073	63,315	54,295	64,422	61,667	51,888	68,433
5	Average utilization rate	11.3%	9.9%	12.6%	8.1%	14.6%	7.5%	12.2%	6.7%
6	Trips provided by sedan	15,241	12,787	50,594	40,075	49,321	50,097	37,987	53,510
7	Trips provided by vehicle equipped for wheelchair	2,744	3,857	9,894	12,459	11,413	16,054	10,507	17,974
8	Trips provided by vehicle equipped for stretcher	104	264	317	929	468	1,117	604	1,539
9	Trips provided by ambulance	150	55	609	231	564	418	220	608
10	Trips provided by mileage reimbursement	149	0	848	0	1,627	0	1,964	0
11	Trips provided by public transit	191	108	1,053	330	1,029	357	606	238
12	Number of valid complaints	41	24	259	34	195	24	131	31
13	Complaint percentage*	0.4%	0.1%	1.1%	0.2%	0.8%	0.1%	0.7%	0.1%

Note. Information obtained from the NET Vendor Performance Reports. *Complaint percentage is calculated as the number of valid complaints divided by the number of reservations calls received. Agency complaint hub data were not used; these data are complaints received/reported by the vendors to the Agency.

[1] 1st Quarter = March 2015 only

Figure 11. *Average Utilization Rate for NET Services (March 2015 – December 2015)*



Note. Rates are based on all Medicaid recipients who utilized NET services provided by the two vendors.

RQ 6: How does the NET program ensure that transportation is accessible and available to special needs populations (i.e., blind, deaf or physically disabled)?
See response to RQ 7.

RQ 7: What are the characteristics associated with transportation escorts and personal care attendants (recipient demographics, frequency, and factors associated with picking up and returning the escort/personal care attendant to a location that is separate from the associated recipient)?
LogistiCare authorizes one escort free of charge for clients who are "blind, deaf, mentally retarded, or under 21 years of age" (LogistiCare, n.d., p. 10). These attendants are trained by LogistiCare and are employed by the transportation provider. According to the LogistiCare beneficiary handbook, "the escort leaves the vehicle at its destination and remains with the beneficiary" (LogistiCare, 2015). It should be noted that escorts are not accounted for in the capitated rate payments (A. Gaffner, personal communication, January 7, 2016). We were unable to find information in the MTM provider manual or on its website regarding these research questions; however, MTM does use proprietary software that may include guidelines for ensuring Medicaid eligibility as well as accessibility for special populations.

RQ 8: What are the characteristics (age gender, eligibility group, chronic health conditions) of the population that utilizes the transportation services compared to the population that does not utilize transportation services?
Table 7 examines the demographic characteristics of users and non-users of NET services. Data for this table are limited to enrollees in MTM. There were 5,038 users of NET services. Users of NET services were older than non-users. Hispanics were less likely to use NET services. Overall, a small proportion of enrollees used NET services; however, 61% of PPEC enrollees used NET services.

***Table 7**. Demographic Characteristics of Users and Non-Users of NET Services (MTM)*

	Users			Non-users			Total	Used	Rate ratio	Above/ Below Overall
	N	Mean/%	Std dev	N	Mean/%	Std dev	N	%		%
Age	5,038	52.7	24.1	560,397	26.9	22.4	565,435	0.89%	1.00	0%
Gender										
Female	3,115	61.9%		331,715	59.2%		334,830	0.93%	1.04	4%
Male	1,293	38.1%		228,622	40.8%		230,545	0.83%	0.94	-6%
Unknown	--			60	0.0%		60			
Race										
Asian	43	0.9%		8,303	1.5%		8,346	0.52%	0.58	-42%
Black	1,276	25.3%		115,387	20.6%		116,663	1.09%	1.23	23%
Hispanic	555	11.0%		128,423	22.8%		128,978	0.43%	0.48	-52%
American Indian/Alaskan Native	12	0.2%		1,433	0.3%		1,445	0.83%	0.93	-7%
White	2,075	41.1%		223,170	39.8%		225,245	0.92%	1.03	3%
Other/Not determined	1,077	21.4%		83,681	15.1%		84,758	1.27%	1.43	43%
AHCA Region										
3	699	13.9%		78,010	13.9%		78,709	0.89%	1.00	0%
4	1,071	21.3%		96,228	17.2%		97,299	1.10%	1.24	24%
5	821	16.3%		60,293	10.8%		61,114	1.34%	1.51	51%
6	1,043	20.7%		130,170	23.2%		131,213	0.79%	0.89	-11%
7	1,000	19.9%		132,577	23.6%		133,577	0.75%	0.84	-16%
8	404	8.0%		63,119	11.3%		63,523	0.64%	0.71	-29%
PPEC	243	4.8%		156	0.3%		399	60.90%	68.35	6735%
Recipients	5,038			560,397			565,435	0.89%	1.00	0%

