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November 6, 2018

Report to the Mississippi Legislature

A Review of the Procurement and Oversight of the Division of Medicaid's Non-Emergency Transportation Brokerage Contract

PEER: The Mississippi Legislature's Oversight Agency

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PEER Committee
Post Office Box 1204
Jackson, MS 39215-1204

(Tel.) 601-359-1226
(Fax) 601-359-1420
(Website) www.peer.ms.gov

The Mississippi Legislature

Joint Committee on Performance Evaluation and Expenditure Review
PEER Committee

SENATORS
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RAY ROGERS
PERCY W. WATSON

TELEPHONE:
(601) 359-1226

FAX:
(601) 359-1420

Post Office Box 1204
Jackson, Mississippi 39215-1204

James A. Barber
Executive Director

www.peer.ms.gov

OFFICES:
Woolfolk Building, Suite 301-A
501 North West Street
Jackson, Mississippi 39201

November 6, 2018

Honorable Phil Bryant, Governor
Honorable Tate Reeves, Lieutenant Governor
Honorable Philip Gunn, Speaker of the House
Members of the Mississippi State Legislature

On November 6, 2018, the PEER Committee authorized release of the report titled *A Review of the Procurement and Oversight of the Division of Medicaid's Non-Emergency Transportation Brokerage Contract*.

A handwritten signature in cursive script that reads "Videt Carmichael".

Senator Videt Carmichael, Chair

This report does not recommend increased funding or additional staff.

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A Review of the Procurement and Oversight of the Division of Medicaid's Non-Emergency Transportation Brokerage Contract

Executive Summary

Introduction

Senate Bill 2836, 2018 Regular Session, requires the PEER Committee to conduct a performance evaluation of the Division of Medicaid's non-emergency transportation (NET) program to evaluate the administration of the program and the provider of transportation services to individuals served under the program. With this review, PEER sought to determine the status of the Division of Medicaid's non-emergency transportation contract since its previous evaluation in 2016 to determine how the current contract was entered into and to compare the contract requirements to prior NET contracts.

Background

A Medicaid non-emergency transportation program provides trips to and from scheduled Medicaid-enrolled provider appointments for eligible Medicaid beneficiaries. Multiple service delivery models exist. Mississippi currently uses the private brokerage service delivery model. In this model, states contract with a private company to connect riders with transportation providers.

How does Mississippi's Division of Medicaid administer its non-emergency transportation system?

The DOM currently contracts with Medical Transportation Management, Inc., (MTM) as its NET broker and has since 2013. The 2013 NET contract was for three years with two optional one-year extensions. Implementation of the contract terms were set to extend from July 1, 2014, to June 30, 2017.

Although a Medicaid beneficiary may be eligible to participate in the NET program, he or she may not choose to utilize the services. According to data provided by the Division of Medicaid, in May 2018, of the 126,522 total eligible Medicaid beneficiaries, 9,583 individuals utilized the NET program, while 116,939 beneficiaries met the eligibility requirements for the NET program but did not utilize services.

Between January 2016 and June 2018, the non-emergency transportation program provided 1.8 million rides to Medicaid beneficiaries. Each month the three most utilized types of non-emergency transportation were ambulatory, wheelchair, and gas reimbursement.

How did the Division of Medicaid procure its NET broker contract?

The Division of Medicaid began a procurement for a new NET broker in May 2018 and changed the procurement process from request for proposal (RFP), used in 2013 and 2017, to invitation for bid (IFB).¹ By using the invitation for bid process to procure the NET broker contract, the Division of Medicaid focused the 2018 procurement more heavily on cost considerations.

The 2018 procurement decreased the cost cap of the NET program by 17% in comparison to the 2013 NET broker contract cost cap. The Public Procurement Review Board approved the 2018 non-emergency transportation contract on September 11, 2018, at a cost cap (a cost not to exceed) of \$96,776,053.76. The 2013 non-emergency transportation contract, excluding any amendments or extensions, was originally set at a cost not to exceed \$117,230,259, more than \$20 million higher than the cost cap of the 2018 contract.

What method does the Division of Medicaid use to pay the NET broker ?

The Division of Medicaid pays the non-emergency transportation broker at a firm and fixed rate. The 2013 NET contract paid the same rate for beneficiaries each month, regardless of whether they utilized the NET program. The 2018 NET contract uses a new utilization-based payment methodology.

According to the DOM, it updated utilization-based payment methodology in the 2018 NET broker procurement to prevent including a payment for the same beneficiary twice in the same month.

The DOM will track NET costs under the new utilization-based payment methodology by collecting records of each time a beneficiary has an encounter with the NET provider or other transportation service, in addition to conducting audits to reconcile data uploaded to Medical Transportation Management from NET providers and with data MTM provides to the agency.

How does the Division of Medicaid provide oversight of the non-emergency transportation program?

The Division of Medicaid outlines performance measures in each NET broker contract. These include beneficiary wait times, trip authorizations, NET driver requirements, and call center operations. For the 2018 NET broker contract, the DOM updated the contract to include the performance measures established within the 2013 NET contract and 21 new or updated performance measures and requirements.

The Division of Medicaid monitors performance data and documentation submitted in Medical Transportation Management's required monthly reports. Other oversight methods

¹According to the DOM, Arkansas also uses an invitation for bid process to procure its NET broker; however, most states use the request for proposal method.

include conducting bimonthly management meetings with MTM staff, compliance investigations, and on-site audits and reviews.

The DOM receives reports from MTM on a monthly, quarterly, and annual basis containing data that outline how the MTM and NET providers performed against the performance standards outlined in the contract and monitors these data trends.

The DOM further requires corrective action plans or assessed liquidated damages when MTM does not meet performance standards. In addition, the 2018 NET contract requires corrective action plans, actual damages, and liquidated damages to be published on the NET broker's website.

Finally, the DOM updated the 2018 NET broker contract to increase the frequency of the beneficiary satisfaction survey from biannually to monthly to have a more frequent analysis of beneficiary satisfaction with the NET program.

Are there opportunities for improving NET program operations?

Some states coordinate human transportation services in an effort to maximize productivity and cost efficiency. Every state coordinates services at different levels and with varying degrees of authority. Currently there is no formal agreement among Mississippi state agencies that establishes interagency transportation agreements regarding transportation services provided by the DOM's NET provider.

Some states also are considering the use of ridesharing companies to provide NET program services. Both UberHealth and Lyft ridesharing companies offer non-emergency transportation rides. Lyft has provided rides by partnering with NET broker companies, such as Access2Care.² Health-care companies and other businesses who provide NET brokerage services are beginning to utilize on-demand, or ridesharing, services to provide curb-to-curb NET services for Medicaid beneficiaries.

Furthermore, additional opportunity remains to increase liquidated damages assessed for repeated failure of MTM to meet performance standards. The DOM could use performance measures, such as exceeding wait times for pickup, to incrementally increase the liquidated damages they assess for each consecutive month MTM fails to the perform at the standards set by the DOM.

²Access2Care, Inc. is a non-emergency transportation services manager that provides transportation management to Medicaid and Medicare members through government and managed care organization contracts in 29 states and Washington, D.C.

Recommendations

1. The Division of Medicaid should routinely analyze the NET encounter data (i.e., each time a beneficiary has an encounter with a NET transportation provider) submitted by MTM to the DOM fiscal agent in order to determine the total number of unduplicated Medicaid beneficiaries utilizing NET services by transportation type. The DOM should compare this number of utilizers to the total number of beneficiaries eligible for NET services in order to identify trends in utilization for the current NET contract.

Also, IFB #20180511 states that the DOM will pay MTM monthly based on a retrospective review of the prior month transportation claims. This monthly payment will be based on MTM's bid rate for utilizers (per beneficiary per month utilized by transportation trip type) and the per beneficiary per month for non-utilizers. Therefore, the DOM should compare the utilization rates of the current NET contract to the utilization rates from the previous NET contract in order to determine if utilization of NET services has increased or decreased, both in total number and transportation trip type.

Furthermore, the DOM should compare these monthly payments made to MTM for the current contractual period to the average monthly payments paid to MTM under the previous contract to determine to what extent the new utilization-based payment methodology yields cost-efficiency in the overall costs of the NET program.

2. The Division of Medicaid should analyze the data in the deliverable reports from the NET broker to compare the performance of the NET broker under the new geographic access and NET provider network performance standards to determine whether the new performance standards have improved access and reduced wait times.
3. The Division of Medicaid should consider using corrective action plans more frequently for the performance standards that are consistently unmet to improve performance of non-emergency transportation providers and, in turn, the overall quality of the NET program while reducing the need for routine assessment of liquidated damages.
4. Although MTM did not dispute the \$900 over-assessment of liquidated damages in 2017 as allowed by the request for proposal, the Division of Medicaid and MTM should arrive at a mutually acceptable procedure for correcting the over-assessment amount.
5. The Division of Medicaid should explore additional opportunities for cost efficiency in providing NET services to Medicaid beneficiaries for future NET contracts, such as interagency transportation shared services among programs or the addition of options for the utilization of ridesharing companies.

For more information or clarification, contact:

PEER Committee
P.O. Box 1204
Jackson, MS 39215-1204
(601) 359-1226
peer.ms.gov

Senator Videt Carmichael, Chair
Meridian, MS

Representative Becky Currie, Vice Chair
Brookhaven, MS

Representative Timmy Ladner, Secretary
Poplarville, MS

A Review of the Procurement and Oversight of the Division of Medicaid's Non-Emergency Transportation Brokerage Contract

Introduction

Authority

Senate Bill 2836, 2018 Regular Session, requires the PEER Committee to conduct a performance evaluation of the Division of Medicaid's non-emergency transportation program to evaluate the administration of the program and the provider of transportation services to the patients served under the program. This report is to be delivered to the members of the Senate Medicaid Committee and House Medicaid Committee not later than January 1, 2019, and every two years thereafter.

