

CONCLUSION: Through the 2023 Medicaid NET broker procurement process, DOM reduced the maximum cost for NET services per month, under the cost cap, to \$2,681,795 per month through June 7, 2027. DOM eliminated payments for non-utilizers, switched to making payments for utilizers based on number of NET trips, and capped administrative costs. MTM's unsuccessful protest of 2023 NET contract award cost DOM \$5,628,382 more to operate the NET program from October 2023 to April 2024.



BACKGROUND

Background

As a condition for receiving federal funding, DOM is required to provide its Medicaid fee-for-service beneficiaries non-emergency transportation (NET) to and from scheduled covered medical services. DOM contracts with a private broker to connect riders with transportation providers, manage a customer service center, and to administer the contract.

Medical Transportation Management, Inc. (MTM) served as DOM's NET broker from February 1, 2019, to September 30, 2023.

In 2023, DOM issued an Invitation for Bids (IFB) to determine the NET broker for the term October 1, 2023, to September 30, 2026, with an implementation phase that commenced June 8, 2023. Upon evaluating all responsive and responsible bidders, DOM chose to award the bid to ModivCare Solutions, LLC (ModivCare). MTM, DOM's former NET broker, initiated a protest of this award.

MTM 2023 NET Bid Protest:

MTM unsuccessfully protested the awarding of the 2023 NET IFB to ModivCare, delaying the start of the NET contract with ModivCare from October 1, 2023, to June 8, 2024.

Impact of MTM's Protest:

It cost DOM \$5,628,382 more to operate the NET program from October 2023 to April 2024 under an emergency contract with MTM than had DOM been permitted to proceed with the winning bidder ModivCare.

DOM's Continued Shift to a Utilization-based Payment Methodology

- **2013 NET Contract: Flat Fee Basis, \$3,256,396.08 per month**
- **2018 NET Contract: Utilization Basis, \$3,024,251.68 per month**
 - Based on rates for number of utilizers and non-utilizers each month.
 - 95% of actual NET costs were for non-utilizers.
- **2023 NET Contract: Utilization Basis, \$2,681,794.65 per month**
 - Under the 2023 IFB, DOM eliminated payments for non-utilizers, switched to making payments for utilizers based on number of NET trips, and eliminated implementation costs.
 - Administrative costs capped at 15% of trip cost each month.

Based on trip data from July 2022 to April 2024, PEER estimates 2024 NET contract costs will be below the cost cap.

Efforts by DOM to Enforce Compliance with Performance Standards

DOM assessed liquidated damages against MTM in the amounts of:

- **2013 NET Contract: \$3,007,750**
- **2023 Emergency NET Contract: \$632,800**

As part of the 2024 NET contract, DOM added four additional performance metrics for which liquidated damages may be assessed and modified 18 performance metrics from the 2018 NET contract.

Changes to NET Survey Process

2018 NET contract survey process only surveyed NET utilizers.

- NET broker was required to mail surveys only, resulting in a low response rate (11% in CY 2021).

DOM adopted PEER's 2022 recommendation as part of the 2024 NET contract to require the NET broker to conduct satisfaction surveys of NET eligible members, facilities (i.e., medical providers and offices), and NET providers.

- DOM also required the NET broker to contract with a third party (Cigna Health) to conduct the surveys.
- DOM still does not require the NET broker to survey non-utilizers.

Status of State NET Permitting Process

S.B. 2739, 2022 Regular Session – required all NET providers to obtain a permit through Mississippi State Department of Health (MSDH) by July 1, 2023.

S.B. 2613, 2023 Regular Session:

- Exempted DOM NET providers, and,
- Extended deadline to July 1, 2024.

To date, MSDH has issued a permit to six NET providers, while two NET providers are in the permitting process and two have opted to discontinue providing NET services.

NET Utilization and Trends

NET Eligible Members

- December 2022 – peaked at 335,914
- April 2024 – 141,254

NET Non-utilizers

- January 2023 – peaked at 329,309
- April 2024 – 135,641

Number of NET trips stabilized at or below 50,000 per month over last 3.5 years

- Ambulatory trips = 81 to 82% of trips
- Advanced trips = 18 to 19% of trips

Top Reasons for Utilizing NET, April 2024

- 48.6% – Return ride home
- 28.4% – Dialysis
- 8.1% – Specialist
- 2.2% – Physical therapy
- 2.1% – Primary care
- 20.68 miles – average distance per trip leg

MSDH's Pilot Non-Emergency Transportation Program

Citing a 50% no-show rate to county health department appointments, MSDH entered an emergency contract with Uber Health to start a non-emergency transportation program in November 2023 to transport customers to health department appointments, WIC Centers, and pharmacies.

- MSDH reported providing more than 500 rides to county health departments as of August 23, 2024.
- However, the program still needed Uber Health drivers in 36 of Mississippi's 82 counties.
- MSDH plans to expand the federal grant funded program in 2025.



RECOMMENDATION

To increase the effectiveness of the statutory review process, the Legislature should consider amending MISS. CODE ANN. § 43-13-117 (1972) to require the PEER Committee to conduct a performance evaluation of the Division of Medicaid's (DOM) non-emergency transportation (NET) program:

- Option 1 – Once every three years, or,
- Option 2 – Two years after the implementation date of each new contract.

By altering the review cycle to take place two years after the NET contract commences, PEER would review the NET contract prior to the next procurement cycle, but after sufficient time to assess services provided.

A Review of the Division of Medicaid's Non-Emergency Transportation Program

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