Quality of Services

Research Questions

1. What populations are eligible and are being served by this waiver?
2. How has the rate of consumer complaints changed over time?
3. How does the NET program ensure that vehicles used for transportation meet all contractual and statutory safety requirements?

Method

In order to answer RQs 1 and 2, we reviewed the provider operations manuals for both vendors and we used Medicaid data for our descriptive analysis of RQ 1, which is presented in Table 4. Quality indicators, such as complaint reports, were compiled from the monthly performance reports that are submitted by the vendors to AHCA.

Results

RQ 1: What populations are eligible and are being served by this waiver?
Under the current Section 1915(b) waiver, the Agency has contracted with LogistiCare and MTM to provide NET services to Medicaid recipients in any of the following programs or eligibility categories who are not enrolled in a managed care plan: (a) Low income families and children; (b) Temporary Assistance to Needy Families; (c) Foster Care Children; (d) Sixth Omnibus Budget Reconciliation Act (SOBRA); Supplemental Security Income (Aged, Blind, Disabled); (f) MEDS Aged/Disabled (AD); (g) Hospice; (h) Full Dual; (i) Institutional Care; (j) Presumptively Eligible Pregnant Women; and (k) Medically Needy (Agency for Health Care Administration [AHCA], 2015a; 2015b). The two vendors are responsible for reviewing their enrollment files to ensure that recipients are eligible to receive transportation services and that each recipient resides in the vendor's service area (AHCA, 2015a; 2015b). Table 4 provides a description of the demographic characteristics of the population that is eligible for NET services under this waiver.

RQ 2: How has the rate of consumer complaints changed over time?
Information about complaints is shown in Table 6. The annual rate consumer complaints, which is calculated as the number of complaints divided by the number of reservations calls received, was lower for LogistiCare (0.1%) than MTM (0.8%). Over time, the rate increased slightly for MTM (from 0.4% in the first quarter to 0.7% in the fourth quarter) and remained stable for LogistiCare (0.1% in the first and fourth quarters). We were unable to determine which region had the highest rate of complaints because the vendors do not log their reservations calls by region.

RQ 3: How does the NET program ensure that vehicles used for transportation meet all contractual and statutory safety requirements?
LogistiCare's provider manual has a detailed section on general vehicle requirements, and specific requirements for wheelchair, stretcher, and ambulance vehicles. This section also includes information about vehicle checks with a standard checklist for inspection. All vehicles are subject to an initial and annual inspection, and vehicles must be removed from service if they fail to meet all of the listed requirements (LogistiCare, n.d., pp. 16-24). The vehicle operators are responsible for all preventive and routine maintenance, and they are required to document vehicle maintenance, inspections, lubrications, and repairs for a minimum of five years.

The MTM provider manual does not specifically outline the safety requirements for vehicles used for transportation, but it does state that providers who are "non-compliant with our requirements or performance standards…may be issued a written warning, assessed liquidated damages, and/or removed from our network of approved providers" (MTM, 2014, p. 5). MTM also has a website that credentials new drivers and vehicles (MTM, 2014, p. 18).