The Committee acted in accordance with MISS. CODE ANN. Sections 5-3-51 et seq.

Scope and Purpose

PEER sought to determine the status of the Division of Medicaid's non-emergency transportation contract since its previous evaluation in 2016, how the current contract was entered into, and to compare the contract requirements to prior NET contracts.

PEER sought to

- describe the Division of Medicaid's non-emergency transportation system in Mississippi;
- describe the procurement process utilized by the Division of Medicaid in obtaining the current NET provider as well as any upcoming procurements for non-emergency transportation;
- identify applicable short and long-term performance measures for holding the NET program accountable and assess the adequacy of these measures; and
- describe any changes in the payment methodology for NET beneficiaries' rides for the invitation for bid to the prior request for proposal and identify whether there are opportunities for cost savings in the implementation of NET services.

Scope Limitation

The provider who had been selected as transportation broker in the 2017 NET procurement rescinded acceptance of the contract (see discussion on pages 4-5); thus, the contract never became operational. The most recent NET procurement resulted in a contract with an effective service delivery date under the new contractual requirements beginning on February 1, 2019. Therefore, PEER review of the 2017 procurement was limited, and certain aspects of the most recent NET contract will need to be examined during the next statutory review of the NET program (e.g., utilization-based payment methodology).

Method

In conducting fieldwork, PEER

- reviewed applicable federal and state law governing Medicaid non-emergency transportation programs;
- reviewed eligible NET population and participation data;
- reviewed the 2013 and 2017 request for proposals that the Division of Medicaid used to procure NET brokerage services;
- reviewed the 2013 NET contract with Medical Transportation Management, Inc.;
- reviewed the 2018 invitation for bid the DOM used to procure its NET brokerage services;
- analyzed the 2013, 2017, and 2018 NET program payment methodologies;
- reviewed performance measures and reports DOM requires from the NET broker;
- analyzed liquidated damages assessed to the NET broker from November 2016–May 2018;
- analyzed NET broker corrective action plans from November 2016–May 2018;
- reviewed relevant news articles and reports regarding NET ridesharing; and
- reviewed relevant reports on coordinated human services transportation.

How does Mississippi's Division of Medicaid administer its non-emergency transportation system?

This chapter addresses the following questions:

- What is a Medicaid non-emergency transportation program, and what are the models for service delivery?
- How does the Division of Medicaid structure its NET program?
- Who is the DOM's current NET broker?
- How many individuals utilize the DOM's NET program?
- What types of trips are provided in the NET program?

What is a Medicaid non-emergency transportation program, and what are the models for service delivery?

A Medicaid non-emergency transportation program provides trips to and from scheduled Medicaid-enrolled provider appointments for eligible Medicaid beneficiaries. Multiple service delivery models exist; Mississippi currently uses the brokerage service delivery model.

A Medicaid non-emergency transportation program provides trips to and from scheduled Medicaid-enrolled provider appointments for eligible Medicaid beneficiaries.³ Mandated by 42 Code of Federal Regulations Section 431.53, all states must have NET programs.

States use one of the following models to provide NET services:

- brokerages (public or private),
- fee-for-service,
- public transit,
- managed care organization, or
- a mixture of two or more of the above.

For descriptions of each of these types of provider models, see Appendix A, page 25.

How does the Division of Medicaid structure its NET program?

Mississippi currently uses the private brokerage service delivery model. In this model, states contract with a private company to connect riders with transportation providers.

The Mississippi Division of Medicaid utilizes the private brokerage model. In this model, states competitively bid to procure a private, for-profit company to work as an intermediary between transportation providers and eligible riders. States usually make

³The following Medicaid eligibility groups are not eligible for NET services: Family Planning Waiver, Qualified Medicaid Beneficiary, Qualified Working Disabled Individuals, Specified Low-Income Medicare Beneficiary, and Qualified Individual 1.

capitated⁴ payments to the broker for each eligible rider. This is the most common form of brokerage because it provides financial certainty that the state will only pay a set amount to a broker each year rather than face variable costs from using its own brokerage.⁵

Per 42 Code of Federal Regulations Section 440.170, states that choose to use the private brokerage model may enter into contracts with individuals or entities to provide non-emergency transportation services by meeting the following requirements:

- maintain proof of cost-efficiency;
- use a competitive procurement process in selecting a broker;
- implement procedures for auditing and overseeing brokerages for quality; and
- comply with the prohibition on self-referrals.⁶

A NET broker is responsible for connecting eligible NET riders with NET providers. Before connecting riders with transportation providers, the broker also must ensure that beneficiaries meet the requirements to be eligible for the NET program. Other responsibilities include the following:

- establishing a network of NET providers,
- scheduling and coordinating NET rides, and
- reimbursing NET providers for trips.

A Medicaid beneficiary wanting to utilize the NET program must contact the net broker to schedule NET services. The NET broker contracts with NET providers, who are businesses that provide the rides for beneficiaries. A NET driver is an individual who provides the actual transportation service.

Who is the DOM's current NET broker?

The Division of Medicaid currently contracts with Medical Transportation Management, Inc., extending its previous contract after the most recent awardee rescinded acceptance.

The DOM currently contracts with Medical Transportation Management, Inc. (MTM) as its NET broker and has since 2013 (see Exhibit 1, page 5). The 2013 NET contract was for three years with two optional one-year extensions. Implementation of the contract terms were set to extend from July 1, 2014, to June 30, 2017.

In May 2017, the DOM began a new procurement for a NET broker. This contract was to run from October 1, 2017, to September 30, 2020. The DOM awarded this contract on August 3, 2017. The bidder notified the DOM on September 25, 2017, that it was rescinding acceptance of the NET broker contract award. The DOM then canceled the 2017 procurement before the contract became operational. In order to continue uninterrupted NET services to

⁴An established flat rate of payment per person served, typically per month, not based on the amount of service that each individual receives.

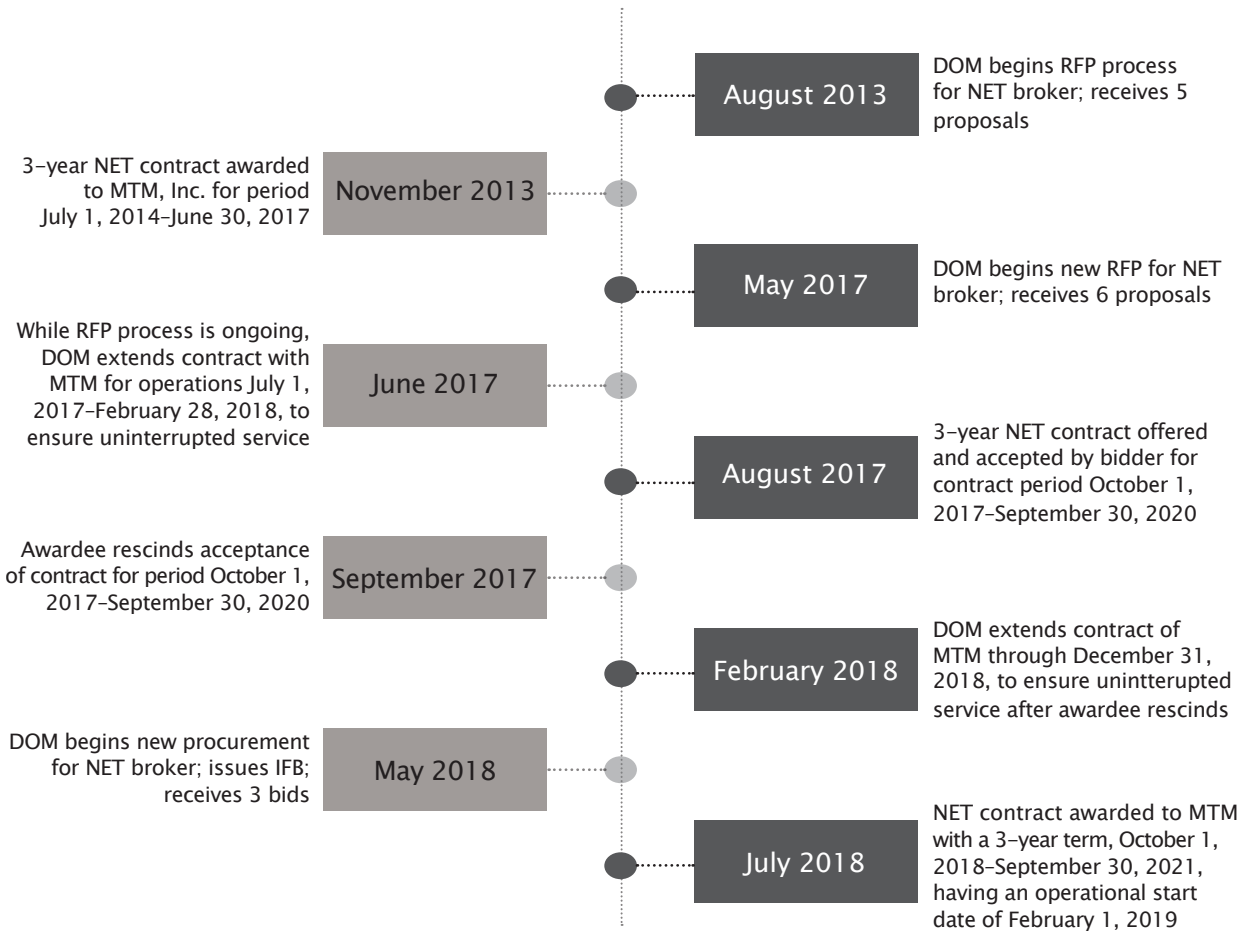
⁵Myers, Amelia. "Non-Emergency Medical Transportation: A Vital Lifeline for a Healthy Community." NCSL, National Conference of State Legislatures. January 7, 2015. Accessed March 29, 2016. <http://www.ncsl.org/research/transportation/non-emergency-medical-transportation-a-vital-lifeline-for-a-healthy-community.aspx>.

⁶A state cannot refer a beneficiary to a provider in which the state has a financial interest.

Medicaid beneficiaries, the DOM extended the NET broker contract with MTM on June 2017 and again in February 2018.

DOM began NET procurement for broker services again in May 2018 and awarded this contract to MTM, Inc. Contract terms are October 1, 2018, through September 30, 2021, with an effective service delivery date under the new contractual requirements beginning February 1, 2019.

Exhibit 1. Timeline of Division of Medicaid’s NET Contract Award



NOTES:

NET brokers are provided several months for implementation prior to beginning operations, thus contract periods overlap with extensions of contracts in place.

PPRB is scheduled in November 2018 to review a third extension of the MTM contract from 2013 to include January 2019.

PEER analysis of Division of Medicaid documents.

How many individuals utilize the DOM's NET program?

According to the Division of Medicaid, of the 126,522 total beneficiaries who met eligibility requirements for NET services, 9,583 (7.5%) utilized program services during the month of May 2018.

Although a Medicaid beneficiary may be eligible to participate in the NET program, he or she may not choose to utilize the services. According to data provided by the Division of Medicaid, in May 2018, of the 126,522 total eligible Medicaid beneficiaries, 9,583 individuals utilized the NET program, while 116,939 beneficiaries met the eligibility requirements for the NET program but did not utilize services.

According to the DOM, a beneficiary is eligible for NET services if he or she qualifies to receive all state plan services through the agency. Beneficiaries are also asked a series of screening questions during the reservation process to ensure that they are eligible and are taking an eligible trip under the NET guidelines.

A Medicaid beneficiary must demonstrate that he or she has no other means of transportation to a covered medical service rendered by a Medicaid provider to be eligible for the NET program. "No other means of transportation to access medical assistance" could include no valid driver's license; no available, working vehicle in the household; inability to travel or wait for services alone; or a physical, cognitive, mental, or developmental limitation.

What types of trips are provided in the NET program?

Between January 2016 and June 2018, the non-emergency transportation program provided 1.8 million rides to Medicaid beneficiaries. Each month the three most utilized types of non-emergency transportation were ambulatory, wheelchair, and gas reimbursement.

The non-emergency transportation program offers multiple types of vehicle services, with vehicles that can accommodate any type of accessibility assistance beneficiaries may need, e.g., wheelchair access and ambulances with medical staff.

Between January 2016 and June 2018, the NET program provided 1.8 million rides to Medicaid beneficiaries, with a monthly average of 60,220 trips.⁷ Each month the three most utilized types of non-emergency transportation were ambulatory, wheelchair, and gas reimbursement.

- Ambulatory rides are used by beneficiaries who do not require hydraulic lifts, medical aid or monitoring, or wheelchair access during transportation.
- Wheelchair rides utilize vehicles that are equipped with certified wheelchair lifts or equipment necessary to carry persons in wheelchairs.
- Gas reimbursements are rides to and from a medical appointment provided in a personally owned vehicle by the

⁷This figure includes ambulance, bus, and stretcher figures along with ambulatory, gas reimbursement, and stretcher trips.

beneficiary, family member, or other person who is reimbursed by the NET broker for that transportation.

Gas mileage reimbursement and wheelchair trips alternate as second- and third-most utilized trip type; however, when combined they still constitute less than half of the number of ambulatory rides per month. The average number of ambulatory rides, wheelchair rides, and gas mileage reimbursement rides taken between January 2016 and June 2018 totaled 41,362; 9,757; and 8,769, respectively.

The DOM increased the specificity of the modes of transportation under the 2018 NET contract. The 2018 NET broker contract contains three categories of transportation that outline nine total modes of transportation. The 2013 NET contract included five modes of transportation: fixed route, basic vehicle, enhanced vehicle, non-emergency ambulance, and other transportation. The 2018 NET contract takes the five modes from the 2013 NET contract and places them in broader categories. For example, the 2018 contract created an “ambulatory” category that contains basic vehicle, commercial carrier (ground), fixed route (public transit), and gas mileage reimbursement. The 2018 NET broker contract also took the “other transportation” category from the 2013 contract and divided it into commercial carrier (ground) and commercial carrier (air). See Appendix B, pages 26-27, for a description of each mode of transportation offered by the NET program in the 2013 and 2018 NET broker contracts.

How does the most recent NET broker procurement differ from prior procurements?

This chapter will answer the following:

- How did the Division of Medicaid procure its most recent NET contract?
- What changes occurred from prior procurements?
- How are the procurements promoting cost-effectiveness?

How did the Division of Medicaid procure its most recent NET contract?

In 2018 the Division of Medicaid procured the non-emergency transportation broker contract by using an invitation for bid process.

The Division of Medicaid began a procurement for a new NET broker in May 2018, and changed the procurement process from request for proposal (RFP) used in 2013 and 2017 to invitation for bid (IFB).⁸

During the invitation for bid for the NET contract, vendors submitted a price per beneficiary per trip type and per beneficiary non-utilizers⁹ for the total operational cost as well as an implementation cost bid and bid for each year of a contract extension. The operational cost, plus the implementation phase and contract extension price, equaled the total bid cost. The bids were sealed and delivered to the DOM until a public opening.

After the public bid opening, the DOM evaluated the bids on a pass or fail basis to determine whether each bidder had met the minimum requirements set forth in the invitation for bid: minimum years of experience and minimum numbers of NET brokerage programs operated. In addition, bidders must have included references from prior governmental clients and a signed rate and acknowledgment statement. The DOM evaluated bids for lowest cost and awarded the 2018 NET broker contract Medical Transportation Management, Inc., for a term of three years.

⁸According to the DOM, Arkansas also uses an invitation for bid process to procure its NET broker; however, most states use the request for proposal method.

⁹Non-utilizers are Medicaid beneficiaries who qualify to use the NET program but do not use the services.

What changes occurred from prior procurements?

By using the invitation for bid process to procure the NET broker contract, the Division of Medicaid focused the 2018 procurement more heavily on cost considerations.

The Division of Medicaid issued a request for proposal to procure NET broker contracts in August 2013 and June 2017 but moved the 2018 procurement to invitation for bid, which weights cost more heavily than the RFP process. Invitations for bid are awarded to the lowest and most responsive bidder.

In 2017 the Mississippi Legislature abolished the Personal Service Contract Review Board and placed its authority with the Public Procurement Review Board (PPRB). The PPRB Rules and Regulations states in Section 3-201.01, "Competitive Sealed Bidding (Invitation for Bids) is the preferred method of procurement; however, if it is not practicable and advantageous, a Request for Proposals or Request for Qualifications may be used."

According to the DOM, it

"determined that an IFB for the NET contract was practicable and advantageous to the state and therefore used the method of source selection preferred by the PPRB OPSCR Rules and Regulations. Additionally, using the IFB procurement process for the NET contract was a recommendation from PEER in DOM's exit interview regarding the 2016 PEER review of NET services."

See Appendix C, page 28, for the Competitive Sealed Bidding General Provisions set by the PPRB.

How are the procurements promoting cost-effectiveness?

The 2018 procurement decreased the cost cap of the NET program by 17% in comparison to the 2013 NET broker contract cost cap.

The Public Procurement Review Board approved the 2018 non-emergency transportation contract on September 11, 2018, at a cost cap (a cost not to exceed) of \$96,776,053.76. The 2013 non-emergency transportation contract, excluding any amendments or extensions, was originally set at a cost not to exceed \$117,230,259, more than \$20 million higher than the cost cap of the 2018 contract.

The 2018 procurement for a NET broker placed the focus on the lowest bid for the cost of the contract, a change from prior years in which cost was considered but technical criteria factored largely during the scoring of the procurement. Along with considerations designed to ensure the brokers can deliver the required core NET services (e.g., minimum years of experience, number of NET brokerage programs operated, professional references, etc.), the 2013, 2017, and 2018 NET contracts weighted cost at 30%, 40%, and lowest contract price, respectively.

The 2013 NET broker procurement received five proposals. The Division of Medicaid offered a total of 1,000 points while scoring each proposal: 700 points maximum for the technical proposal and 300 points maximum (or 30%) for the business/cost proposal.

PEER Report #605, *A Review of the Procurement and Implementation of the Division of Medicaid's Non-Emergency Transportation Brokerage Contract* (November 1, 2016) suggested that the Division of Medicaid was missing an opportunity for cost savings by not weighting cost more heavily during the procurement process.

The DOM received six proposals during the 2017 procurement for NET broker services, with the agency weighting the business/cost section higher than in the previous procurement. The 2017 procurement scoring allowed for a maximum total of 100 points: 60 points maximum for the technical proposal and 40 points maximum (40%) for the business/cost proposal, thus increasing the cost component by 10%. Because the 2017 contract never became operational, no cost-effectiveness can be measured.

Focusing almost exclusively on cost can drive the overall cost cap of a contract down, which occurred in 2018. The 2018 procurement, which received three bids, has a cost cap of \$96,776,053.76, more than \$20 million lower than the cost cap of the 2013 contract.

What method does the Division of Medicaid use to pay the NET broker?

This chapter will address the following questions:

- How does the 2013 payment methodology compare to the 2018 payment methodology?
- How does the Division of Medicaid intend to track NET costs under the new utilization-based payment methodology?

How does the 2013 payment methodology compare to the 2018 payment methodology?