Cost Effectiveness

Research Questions

1. How does the NET program ensure that recipients are eligible Medicaid recipients and that the transportation is for Medicaid compensable services?
2. What are the components of the new payment methodology?
3. What are the administrative costs to the NET vendors?

Method

In order to address RQ 1, we reviewed the provider operations manual for both vendors. For RQs 2 and 3, we reviewed documents from Milliman (an actuarial consulting firm) regarding the capitation rates, we compiled information from telephone interviews with AHCA staff, and we used Medicaid data as described in the Method section for Access to Services.

Results

RQ 1: How does the NET program ensure that recipients are eligible Medicaid recipients and that the transportation is for Medicaid compensable services?
In its contracts with LogistiCare and MTM, the Agency requires that the vendors establish a service authorization (gatekeeping) process for reviewing and authorizing requests for NET services. LogistiCare utilizes a proprietary information management system called LCAD, which stores detailed information about individual client needs. The use of this software, in addition to service guidelines and recipient interviews, ensures that a client is eligible for the service. Determination of eligibility is a three-step process. First, the customer service representative (CSR) determines initial eligibility by locating the caller's Medicaid number in LCAD. If the software confirms that the caller is receiving Medicaid benefits, it provides the CSR with the recipient's address and phone number. Next, the CSR assesses whether the requested destination is a location that provides a Medicaid reimbursable service. Finally, the CSR determines if the caller has a viable alternative means of transportation other than NET (LogistiCare, n.d., pp. 6-7). As noted in the manual, eligibility information is updated continuously based on reports from drivers, social workers, and medical facilities.

The MTM provider manual does not describe the process for determining a caller's eligibility. However, on p. 32, it states that transportation providers must obtain prior approval from MTM or they will not be paid (MTM, 2014).

RQ 2: What are the components of the new payment methodology?
After implementation of the MMA program, AHCA requested that Milliman create capitation rates for NET services that are not covered by managed care plans (i.e., for recipients who were not required or not eligible to participate in the MMA program). These capitation rates, which vary by region and

eligibility group, determine the payments to the NET vendors. The rates for 2015 were developed by Milliman based on CTD encounter data for SFY 2012-13 and Medicaid eligibility data for the same time period. The rates assume a 3% annual unit cost trend for the 8/2014-8/2015 rates, 5% annual unit cost trend for the 9/2015-11/2015 rates, and a 13% administrative allowance. Further, it was assumed that 70% of the administrative allowance represented fixed costs, and 30% represented variable costs. Separate rates were computed for recipients receiving services through Prescribed Pediatric Extended Care (PPEC) centers and non-PPEC recipients by region. For the period from 9/2015-11/2015, the PMPM capitated rate for PPEC recipients ranged from $300.51 for Region 2 to $1,004.64 for Region 1, with an overall average of $647.45 (see Table 8). For non-PPEC recipients, the average rate was $1.53. The rates were recalculated for December 2015 based on cost data through September 2015 reported by the CNET plans (i.e., vendors), and a revised methodology to compute administrative costs. According to AHCA, one of the most important considerations in establishing the rates was the rural vs. urban designation: "The cost greatly varies for providing transportation in a rural area compared to a more urban area."

***Table 8**. Per Member Per Month Rates for NET Services*

	7/2012-6/2013		8/2014-8/2015		9/2015-11/2015		12/2015-12/2016	
Region	PPEC	Non-PPEC	PPEC	Non-PPEC	PPEC	Non-PPEC	PPEC	Non-PPEC
1	$838.76	$0.66	$933.54	$1.11	$1,004.64	$1.19	$888.65	$1.77
2	$250.66	$2.31	$279.24	$2.94	$300.51	$3.17	$888.65	$2.33
3	$812.66	$1.60	$904.51	$2.16	$973.39	$2.32	$707.33	$2.47
4	$540.43	$0.94	$601.63	$1.43	$647.45	$1.53	$435.34	$4.70
5	$594.63	$0.73	$661.94	$1.19	$712.35	$1.28	$221.69	$2.02
6	$554.82	$0.63	$617.65	$1.08	$664.68	$1.16	$717.77	$1.91
7	$492.29	$1.43	$548.08	$1.97	$589.82	$2.12	$527.48	$2.76
8	$456.03	$0.93	$507.74	$1.41	$546.41	$1.51	$1,005.37	$2.02
9	$386.14	$0.61	$429.97	$1.05	$462.72	$1.14	$1,266.02	$1.31
10	$540.43	$0.94	$601.63	$1.43	$647.45	$1.53	$1,266.02	$1.29
11	$446.15	$0.44	$496.74	$0.87	$534.57	$0.93	$655.10	$0.99