The Division of Medicaid pays the non-emergency transportation broker at a firm and fixed capitated rate. The 2013 NET contract paid the same rate for beneficiaries each month, regardless of whether they utilized the NET program. The 2018 NET contract uses a new utilization-based payment methodology.

Under the 2013 non-emergency transportation contract, the Division of Medicaid paid a firm and fixed rate to Medical Transportation Management for NET brokerage services; that is, the DOM paid MTM the same amount for every eligible Medicaid NET beneficiary regardless of an eligible beneficiary's use of the NET program.

With the 2018 non-emergency transportation contract, the Division of Medicaid is implementing a new payment methodology for paying MTM. According to the DOM, this change was, in part, based on a PEER recommendation from Report #605, "PEER notes that an increased focus on the cost component of the procurement should result if the DOM shifts to a per member per month procurement rate payment methodology for the upcoming NET broker RFP, as previously discussed."

The DOM further noted that it had used a similar payment methodology for the End Stage Renal Disease (ESRD) NET program in both the 2008 and 2013 contracts. The ESRD payment methodology in the 2013 ESRD NET contract is that "the Contractor will be paid on a Per Beneficiary Per Month Transported status."

According to the DOM, the updated utilization-based payment methodology in the 2018 NET broker procurement ensures that a payment for the same beneficiary twice in the same month does not occur. The 2018 NET broker contract payment methodology states:

The contractor's monthly payment shall be based on:
1. the contractor's bid rate: per beneficiary per month utilized by transportation trip type, and 2. Per beneficiary per month non-utilizers. If a beneficiary utilizes more than one trip type during the month, the contractor's payment shall be based on the per beneficiary per month higher rate category for that Beneficiary, but not both categories.

How does the Division of Medicaid intend to track NET costs under the new utilization-based payment methodology?

In addition to collecting records of each time a beneficiary has an encounter with the NET provider or other transportation service, the Division of Medicaid conducts audits to reconcile data uploaded to Medical Transportation Management from NET providers and with data MTM provides to the agency.

The Division of Medicaid expects new utilization-based payment methodology to reduce the overall contract cost because it will pay a lower rate for eligible beneficiaries who do not use the non-emergency transportation program versus a higher rate for beneficiaries who utilize the program. The DOM plans to use “encounter” data to help track costs.

According to the DOM, it will collect encounter data—a record of each time a beneficiary has an interaction with an aspect of the program—i.e., with the NET provider, volunteer driver, gas mileage reimbursement, fixed route (public transit), commercial carrier (ground), commercial carrier (air), or fixed wing non-emergency air ambulance—and a claim is submitted for services rendered. Currently, NET providers submit trip claims through an online portal on the MTM webpage. NET providers must submit their daily trip logs as well as signature verification that the trip was provided before MTM reimburses for the trip. MTM then submits the encounter data to the DOM’s fiscal agent, who provides the DOM with the encounter data.

Section 2.39.2 of IFB #20180511 states,

Contractor shall submit complete, accurate and timely Encounter Data including but not limited to individual trip claims to the DOM’s fiscal agent on a schedule determined by the DOM.

According to the DOM, it conducts on-site audits in which it checks the claim data uploaded to MTM from the NET providers and compares it against the data MTM provides to the DOM fiscal agent to ensure they reconcile.

How does the Division of Medicaid provide oversight of the non-emergency transportation program?

This chapter will answer the following:

- What performance standards does the Division of Medicaid impose on its NET broker?
- How does the Division of Medicaid monitor MTM's performance for the various performance standards?
- What actions does the DOM take to address noncompliance with performance standards?

What performance standards does the DOM impose on its NET broker ?

The Division of Medicaid establishes performance measures in each NET broker contract regarding the operation and implementation of NET services. These measures include beneficiary wait times, trip authorizations, NET driver requirements, and call center operations.

The Division of Medicaid outlines performance measures in each NET broker contract. These include beneficiary wait times, trip authorizations, NET driver requirements, and call center operations. During the procurement process, bidders represent to the DOM their ability to comply with all of the requirements within the procurement documents, including the performance standards. MTM currently adheres to the performance measures outlined in the 2013 NET broker contract.

For the 2018 NET broker contract, the DOM updated the contract to include the performance measures established within the 2013 NET contract and 21 new or updated performance measures and requirements. For example, the 2013 contract requires that the average monthly wait time for beneficiaries not exceed 15 minutes. The 2018 NET broker contract includes updated wait times for each type of beneficiary pickup, including from originating site, from a medically necessary covered service, will-call, and hospital discharges during and outside of the DOM's definition of Medicaid-provider office hours.

The DOM further increased the new beneficiary wait time performance measures by stating that no more than 5% of trip wait times shall be exceeded per NET provider. According to the DOM, the increased reporting on pickup locations will allow it to determine where NET providers fail to meet the performance standards and require MTM to target those trips.

The DOM made steps to improve NET program access in the 2018 NET broker contract by requiring MTM to have two NET providers per county as well as have 46 NET providers on contract with the broker at all times. Prior NET contracts provided only that the broker prove that there are sufficient resources to meet the geographic coverage standards. These specific geographic coverage standards could provide greater access to the NET program than in prior contracts.

Exhibit 2 lists the new or modified 2018 contract performance standards. A comprehensive list of 2018 NET broker performance standards can be found in Appendix D, pages 29–36.

Exhibit 2: New Performance Measures Required by the DOM under the 2018 NET Broker Contract with MTM

General Requirements
The contractors shall respond to all the DOM email communication with 24 hours confirming receipt of the DOM communication. The contractor shall provide the DOM with a response/resolution within seven business days of the DOM email communication unless otherwise stated in this IFB.
Scheduling and Dispatching Trips
The monthly beneficiary waiting time for pickup at the originating site (e.g., home) does not exceed 15 minutes based on the scheduled time of pickup for each NET transportation provider. No more than 5% of these trips shall exceed the 15-minute wait time for pickup per NET transportation provider.
The monthly beneficiary waiting time for pickup (scheduled pickup) from their medically necessary covered service (e.g., appointment, pharmacy, screening, doctors visit) does not exceed 30 minutes for each NET transportation provider. No more than 5% of these trips shall exceed the 30-minute wait time for pickup per NET transportation provider.
The monthly beneficiary waiting time for pickup (will-call pickup) from a medically necessary covered service (e.g., appointment, pharmacy, screening, doctor’s visit) does not exceed 60 minutes for each NET transportation provider. A will-call is defined as a beneficiary’s call to request the return ride or “will-call” trip. No more than 5% of these trips shall exceed the 60-minute wait time for pickup per NET transportation provider.
The monthly beneficiary waiting time for pickup from their hospital discharge does not exceed one hour after notification of a hospital discharge during regularly scheduled Medicaid provider office hours as defined by the DOM. The DOM defines regularly scheduled Medicaid provider office hours as the hours between 8:00 a.m. and 5:00 p.m., Monday through Friday, excluding Saturday, Sunday, and federal and state holidays. No more than 5% of these trips shall exceed the one-hour wait time for pickup per NET transportation provider.
The monthly beneficiary waiting time for pickup from a hospital discharge does not exceed three hours after notification of a hospital discharge during hours outside of the Division of Medicaid’s definition of Medicaid provider office hours. No more than 5% of these trips shall exceed the three-hour wait time for pickup per NET transportation provider.
Geographic Coverage Area
The contractor shall maintain a NET transportation provider network of no less than two NET providers per county providing transportation services.
Modes of Transportation
A report detailing the number and type of vehicles used during the month.
NET Provider Network
The contractor shall maintain a NET transportation provider network of no less than 46 contracted NET providers.
Miscellaneous Operational Rules
Beneficiaries must be given the opportunity to choose his or her network provider to the extent possible and appropriate.

Monitoring Plan
The contractor shall conduct a monthly beneficiary satisfaction survey regarding the NET brokerage program. The purpose of the survey is to verify the availability, appropriateness, and timeliness of the trips provided and the manner in which the contractor's staff and the NET transportation provider's staff interacted with beneficiaries.
Sufficient Resources
The automatic call distribution system answers all calls within one ring.
The average monthly speed to answer after the initial automatic voice response is 40 seconds or less.
The average monthly abandonment rate is no more than 4%.
The contractor shall submit to the DOM a monthly deliverable report which includes the call center staffing-to-call ratio. The report shall include recommendations by the contractor to the DOM regarding appropriate staffing based on call center sufficiency standards.
The contractor shall record calls received at the call center and monitor no less than 3% of calls for compliance with customer care guidelines. The contractor shall use this monitoring to identify problems or issues, for quality control, and training purposes. The contractor shall document and retain results of this monitoring and subsequent training and will report the findings of these audits to the DOM via quarterly deliverable report and upon DOM request.
Beneficiary and Medicaid Provider Complaint Resolution Process
Complaint information shall be provided to the DOM via monthly and quarterly deliverable reports and shall include at least the minimum required documentation.
NET Provider Complaint Resolution Process and Claims Appeals
Complaint information shall be provided to the DOM via monthly and quarterly deliverable reports and shall include at least the minimum required documentation.
Data Capture and Encounter Data
The contractor shall maintain appropriate systems and mechanisms to obtain all necessary data from its NET providers or subcontractors, volunteer driver, gas mileage reimbursement, fixed route (public transit), commercial carrier (ground), commercial carrier (air), fixed wing nonemergency air ambulance to ensure its ability to comply with the encounter data reporting requirements as specified by the DOM.
When the DOM or its fiscal agent rejects a file of encounter data, the resubmittals of rejected files must be resubmitted with all required data elements in the correct format by the contractor within 14 calendar days from the date the contractor received the rejected file. The DOM may assess liquidated damages for noncompliance with this requirement.
The contractor shall make an adjustment to encounter data when the contractor discovers the data is incorrect, no longer valid, or some element of the claim not identified as part of the original claim needs to be changed. If the DOM or its fiscal agent discovers errors or a conflict with a previously adjudicated encounter claim, the contractor shall be required to adjust or void the encounter claim within 14 calendar days of notification by the DOM.