Note. Rates for 12/2015-12/2016 are for Pre-Express Enrollment; after Express Enrollment went live on 1/11/2016, a different set of rates was used.

Table 9 looks at capitated payments to each vendor. Payments were highest in the initial months of the program with enrollment declining in June 2015. This corresponds to the requirement that the vendors provide NET services to mandatory MMA enrollees who had not yet been assigned to an MMA plan. There was an increase in the average payment over time, suggesting enrollees that used PPEC services comprised a slightly greater proportion of enrollment over time.

***Table 9**. Payments to LogistiCare and MTM*

	MTM			LogistiCare		
	Recipients	Total	Per recipient mean	Recipients	Total	Per recipient mean
Feb-15	--			116,490	$230,562	$1.98
Mar-15	175,568	$445,063	$2.53	157,758	$358,694	$2.27
Apr-15	173,787	$445,469	$2.56	155,218	$359,044	$2.31
May-15	177,644	$440,599	$2.48	156,886	$361,908	$2.31
Jun-15	135,690	$375,648	$2.77	114,456	$318,566	$2.78
Jul-15	142,427	$385,581	$2.71	121,229	$337,036	$2.78
Aug-15	151,511	$406,060	$2.68	124,783	$337,673	$2.71
Sep-15	131,236	$400,661	$3.05	112,413	$351,712	$3.13
Oct-15	137,143	$408,135	$2.98	117,673	$359,407	$3.05
Nov-15	132,295	$396,559	$3.00	115,338	$358,113	$3.10
Dec-15	118,751	$461,505	$3.89	104,971	$429,459	$4.09

Note. Data for number of recipients and payments are from the Capitation files.

Table 10 compares payments received by MTM to the cost of services provided. The cost of providing services is reported by MTM on FMMIS encounters. The cost represents the payments by MTM to the providers of the services. The capitation rates developed for the first year of the NET program by Milliman assumed a 13% administrative rate. Thus, we compared total payments to MTM with payments by MTM to providers plus a 13% administrative rate. There was a considerable difference between the payments to MTM and the services provided by MTM, even when including the administrative costs. The difference ranged from ($50,260) in July 2015 to $145,542 in December 2015.

The $333,333 difference between payments and services represents 8.0% of the $4.1 million in total payments to MTM and was larger than anticipated. As noted above, all encounters were used for individuals that had CNET enrollment in the Capitation files. When we removed this restriction and included all encounters submitted by MTM, there was an additional $184,968 in CNET services provided to individuals who did not appear to be enrolled in a CNET plan. If we included the additional services, then there would be a $148,365 difference between total payments to MTM and services provided representing 3.6% of total payments. There are several possible explanations for the discrepancy. First, the Capitation files may be incomplete. Second, there may be data entry errors (e.g., incorrect Medicaid recipient identifiers reported in the encounter data) that could result in encounters being excluded from the analysis. Third, some people may have received services despite not being enrolled in a CNET plan. We excluded these encounters because we could not confirm CNET enrollment.

Another potential issue is that MTM may not have submitted all encounters for the time period. While the files used for the analysis contained data submitted through May 31, 2016, it remains possible that MTM had not submitted all encounters from the 2015 calendar year to FMMIS. For example, $232,479 of the $333,333 difference between payments and services is from November and December. Reported service use from these months was the lowest of the study period, which is consistent with the hypothesis that MTM had not been able to submit all encounters. However, it is difficult to draw any

conclusions because the decline in November and December could also reflect a seasonality issue (i.e., the holidays).