SOURCE: PEER analysis of data provided by the Division of Medicaid and IFB #20180511.

How does the DOM monitor MTM's performance for the various performance standards?

The Division of Medicaid monitors performance data and documentation submitted in Medical Transportation Management's required monthly reports. Other oversight methods include conducting bimonthly management meetings with MTM staff, compliance investigations, and on-site audits and reviews.

The Division of Medicaid receives reports from MTM on a monthly, quarterly, and annual basis. These reports contain data that outline how the MTM and NET providers performed against the performance standards outlined in the contract. The DOM reviews review the reports and maintain the data within internal tracking logs. The DOM monitors these data trends and, if necessary, discusses them during bimonthly meetings with MTM. The DOM also used the data to update performance measures in the 2018 NET broker contract.

In the 2018 NET broker contract, the DOM made several performance measures more specific, including pickup wait times for NET beneficiaries. The DOM believes this will allow it to find specific areas in which the NET providers and NET broker have service gaps and enable to improve NET service. The DOM also mandates that the NET broker provide a list of required reports that it can provide to NET providers to motivate them to meet performance standards and to increase service quality.

What actions does the DOM take to address noncompliance with performance standards?

The Division of Medicaid attempts to ensure compliance by requiring corrective action plans or assessing liquidated damages when MTM does not meet performance standards.

Corrective Action Plans

The 2018 NET broker contract continues the DOM's ability to utilize corrective action plans. If the Division of Medicaid determines, through monitoring of the NET broker's monthly reports, that the broker has not complied with performance standards, it may place the broker on an approved corrective action plan.

Since the release of PEER Report #605 in 2016, MTM has been required by the DOM to create and complete one corrective action plan only once. This corrective action plan listed the following issues on noncompliance with the 2013 NET contract:

Section 1.8: violation of MTM's Technical Proposal through allowing Legacy Transportation's credentialing data to expire without automatically preventing them from assigning any more trips until the information is provided and approved by MTM.

Section 1.9: Authorized employees of the NET Broker must immediately remove from service any vehicle or driver found to be out of compliance with this RFP, Mississippi Administrative Code or with any state or

federal regulations. The NET Broker must notify DOM within one business day of its intention to remove a vehicle or driver from service.

Section: 1.13: violation of MTM's Technical Proposal by not ensuring that Legacy Transportation complied with the requirements of this RFP, Mississippi Administrative Code, the terms of its contract and all NET Provider-related requirements of the contract, including driver requirements, vehicle requirements, Complaint Resolution requirements, and the delivery of courteous, safe, timely and efficient transportation services. MTM did not produce detailed documentation regarding identified deficiencies. MTM did not coordinate education with Legacy Transportation or place the provider on a performance improvement plan (PIP).

MTM created steps, or corrective measures, for each area of noncompliance and marked a 30- or 60-day target completion time frame. According to the corrective action plan submitted to PEER by the DOM, MTM completed the necessary steps to satisfy the corrective action plan. MTM developed a new report for the DOM detailing driver and vehicle claims denials and reinforced its process of notifying NET providers when drivers' or vehicles' credentials are due to expire to correct its Section 1.8 failure; developed a report that notifies the DOM of any driver or vehicles removed from the NET program in order to correct the Section 1.9 performance failure; and developed NET credentialing requirements training and required all NET providers to participate in the training to correct its Section 1.13 performance failure.

Liquidated Damages

The DOM monitors deliverable reports from MTM for compliance and noncompliance with performance measures. Section 2.51.2 of the 2018 NET broker contract states,

"Because performance failures by the Contractor may cause DOM to incur additional administrative costs that are difficult to compute, DOM may assess liquidated damages against the Contractor pursuant to this section, and deduct the amount of the damages from any payments due the Contractor."

The 2013 NET broker contract includes the same language for assessing liquidated damages (i.e., financial penalties for breaching a term of the contract). This section of the NET broker contract gives the DOM the authority to assess liquidated damages for noncompliance with performance standards from any payments due to the NET broker. The DOM notifies the NET broker of noncompliance through both email and certified mail.

With the 2018 NET broker contract, the DOM created new liquidated damages that can be assessed to the broker, as well as keeping all existing damages from the 2013 contract. New performance measures that, if unmet, can be assessed damages include failure to submit timely and accurate encounter data, failure to obtain the DOM approval in writing for material that

requires such, and failure to carry out a DOM-approved corrective action plan.

A complete list of the liquidated damages that may be assessed can be found in Appendix E, pages 37–38. The existing liquidated damages did not increase in price.

The DOM assessed a total of \$1,352,800¹⁰ in liquidated damages between November 2016 and May 2018. Of that amount, the DOM has collected \$493,357.50. MTM is currently appealing \$747,050 of the total assessed liquidated damages for vehicle and driver noncompliance issues for the months of March 2018, April 2018, and May 2018. MTM has appealed these damages under the claim that the DOM improperly reviewed the data it provided about vehicle and driver compliances.

The Division of Medicaid incorrectly assessed liquidated damages in May 2017 for \$32,100 rather than \$31,200, overcharging MTM by \$900. MTM did not appeal these damages; thus, the DOM subsequently underpaid MTM by \$900.

For 19 consecutive months, the NET broker failed to meet three performance measures—maximum average wait time to pick up beneficiaries, exceeded wait time for pickup after a hospital discharge, was late or missed 2% or more of trips—for which the DOM assessed liquidated damages of \$384,850. For 17 consecutive months MTM failed to meet the 10-day time frame to authorize trips, resulting in \$13,200 in liquidated damages. MTM met the 10-day time frame to authorize trips in March 2018, but failed to meet the standard for two subsequent months, resulting in \$2,600 additional liquidated damages. Exhibit 3, page 19, presents liquidated damages for these four main performance measures.

¹⁰Includes damages that are currently under appeal by MTM.

Exhibit 3: Liquidated Damage Amounts for the Main Consistently Unmet Performance Measures under the 2013 NET Contract with MTM¹¹

Performance Measures	Liquidated Damages
Item 1 of Section 1.4.4 (Scheduling and Dispatching Trips), “[t]he Contractor shall ensure that the average monthly waiting time for pickup does not exceed fifteen (15) minutes for each NET transportation provider. The contractor shall ensure that Beneficiaries arrive at pre-arranged times for appointments and are picked up at pre-arranged times for the return trip if the Covered Medical Service follows a reliable schedule. The pre-arranged times may not be changed by the NET transportation provider or driver without prior permission from the Contractor.”	\$195,600
Item 4 of Section 1.4.4, “[t]he Contractor shall contact an appropriate NET transportation provider so that pickup occurs within three (3) hours after notification of a hospital discharge.”	\$60,000
Item 2 (On-Time Arrival) of Section 1.6.6 (Miscellaneous Operational Rules), “[n]o more than two percent (2%) of the scheduled trips shall be late or missed per day.”	\$129,250
1.6.8 (Timeliness Requirements), “Contractor shall authorize and schedule routine NET Services for one hundred percent (100%) of all requests within ten (10) business days after receipt of a request.”	\$15,800

SOURCE: PEER analysis of November 2016–May 2018 liquidated damages letters created by the DOM and RFP #20130802.

Published Performance Data/Reports

The 2018 NET contract requires corrective action plans, actual damages, and liquidated damages to be published on the NET broker’s website. IFB #20180511 requires in Section 2.51.2 that the broker must publish any actual or liquidated damages and corrective actions plans on its website. The 2013 NET contract did not allow the Division of Medicaid to publish NET provider performance data online to be viewable by the NET beneficiaries.

According to the DOM, it is the intent of Section 2.51.2 for the NET broker to publish all NET provider performance data: What the DOM deems is the intent of the contract is what is to be fulfilled by MTM as the NET broker. The DOM expects MTM to publish not only any corrective action plans and liquidated damages assessed by—and collected by—the DOM, but also the supporting documentation of why the damages were assessed, for example, to not only publish the letter the DOM sends explaining reasons for assessed damages or a corrective action plan, but also to include the data from MTM that led to the liquidated damages.

¹¹Includes damages that are currently under appeal by MTM.

Beneficiary Satisfaction Surveys

The Division of Medicaid updated the 2018 NET broker contract to increase the frequency of the beneficiary satisfaction survey from biannually to monthly to have a more frequent analysis of beneficiary satisfaction with the NET program. The beneficiary satisfaction survey will ask questions covering topics including the following:

- confirmation of a scheduled trip;
- driver, net provider, and contractor staff courtesy;
- driver and attendant assistance, when required;
- overall driver behavior;
- driver safety and operation of the vehicle;
- condition, comfort, and convenience of the vehicle; and
- punctuality of service.

Through the beneficiary satisfaction survey, the DOM seeks to evaluate the level of service and care beneficiaries receive from MTM and the NET transportation providers.

The DOM also updated the 2018 NET broker contract to include language to ensure that NET beneficiaries must be able to choose their NET provider as much as possible and appropriate. When beneficiaries call the NET broker to schedule a ride, they can request their preferred provider.

Under the 2013 NET broker contract NET beneficiaries did not have this option; rather it gave MTM the ability to select its preferred provider(s) based on trip cost, allowing MTM to choose that provider whenever possible for savings to the company. The 2013 NET broker contract did, however, state that the NET broker should try to accommodate NET beneficiaries' preferences, especially if a beneficiary has a disability.

The DOM expects that this shift in beneficiaries being able to choose the transportation providers they prefer, will create better ride experiences for NET beneficiaries and will be reflected on the monthly satisfaction surveys.

Are there opportunities for improving NET program operations?