***Table 10**. Comparison of Payments and Services Provided (MTM)*

	Total payments	Total services	Admin	Total	Diff
Mar-15	$445,063	$317,635	$41,293	$358,928	$86,135
Apr-15	$445,469	$373,781	$48,592	$422,373	$23,096
May-15	$440,599	$336,688	$43,769	$380,457	$60,142
Jun-15	$375,648	$364,305	$47,360	$411,665	($36,017)
Jul-15	$385,581	$385,700	$50,141	$435,841	($50,260)
Aug-15	$406,060	$368,756	$47,938	$416,694	($10,634)
Sep-15	$400,661	$344,579	$44,795	$389,374	$11,287
Oct-15	$408,135	$346,044	$44,986	$391,030	$17,105
Nov-15	$396,559	$274,002	$35,620	$309,622	$86,937
Dec-15	$461,506	$279,614	$36,350	$315,964	$145,542
	$4,165,281	$3,391,104	$440,844	$3,831,948	$333,333

Table 11 compares payments and services provided when distinguishing between PPEC and non-PPEC recipients. The difference is rather dramatic. Total costs for non-PPEC enrollees exceed payments by $393,623. However, for PPEC enrollees, payments exceed total costs. Over the 10-month period, payments were $726,955 more than services provided plus administrative costs.

***Table 11**. Comparison of Payments and Services Provided (MTM): PPEC and non-PPEC*

	Total payments	Total services	Admin	Total	Diff
PPEC					
Mar-15	$173,964	$83,475	$10,852	$94,327	$79,637
Apr-15	$176,756	$82,109	$10,674	$92,783	$83,973
May-15	$166,577	$79,081	$10,281	$89,362	$77,215
Jun-15	$166,601	$94,038	$12,225	$106,263	$60,338
Jul-15	$165,306	$93,102	$12,103	$105,205	$60,101
Aug-15	$170,722	$92,524	$12,028	$104,552	$66,170
Sep-15	$182,379	$90,984	$11,828	$102,812	$79,567
Oct-15	$180,201	$90,947	$11,823	$102,770	$77,431
Nov-15	$176,879	$76,565	$9,953	$86,518	$90,361
Dec-15	$141,490	$79,051	$10,277	$89,328	$52,162
	$1,700,875	$861,876	$112,044	$973,920	$726,955
non-PPEC					
Mar-15	$271,099	$234,161	$30,441	$264,602	$6,497
Apr-15	$268,713	$291,671	$37,917	$329,588	($60,875)
May-15	$274,022	$257,607	$33,489	$291,096	($17,074)
Jun-15	$209,046	$270,268	$35,135	$305,403	($96,357)
Jul-15	$220,275	$292,598	$38,038	$330,636	($110,361)
Aug-15	$235,339	$276,232	$35,910	$312,142	($76,803)
Sep-15	$218,282	$253,596	$32,967	$286,563	($68,281)
Oct-15	$227,934	$255,096	$33,162	$288,358	($60,324)
Nov-15	$219,680	$197,437	$25,667	$223,104	($3,424)
Dec-15	$320,016	$200,563	$26,073	$226,636	$93,380
	$2,464,406	$2,592,229	$328,800	$2,858,029	($393,623)

Table 12 examines payments and service use in AHCA regions from 3/1/2015 to 12/31/2015. Payments appear to be much larger than service costs for PPEC enrollees, although the pattern differs across regions. For example, payments for PPEC enrollees were below MTM costs in Region 8. Payments were below total costs for non-PPEC enrollees, although once again, the pattern differs across regions. Payments were greater than MTM costs in three areas, but were substantially below MTM costs in Region 4.