This chapter will answer the following:

- What other options exist for providing non-emergency transportation services?
- What additional actions could the Division of Medicaid take based on PEER recommendations from Report #605?

What other options exist for providing non-emergency transportation services?

Some states coordinate human transportation services in an effort to maximize productivity and cost efficiency. Every state coordinates services at different levels and with different levels of authority. Currently there is no formal agreement among Mississippi state agencies that establishes interagency transportation agreements regarding transportation services provided by the DOM's NET provider. Some states also are considering the use of ridesharing companies to provide NET program services.

Interagency Coordination

The National Conference of State Legislatures released a report in 2014 that discussed transportation coordination between state agencies as well as regional and local levels that operate with or without a legal mandate and funding. This NCSL report indicated that state-level coordinating councils¹² allow for information sharing between state agencies that offer transportation, which allows for mutual problem solving and better service delivery.

The Mississippi Department of Transportation houses an Interagency Transportation Committee (ITC) to promote interagency cooperation and collaboration in planning and providing regional transportation services. The ITC includes representatives from multiple state agencies, including the Mississippi the Transportation, Health, Human Services, Mental Health, and Rehabilitation Services departments; the Division of Medicaid; Mississippi Development Authority; AARP of Mississippi; and the Mississippi Coalition for Citizens with Disabilities. The ITC draft memorandum of understanding between MDOT and the DOM states that both parties endorse mutual goals of coordinating transportation at the state level and promoting coordination at the local level.

While the ITC offers state agencies a place to collaborate and plan regarding the various requirements of human transportation services, there is currently no formal agreement regarding the actual sharing of transportation services regarding the NET program. Further collaboration and cooperation among the state agencies that participate in the ITC could identify opportunities to

¹²“Coordinating councils are, in the simplest sense, groups of diverse organizations that actively work together on an ongoing basis to better coordinate and provide transportation services to people who have mobility challenges,” Ball, Jaime, and Myers, Amelia. *State Human Service Transportation Coordinating Councils: An Overview of State Profiles, 2014 Update*. Washington, DC.: NCSL, 2015, 6.

establish shared transportation service agreements, where applicable, among their respective programs.

Ridesharing Companies

There has been a recent growth in ridesharing companies providing non-emergency transportation services. Both UberHealth and Lyft ridesharing companies offer non-emergency transportation rides. Lyft has provided rides by partnering with NET broker companies, such as Access2Care.¹³ Health-care companies and other businesses who provide NET brokerage services are beginning to utilize on-demand, or ridesharing, services to provide curb-to-curb NET services for Medicaid beneficiaries.

The 2018 NET broker contract states:

“Volunteer driver does not include global taxi technology companies, on demand transportation companies or ride sharing services.”

Medicaid does not preclude MTM from contracting with Uber or Lyft-type services as NET providers, but maintains that these providers have to meet the minimum requirements of NET drivers. Arizona’s Medicaid program is also evaluating these ridesharing services and has found that applying the various rules and regulations of NET programs to their NET program is a concern. Access to ridesharing services, typically available only in more densely populated cities, could further limit this option.

What additional actions could the Division of Medicaid take based on PEER recommendations from Report #605?

The Division of Medicaid has acted upon all the recommendations PEER made in Report #605, *A Review of the Procurement and Implementation of the Division of Medicaid’s Non-Emergency Transportation Brokerage Contract*, as has been discussed. However, opportunity exists to increase liquidated damages assessed for repeated failure.

PEER released report #605 on November 1, 2016, containing five recommendations for the Division of Medicaid to consider in developing a more efficient Medicaid non-emergency transportation program. (A full list of the recommendations can be found in Appendix F, pages 39-40.) The DOM’s implementation of increased weight for cost during procurement, utilizing monthly deliverable reports to increase service quality, and publishing NET provider performance data has been discussed previously in this report.

In addition, PEER recommended that the Division of Medicaid require MTM to plainly and explicitly provide NET providers a copy of complaint and grievance policies and require a signed acknowledgment of receipt. The DOM has made this suggestion a requirement in the 2018 NET broker contract. PEER also

¹³Access2Care, Inc. is a non-emergency transportation services manager that provides transportation management to Medicaid and Medicare members through government and managed care organization (MCO) contracts in 29 states and Washington, D.C.

recommended the DOM to make it known to NET providers the reporting required of MTM.

However, opportunity remains to increase liquidated damages assessed for repeated failure of MTM to meet performance standards, as discussed in the recommendation from PEER Report #605. For example, as discussed on page 17, MTM failed to pick up beneficiaries within the DOM's standard of 15 minutes for 19 consecutive months. This resulted in the DOM assessing \$195,600 in liquidated damages to MTM. The DOM could use performance measures, such as exceeding wait times for pickup, to incrementally increase the liquidated damages they assess for each consecutive month MTM fails to perform at the standards set by the DOM. The DOM did not include any increased punitive damages for performance measures that are repeatedly unmet in the 2018 NET broker contract.

Recommendations

1. The Division of Medicaid should routinely analyze the NET encounter data (i.e., each time a beneficiary has an encounter with a NET transportation provider) submitted by MTM to the DOM fiscal agent in order to determine the total number of unduplicated Medicaid beneficiaries utilizing NET services by transportation type. The DOM should compare this number of utilizers to the total number of beneficiaries eligible for NET services in order to identify trends in utilization for the current NET contract.

Also, IFB #20180511 states that the DOM will pay MTM monthly based on a retrospective review of the prior month transportation claims. This monthly payment will be based on MTM's bid rate for utilizers (per beneficiary per month utilized by transportation trip type) and the per beneficiary per month for non-utilizers. Therefore, the DOM should compare the utilization rates of the current NET contract to the utilization rates from the previous NET contract in order to determine if utilization of NET services has increased or decreased, both in total number and transportation trip type.

Furthermore, the DOM should compare these monthly payments made to MTM for the current contractual period to the average monthly payments paid to MTM under the previous contract to determine to what extent the new utilization-based payment methodology yields cost-efficiency in the overall costs of the NET program.

2. The Division of Medicaid should analyze the data in the deliverable reports from the NET broker to compare the performance of the NET broker under the new geographic access and NET provider network performance standards to determine whether the new performance standards have improved access and reduced wait times.
3. The Division of Medicaid should consider using corrective action plans more frequently for the performance standards that are consistently unmet to improve performance of non-emergency transportation providers and, in turn, the overall quality of the NET program while reducing the need for routine assessment of liquidated damages.
4. Although MTM did not dispute the \$900 over-assessment of liquidated damages in 2017 as allowed by the request for proposal, the Division of Medicaid and MTM should arrive at a mutually acceptable procedure for correcting the over-assessment amount.
5. The Division of Medicaid should explore additional opportunities for cost efficiency in providing NET services to Medicaid beneficiaries for future NET contracts, such as interagency transportation shared services among programs or the addition of options for the utilization of ridesharing companies.

Appendix A: Non-Emergency Medical Transportation Service Delivery Model Options

Service Delivery Model	Description
Public Brokerage System	Service delivery model in which a state agency connects riders with transportation providers in the most efficient and cost-effective way. State agencies that want to run a brokerage service must insulate the broker service from the rest of the agency budget. For example, a transit agency may be well positioned to provide a broker service because its employees are the most knowledgeable about the public transit system and the connections that a rider could make in order to get to his or her appointment. This employee would need to be separated from the transit agency and placed into a new brokerage with a separate salary that could not share any funds from the public transit agency's budget and paid a salary separate from agency. When the employee becomes a separate brokerage employee, documenting the transit agency's cost and cost-effectiveness for competitive bidding becomes more complex, as overhead numbers need to be parsed from other operating expenses. This creates a barrier for effective, efficient coordination between state agencies and non-emergency medical transportation being provided through existing state, regional, and local transportation resources. However, in rural areas, waivers are available for places where procuring a private broker is not feasible.
Private Brokerage System	States that deliver non-emergency medical transportation through a private brokerage use a competitive bidding process to procure a private for-profit company to work as an intermediary between transportation providers and eligible riders. States usually make capitated payments to the broker for each eligible rider. This is the most common form of brokerage because it provides financial certainty that the state will only pay a set amount to a broker each year, instead of facing variable costs from using its own brokerage. A capitated rate provides an incentive for the provider to streamline operations—for example, by providing automated call-out reminders of upcoming rides and automating the billing import and export process to lower operating costs.
Mix of Brokerage and Fee-for-Service System	In some states with are concentrated urban areas and sparsely populated rural regions, a mixture of brokered services and fee-for-service models is used. Other states that have more dispersed populations use regional brokers to provide rides, and people outside those regions use fee-for-service models. Under this model, the regional Medicaid agency contracts with a broker with a capitated contract, keeping costs stable for the regions that may have larger populations. By apportioning resources to the populated regions, the state agency can focus the rest of its resources on providing trips on a fee-for-service basis.
Public Transit	In some states, public transportation is readily available to Medicaid recipients. Medicaid agencies in these states rely almost exclusively on public transportation to provide non-emergency medical transportation and reimburse the user for the trip. Some communities utilize mobility management administered by transit agencies to improve network efficiencies through such things as one-call, one-click scheduling systems. If public transportation is not available, the agency focuses on personal transportation options.
Managed Care	One of the newest delivery models is a managed care model in which transportation delivery is part of the responsibility of the managed care provider or insurance firm that offers the covered Medicaid services. Typically, the state offers a capitated payment per enrolled individual over a specified period. This model aligns the incentive to care for patients in the most cost-effective way with the financial incentive for better outcomes by having the insurance company pay for the consequences of missed appointments and decreased health outcomes. This method is aligning incentives for better care with the entity that would be paying the price for inadequate service.

SOURCE: Myers, Amelia. "Non-Emergency Medical Transportation: A Vital Lifeline for a Healthy Community." NCSL, National Conference of State Legislatures. January 7, 2015. Accessed March 29, 2016. <http://www.ncsl.org/research/transportation/non-emergency-medical-transportation-a-vital-lifeline-for-a-healthy-community.aspx>.

Appendix B: Types of Transportation Offered in the Non-Emergency Transportation Program

2013 Modes of Transportation

1. **Fixed Route:** Transportation by means of a public transit vehicle that follows an advertised route on an advertised schedule, does not deviate from the route or the schedule and picks up passengers at designated stops.
2. **Basic Vehicle:** A motorized vehicle used for the transportation of passengers whose medical condition does not require use of a wheelchair, hydraulic lift, stretcher, medical monitoring, medical aid, medical care or medical treatment during transport. This does not include Private Auto.
3. **Enhanced Vehicle:** A motorized vehicle equipped specifically with certified wheelchair lifts or other equipment designed to carry persons in wheelchairs or other mobility devices, or is equipped specifically for the transportation of passengers who cannot sit upright and are required to remain in a lying position during transport. Enhanced Vehicles can only be used to transport passengers that do not require medical monitoring, medical aid, medical care or medical treatment during transport. This does not include Private Auto.
4. **Non-Emergency Ambulance:** A motorized vehicle equipped specifically for the transportation of a passenger whose medical condition requires transfer by stretcher with medical supervision. The patient's condition may also require the use of medical equipment, monitoring, aid, care or treatment, including the administration of drugs or oxygen, during the transport.
5. **Other Transportation:** any commercial carrier i.e. Amtrak, buses (such as Greyhound).

2018 Modes of Transportation

1. Ambulatory

Basic Vehicle: transportation by means of a motorized vehicle used for the transportation of passengers whose medical condition does not require use of a wheelchair, hydraulic lift, stretcher, medical monitoring, medical aid, medical care or medical treatment during transport. This does not include private automobiles and does not include transportation through the volunteer driver program.

Commercial Carrier (Ground): transportation by means of passenger train (such as Amtrak) or buses (such as Greyhound).

Fixed Route (Public Transit): transportation by means of a public transit vehicle that follows an advertised route on an advertised schedule, does not deviate from the route or the schedule and picks up passengers at designated stops.

Gas Mileage Reimbursement: gas reimbursement for beneficiary trips. Transportation by means of private automobile (vehicle owned by the beneficiary, relative or other individual). This mode of transportation does not include transportation provided by the volunteer driver program.

Volunteer Driver: transportation by means of motor vehicle owned and operated by an individual within the community. Volunteer driver does not include global taxi technology companies, on demand transportation companies or ride sharing services. The volunteer driver must at a minimum meet all credentialing and insurance requirements, timeliness standards, report accidents and incidents, accept/deny trip assignments, comply with policies outlined in the contractor's volunteer driver agreement and submit claims to the Contractor.

2. Advanced Vehicle

Wheelchair/Stretcher: transportation by means of a motorized vehicle equipped specifically with certified wheelchair lifts or other equipment designed to carry persons in wheelchairs or other mobility devices, or is equipped specifically for the transportation of passengers who cannot sit upright and are required to remain in a lying position during transport. Enhanced Vehicles can only be used to transport passengers that do not require medical monitoring, medical aid, medical care or medical treatment during transport. This does not include Private Auto.

Non-Emergency (ground) ambulance: transportation by means of a motorized vehicle equipped specifically for the transportation of a passenger whose medical condition requires transfer by stretcher

with medical supervision. The passenger's condition may also require the use of medical equipment, monitoring, aid, care or treatment, including the administration of drugs or oxygen, during the transport. The contractor is not responsible for scheduling or reimbursement of nonemergency ground ambulance hospital to hospital transports.

3. Air

Commercial Carrier (Air): transportation by means of scheduled airline services

Fixed Wing Non-Emergency Air Ambulance: transportation by means of a fixed-wing aircraft used for chartered air transportation of sick or injured persons who require medical attention during transport.

SOURCE: Division of Medicaid RFP #20130802 and DOM IFB #20180511.

Appendix C: Public Procurement Review Board's General Provisions for Competitive Sealed Bidding

Competitive Sealed Bidding is the process of inviting and obtaining bids from competing sources in response to advertised competitive specifications, through the issuance of an Invitation for Bids (IFB), by which an award is made to the lowest and best bidder meeting the specifications and does not include discussions or negotiations with bidders.

Conditions for Use: Competitive sealed bidding is the preferred method of procurement and contracts shall be awarded by competitive sealed bidding unless approval is given to utilize a different method.

Invitation for Bids: An Invitation for Bids shall be issued and shall include a purchase description and all contractual terms and conditions applicable to the procurement. The Invitation for Bids shall include the following: instructions and information to bidders concerning bid submission requirements, including: the time and date set for receipt of bids, the address of the office to which bids are to be delivered, the maximum time for bid acceptance by the State, the manner in which bids are to be submitted, including any forms for that purpose, and, any other special information; the purchase description, evaluation factors, delivery or performance schedule, and any inspection and acceptance requirements that are not included in the purchase description; and, the contract terms and conditions, including warranty and bonding or other security requirements, as applicable.

Public Notice: When the amount of the contract is anticipated to be more than \$75,000.00, public notice must be given in accordance with Section 3-202.06. All personal and professional services contract procurements must be posted on the Mississippi Contract/Procurement Opportunity Search Portal in accordance with Mississippi Code Annotated § 25-53-151.

Bid Opening: Bids shall be opened publicly in the presence of one of more witnesses at the time and place designated in the Invitation for Bids. The name of each bidder shall be recorded. The amount of each bid and such other relevant information as may be specified by regulation may be recorded; the record and each bid shall be open to public inspection as provided in Section 1-301 (Public Access to Procurement Information).

Bid Acceptance and Bid Evaluation: Bids shall be unconditionally accepted without alteration or correction, except as authorized in these regulations. Bids shall be evaluated based on the requirements set forth in the Invitation for Bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award shall be objectively measurable where possible. The Invitation for Bids shall set forth the evaluation criteria to be used. No criteria may be used in an evaluation that is not set forth in the Invitation for Bids.

Correction or Withdrawal of Bids; Cancellation of Awards: Correction or withdrawal of inadvertently erroneous bids before an award, or cancellation of awards or contracts based on erroneous bids shall be permitted in accordance with these regulations. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the State or fair competition shall be permitted. Except as otherwise provided herein, all decisions to permit the correction or withdrawal of bids or to cancel awards or contracts based on bid mistakes shall be supported by a written determination made by the Agency Head. The written determination shall be maintained in the Agency Procurement File.

Award: The contract shall be awarded with reasonable promptness by written notice to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the Invitation for Bids.

SOURCE: Public Procurement Review Board, Office of Personal Service Contract Review, Rules and Regulations (as of May 6, 2018).

Appendix D: Performance Standards and Requirements by Category in the 2018 NET Contract between the Division of Medicaid and MTM, Inc.

General Requirements

Contractor shall respond to all DOM email communication within 24 hours confirming receipt of the DOM communication. The contractor shall provide the DOM with a response/resolution within seven business days of the DOM email communication unless otherwise stated in this IFB.**

Screening

Requests for NET services may be made by beneficiaries; their family members, guardians, or representatives and by Mississippi Medicaid providers. The contractor shall screen all NET requests to determine each of the following requirements:

- Beneficiary's lack of access to available transportation. The contractor shall require the beneficiary to verbally certify the lack of access to available transportation.
- The medical service for which NET service is requested is a Mississippi Medicaid covered medical service for the beneficiary and rendered by an enrolled Mississippi Medicaid provider.
- The most economical mode of transportation appropriate to meet the medical needs of the beneficiary, based on the beneficiary's mobility status and personal capabilities on the date of service. Reasons for approval of a mode of transportation that is not the most economical must be documented in detail.
- The nearest appropriate Medicaid provider to the beneficiary. If the Medicaid provider is an excessive distance from the beneficiary's residence, see Section 2.17.
- Necessity of attendant or assistance request. The contractor may require a medical certification statement from the beneficiary's Medicaid provider to approve door-to-door service or hand-to-hand service.

Advance Reservations

Contractor shall provide written materials to beneficiaries on how to request NET services, including instructions that NET service requests must be made at least three business days before the NET service is needed.

Contractor shall hold an educational event six months after the start date of the contract and at minimum an annual educational event thereafter for NET providers to which the DOM is invited to participate.

Contractor shall report transportation requests less than two business days in advance of the appointment date. Report will include evidence and frequency of contractors attempts to provide additional education to beneficiaries, their family members, guardian, or representative, and the DOM provider who consistently request NET service less than two business days in advance.