***Table 12**. Comparison of Payments and Services Provided (MTM) by Region*

		Total payments	Total services	Admin	Total	Diff
PPEC						
	3	$279,414	$162,391	$21,111	$183,502	$95,912
	4	$340,656	$117,771	$15,310	$133,081	$207,575
	5	$230,216	$40,382	$5,250	$45,632	$184,584
	6	$129,766	$50,117	$6,515	$56,632	$73,134
	7	$585,416	$360,024	$46,803	$406,827	$178,589
	8	$135,406	$131,191	$17,055	$148,246	($12,840)
		$1,700,874	$861,876	$112,044	$973,920	$726,954
non-PPEC						
	3	$479,396	$329,275	$42,806	$372,081	$107,315
	4	$443,750	$901,719	$117,223	$1,018,942	($575,129)
	5	$215,232	$196,719	$25,603	$222,550	($7,318)
	6	$401,362	$421,518	$54,797	$476,315	($74,953)
	7	$699,054	$489,534	$63,639	$553,173	$145,881
	8	$225,615	$190,236	$24,731	$214,967	$10,648
		$2,464,409	$2,529,229	$328,800	$2,858,029	($393,620)

Table 13 takes a preliminary look at the capitation rates for MTM. Capitation rates changed markedly between the 8/14-8/15, 9/15-11/15, and 12/15-12/16 periods. For example, the PMPM capitation payment nearly doubled among PPEC enrollees in Region 8. At the same time, PMPM capitation payments fell nearly two-thirds in Region 5. There were also considerable changes in PMPM capitation payments for non-PPEC enrollees. Changes in payment rates over time might reflect a number of different factors including changing utilization patterns, a different method for computing administrative costs, and changes in the cost of providing services. Differences in PMPM capitation rates over time could also reflect the transition to the new system, the provision of services by a new provider (MTM), and the large number of people that were temporarily enrolled at the beginning of the NET program. In other words, there are well known issues with the implementation of a new program that might result in utilization patterns that will not be maintained; such instability in utilization will lead to instability in capitation payments. In addition, the setting of rates using data from an implementation period could result in more large changes in capitation rates when rates are updated again. Such substantial changes can be problematic for vendors that must negotiate rates with local providers of transportation services. In the future, AHCA might consider several alternatives, including using more data to set rates (e.g., a longer time frame), or other mechanisms to limit inter-region and changes across time in capitation payments. As long as total payments are kept constant, this would not result in higher costs to AHCA but would provide greater payment stability for the NET program.

We also computed the per member per month (PMPM) costs based on the member months from the Capitation files and services as reported in the CNET encounter data (plus fixed and variable administrative costs and profit margin). The computed rates are well below the 12/15-12/16 capitation rates, particularly for PPEC enrollees. As noted earlier, this likely reflects the fact that there were a number of services provided to people in months when there was no capitation payment for the

individual. We would anticipate that such services were reported to Milliman and are thus included in the capitation rates for 12/15-12/16. We could not, however, include them in this analysis because we did not know whether they were PPEC or non-PPEC, or their region. Both variables were from the Capitation files.

***Table 13**. Comparison of Capitation Payments and Services Provided by Region (MTM)*

	Cap rate (8/14-8/15)	Cap rate (9/15-11/15)	Cap rate (12/15-12/16)	PMPM services (3/15-12/15)		
				Person-months	Total costs	PMPM costs
PPEC						
3	$904.51	$973.39	$707.33	308	$180,212	$585.10
4	$601.63	$647.45	$435.34	568	$130,878	$230.42
5	$661.94	$712.35	$221.69	361	$44,964	$124.55
6	$617.65	$664.68	$717.77	203	$55,674	$274.25
7	$548.08	$589.82	$527.48	1048	$399,728	$381.42
8	$507.74	$546.41	$1,005.37	241	$145,584	$604.08
non-PPEC						
3	$2.16	$2.32	$2.47	214,977	$479,104	$2.22
4	$1.43	$1.53	$4.70	257,399	$1,136,296	$4.41
5	$1.19	$1.28	$2.02	168,156	$307,552	$1.82
6	$1.08	$1.16	$1.91	343,849	$649,731	$1.88
7	$1.97	$2.12	$2.76	337,459	$721,754	$2.13
8	$1.41	$1.51	$2.02	151,485	$291,269	$1.92

Note. The PMPM service cost includes the PMPM services, the $0.52 PMPM fixed administrative cost, the 8.7% variable administrative cost rate, and the 2.0% profit margin. Prior tables used the 13% administrative cost rate.

RQ 3: What are the administrative costs to the NET vendors?

The previous contract with the CTD also used capitated rates for each region. For regions in which the CTC was willing to provide all required Medicaid trips, the funding went to the CTC through the CTD. In other regions, the CTD contracted directly with private, for-profit brokers (e.g., MTM, LogistiCare, GPTMS). For SFY 14-15, the CTD used 5% of the rate from each category to pay for administrative costs (K. Somerset, personal communication, May 11, 2016) whereas the current administrative allowance of 13% is already factored into the rates. This allowance is similar to the amount distributed to managed care plans to cover all services, and will be refined as more information is available from the vendors (A. Gaffner, personal communication, January 7, 2016). In their phone interview, AHCA staff members noted that the rates were based on CTD data and "the vendors were saying that's not reflective of the current cost." Therefore, newer rates have been created that are "based on the financials that we got from the vendors."

Summary and Conclusions

This report provided background information on Florida's Non-Emergency Transportation (NET) program and presented results of an assessment that evaluated the NET program's access to services, quality of services, and cost effectiveness of services. The research team reviewed contractual documents and manuals, administered a mail questionnaire to current NET users, interviewed AHCA staff members about the former and current NET waiver programs, and conducted an analysis of Medicaid data to describe characteristics of NET users and trends in capitated payments and services.

Results suggest that it is easy for Medicaid recipients to schedule rides, and that the new arrangement offers more flexibility in terms of scheduling because the vendors' call centers are available 24 hours a day, seven days a week. Both vendors offer multiple modes of transportation to meet the needs of Medicaid recipients, and taxis and wheelchair vans are used most commonly. NET users who responded to the questionnaire indicated that drivers are safe and courteous, but many noted that they often experience long waits for pick up after their appointments. In general, however, NET users report being satisfied with these services.

The annual rate of consumer complaints was higher for MTM than LogistiCare, and the rate for MTM increased over time for whereas the rate for LogistiCare remained stable. However, the annual complaint percentage for both vendors was less than 1%, suggesting that the vast majority of customers are satisfied with NET services. Another indicator of quality is safety standards, and LogistiCare has specific vehicle requirements and detailed information about the responsibilities of vehicle operators. The MTM provider manual does not list vehicle requirements, but it does specify consequences for non-compliance with performance standards.

With regard to cost effectiveness, results suggest that capitated payments to the vendors were highest in the initial months of the NET program. For MTM, there were large differences between payments received and services provided, and this difference is more pronounced for individuals receiving Prescribed Pediatric Extended Care (PPEC) services. Additionally, per member per month (PMPM) costs were below the most recent capitation rates.

Recommendations

- LogistiCare and MTM should submit separate performance reports to AHCA for the fee-for-service (FFS) population and for the individuals who are enrolled in MMA plans.

- The MTM provider manual should include information about how providers determine whether a caller is eligible for transportation services.

- MTM should include the contractual and statutory safety requirements for its vehicles in its provider manual.

- The MTM provider manual should include guidelines for ensuring Medicaid eligibility as well as accessibility for special populations.

- Both vendors should address the concern raised by consumers regarding long waits for pick up after appointments.

- Justification is needed for the disparities in capitation rates over time, as well as the large differences between payments received and services provided.

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Appendix A

Independent Assessment of the Florida Medicaid NET Program
Consumer Questionnaire

Thank you for agreeing to complete this short questionnaire. The University of South Florida and the Agency for Health Care Administration want to learn how consumers feel about Medicaid-sponsored non-emergency transportation (NET) services. We want to know what is being done right and what could use some improvement. Your feedback is greatly appreciated.

1. **In the past 6 months, have you scheduled a ride for non-emergency transportation?**

   ☐ Yes ☐ No

2. **Do you need non-emergency transportation for yourself or for someone else (such as your child)?**

   ☐ Myself ☐ Someone else

3. **How many times per month do you use non-emergency transportation? (1 trip = a single, one-way trip)**

   ☐ 1-5 trips per month ☐ 6-10 trips per month ☐ 11-15 trips per month ☐ 16-20 trips per month ☐ 20+ trips per month

4. **How easy is it for you to schedule your ride?**

   ☐ Very easy ☐ Easy ☐ Neutral ☐ Difficult ☐ Very difficult

   Please explain:

   _____

   _____

5. **If non-emergency transportation was not available, how easy would it be for you to get to your appointments?**

   ☐ Very easy ☐ Easy ☐ Neutral ☐ Difficult ☐ Very difficult

6. **In the past 6 months, have you filed a complaint regarding your non-emergency transportation services?**

   ☐ Yes ☐ No

   If yes, were you satisfied with the way your complaint was handled?

   ☐ Yes ☐ No

   Please explain:

   _____

   _____

Now thinking about your non-emergency transportation rides in general…

7. **Are you picked up on time?**

☐ Always ☐ Usually ☐ Sometimes ☐ Rarely ☐ Never

8. Do you get to your appointments on time?

☐ Always ☐ Usually ☐ Sometimes ☐ Rarely ☐ Never

9. How long do you usually wait to be picked up after your appointments?

☐ 0-15 minutes ☐ 16-30 minutes ☐ More than 30 minutes

10. Do the drivers operate the vehicles in a safe manner?

☐ Always ☐ Usually ☐ Sometimes ☐ Rarely ☐ Never

Please explain:

_____

_____

11. Do the type and size of vehicles provided for your travel meet your needs?

☐ Always ☐ Usually ☐ Sometimes ☐ Rarely ☐ Never

Please explain:

_____

_____

12. How comfortable are the vehicles during your transport?

☐ Very uncomfortable ☐ Somewhat uncomfortable ☐ Comfortable ☐ Very comfortable

13. How would you rate the attitude of the drivers?

☐ Very courteous ☐ Courteous ☐ Neutral ☐ Uncourteous ☐ Very uncourteous

14. In general, how satisfied are you with the quality of non-emergency transportation services?

☐ Very satisfied ☐ Satisfied ☐ Neutral ☐ Dissatisfied ☐ Very dissatisfied

15. What is your gender?

☐ Male ☐ Female

16. What is your age group?

☐ 18-24 ☐ 25-39 ☐ 40-60 ☐ 61 or older

17. Please provide any additional comments:

_____

_____

_____

_____

THANK YOU FOR COMPLETING THIS QUESTIONNAIRE

Appendix B

1. From your perspective, what has been the impact of the transition from CTD/CTC oversight of the NET program to directly contracting with vendors (LogistiCare and MTM)?
    a. Impact on Medicaid recipients
    b. Impact on the cost reimbursement process
    c. Impact on documentation, record-keeping, data management

2. What are some of the differences (if any) between the two vendors in terms of their policies and operations?

3. What are some of the challenges faced by the vendors in meeting the needs of Medicaid recipients who are eligible for NET services? How are these challenges addressed?
    a. Any issues associated with the use of personal care attendants and escorts?
    b. Any issues with ensuring that recipients are, in fact, eligible for NET services?
    c. Any issues associated with ensuring transportation is available to special needs populations?

4. Comparing the current NET waiver program to the previous process, how would you describe the ability of the vendors to assign and/or schedule recipients for their NET services?

5. Please describe any changes in patterns of grievances, complaints, and appeals between the current NET waiver program and the previous process.

6. From your perspective, have the two vendors been successful in meeting the transportation needs of Medicaid recipients?
    a. Availability of appropriate modes of transportation

7. Please discuss how the capitation rates for the member groups were established. Have there been any changes in the rates or in the composition of member groups?

8. Please describe the differences in utilization of NET services and payments across regions.

9. Please describe Milliman's methodology for calculating the administrative cost allowance. Do you feel the allowance is reasonable? Why or why not?

10. Please provide any other comments related to the current process for the NET waiver program.