Scheduling and Dispatching Trips

Contractor shall receive requests for NET services, screen each request, and, if authorized, schedule and assign the trip to an appropriate NET transportation provider. The following standards must be maintained:

- Contractor shall ensure that beneficiaries arrive on time at prearranged times for appointments and are picked up on time at prearranged times for the return trip if the covered medical service follows a reliable schedule. The pre-arranged times may not be changed by the NET transportation provider or driver without prior permission from the contractor.
- Contractor and NET transportation provider may group beneficiaries and trips to promote efficiency and effectiveness.
- The monthly beneficiary waiting time for pickup at their originating site (e.g., home) does not exceed 15 minutes based on the scheduled time of pickup for each NET transportation provider. No more

than 5% of these trips shall exceed the 15-minute wait time for pickup per NET transportation provider.**

- The monthly beneficiary waiting time for pickup (scheduled pickup) from a medically necessary covered service (e.g., appointment, pharmacy, screening, doctors visit) does not exceed 30 minutes for each NET transportation provider. No more than 5% of these trips shall exceed the 30-minute wait time for pickup per NET transportation provider.**
- The monthly beneficiary waiting time for pickup (will-call pickup) from a medically necessary covered service (e.g., appointment, pharmacy, screening, doctor's visit) does not exceed 60 minutes for each NET transportation provider. A will-call is defined as a beneficiary's call to request the return ride or "will-call" trip. No more than 5% of these trips shall exceed the 60-minute wait time for pickup per NET transportation provider.**
- The monthly beneficiary waiting time for pickup from their hospital discharge does not exceed one hour after notification of a hospital discharge during regularly scheduled Medicaid provider office hours as defined by the DOM. The DOM defines regularly scheduled Medicaid provider office hours as the hours between 8:00 a.m. and 5:00 p.m., Monday through Friday, excluding Saturday, Sunday, and federal and state holidays. No more than 5% of these trips shall exceed the one-hour wait time for pickup per NET transportation provider.**
- The monthly beneficiary waiting time for pickup from a hospital discharge does not exceed three hours after notification of a hospital discharge during hours outside of the DOM's definition of Medicaid provider office hours. No more than 5% of these trips shall exceed the 3-hour wait time for pickup per NET transportation provider.**
- Contractor shall ensure that beneficiaries arrive on time at prearranged times for appointments and are picked up on time at prearranged times for the return trip if the covered medical service follows a reliable schedule. The prearranged times may not be changed by the NET transportation provider or driver without prior permission from the contractor.
- Contractor shall notify the NET transportation provider of the assignment at two business days prior to the trip, if possible, and at minimum one business day prior to the trip, with the exception of urgent or high-risk trips.

NET Provider Network

Contractor shall establish, maintain, and monitor a network of NET providers supported by written agreements that is sufficient to provide adequate access to all services covered under the contract for all beneficiaries eligible to receive NET services, including those with limited English proficiency or physical or mental disabilities.

- Contractor shall maintain a NET transportation provider network of no less than 46 contracted NET providers.**

Geographic Coverage Area

Contractor shall submit to the DOM a monthly deliverable report demonstrating geographic coverage and sufficient NET providers in the NET transportation provider network.

- Contractor shall secure NET transportation provider network adequacy. (Please refer to section 2.9 NET transportation provider network for additional information.) Contractor shall also provide the geographic areas in which each NET transportation provider will operate. This shall include county-level detail throughout Mississippi, and medical communities in the adjacent states of Alabama, Arkansas, Louisiana, and Tennessee.
- Contractor shall maintain a NET transportation provider network of no less than two NET providers per county providing transportation services.**

Adequacy of NET Provider Network

Contractor shall ensure that its NET transportation providers have a sufficient number of vehicles available to meet the timeliness requirements of the NET broker program.

- Contractor shall maintain a NET transportation provider network of no less than 46 contracted NET Providers.**

Modes of Transportation

The following modes of transportation are to be used in NET brokerage program.

- A report detailing the number and type of vehicles used during the month.**

Miscellaneous Operational Rules

Beneficiaries must be given the opportunity to choose his or her network provider to the extent possible and appropriate.**

Contractor shall document accidents and incidents that occur in conjunction with a scheduled trip when a beneficiary is present in the vehicle.

Contractor shall permit transports to contiguous counties, any bordering counties or parishes in adjoining states that are considered to be in the area where residents of that beneficiary's county of residence would conduct shopping and business activities.

Contractor shall allow long distance transportation for up to 90 days for a beneficiary that has recently moved.

Contractor shall contact the beneficiary if the NET transportation provider cannot arrive to the pickup location on time. No more than 2% of the overall scheduled trips shall be late or missed per day due to the fault of the contractor.

NET transportation provider shall schedule trips so that a beneficiary does not remain in the vehicle for more than 45 minutes longer than the average travel time for direct transportation of that beneficiary. Contractor shall submit a monthly report to the DOM that details each trip that exceeds this time limit.

Timeliness Requirements Authorizing NET Services

Contractor shall authorize and schedule routine NET Services for 98% of all requests within three business days after receipt of the request.

Contractor shall authorize and schedule routine NET Services for 100% of all requests within 10 business days after receipt of a request.

Validation Checks

The contractor's payment procedures shall ensure that NET transportation provider claims for reimbursement match authorized trips and that the trips actually occurred. The contractor shall validate that transportation services paid for under the contract are properly authorized and rendered.

- Contractor shall perform validation checks on at least 6% of NET service requests each month, 3% prior to the authorization of the request (pre-transportation) and 3% after the services are rendered (post-transportation), as specified below. The DOM, at its sole discretion, may require validation checks of trips to specific services. The contractor shall report validation check findings to the DOM, by NET transportation provider, via a quarterly deliverable report.
- Contractor shall conduct post-transportation validation checks on no fewer than 3% of the NET Services requests received in a month. The contractor shall report validation check findings to the DOM, by NET transportation provider.
- Contractor shall perform post-transportation validation checks for 3% of fixed route transportation requests. The contractor shall report validation check findings to the DOM, by fixed NET transportation provider, via a quarterly deliverable report.

NET Provider Vehicle Requirements

Contractor shall ensure that NET providers maintain all vehicles in accordance with or exceeding local, state, and federal requirements; the requirements of this IFB; Title 23 of the Mississippi Administrative Code; and the manufacturer's safety mechanical operating and maintenance standards and shall inspect vehicles for compliance during scheduled biannual vehicle inspections.

Contractor shall supply NET providers with a copy of the ADA vehicle requirements and inspect the vehicles for compliance during scheduled biannual vehicle inspections.

Contractor shall have in its network NET providers with the capability to perform bariatric transports of beneficiaries up to 800 pounds.

Contractor shall maintain documentation on the lifting capacity of each vehicle in its network to timely schedule transports for beneficiaries requiring a lift.

Contractor shall require all vehicles in a NET transportation provider's fleet have a real-time link via a phone or two-way radio. Pagers are not acceptable as a substitute.

Contractor shall test all communication equipment during regularly scheduled vehicle inspections.

Contractor shall inspect all NET transportation provider vehicles prior to the operations start date and at least every six months thereafter.

Contractor shall place the DOM-approved inspection sticker on the outside of the passenger side rear window upon completion of a successful inspection. The contractor shall obtain the DOM approval of the inspection sticker 30 calendar days prior to use.

Contractor shall maintain records of biannual inspections and make them available to the DOM via a quarterly deliverable report.

Vehicle inspections shall not be conducted telephonically, virtually, or remotely.

NET Provider Driver Requirements

Contractor shall ensure NET providers employ drivers in accordance with or exceeding local, state, and federal requirements, the requirements of this IFB and Title 23 of the Mississippi Administrative Code.

Contractor shall supply NET providers with a copy of the driver requirements and inspect the NET transportation provider employee records for compliance during scheduled biannual inspections.

Contractor shall inspect all NET transportation provider employee records prior to the operational start date and at least every six months thereafter.

Contractor shall maintain records of biannual inspections and make them available to the DOM via a quarterly deliverable report.

Wheelchair Lifts

Contractor shall ensure each wheelchair vehicle with a mechanical lift has an engine-wheelchair lift interlock system, which requires the transmission to be placed in park and emergency brake engaged to prevent vehicle movement when the lift is deployed.

Contractor shall ensure all wheelchair lifts meet current ADA guidelines. The contractor shall inspect these requirements during the biannual vehicle inspections.

Wheelchair Securement Devices

Contractor shall ensure each wheelchair vehicle has, for each wheelchair position, a wheelchair securement device (or "tie-down") which meets current ADA guidelines. The contractor shall inspect these requirements during the biannual vehicle inspections.

Vehicle and Driver Noncompliance Procedures

Contractor shall immediately remove from service any vehicle or driver found to be out of compliance with this IFB, Title 23 of the Mississippi Administrative Code, or with any state or federal regulations. The contractor must notify the DOM within one business day of its intention to remove a vehicle or driver from service.

Monitoring Plan

Contractor shall develop and implement a plan for monitoring NET providers' compliance with all applicable local, state, and federal laws and regulations.

- Contractor shall develop and implement a plan for monitoring NET Providers' compliance with all applicable local, state and federal laws and regulations. The contractor shall ensure that NET providers comply with the requirements of this IFB, Title 23 of the Mississippi Administrative Code, the terms of their contracts and all NET transportation provider-related requirements of the contract, including driver requirements, vehicle requirements, complaint resolution requirements and the delivery of courteous, safe, timely and efficient transportation services.
- Contractor shall have written procedures for ensuring that an appropriate corrective action is taken when a NET transportation provider furnishes inappropriate or substandard services, when a NET

transportation provider does not furnish services that should have been furnished, or when a NET transportation provider is out of compliance with federal or state laws or regulations.

- Contractor shall conduct a monthly beneficiary satisfaction survey regarding the NET brokerage program. The purpose of the survey is to verify the availability, appropriateness, and timeliness of the trips provided and the manner in which the contractor's staff and the NET transportation provider's staff interacted with beneficiaries.**
- The survey responses received, contractor's analysis of those responses and any resulting corrective action plans, shall be submitted to the DOM no later than 30 calendar days after the surveys are taken.

Customer Care

Contractor shall ensure its call center staff treats each caller with respect and with due consideration of his or her dignity and right to privacy and confidentiality. Telephone staff shall greet callers and shall identify the contractor and themselves by name when answering.

The contractor shall monitor no less than 3% of call center calls per month for compliance with customer care guidelines. The contractor will report the findings of these audits to the DOM via quarterly deliverable report.

Automatic Call Distribution System

The contractor shall operate an automatic call distribution (CAD) system. Callers shall be advised that calls are monitored and recorded for quality assurance purposes. Administrative lines need not be recorded. The ACD and reporting system shall be able to record and aggregate the following information and shall be able to produce the reports listed below daily, weekly, or monthly, as well as any ad hoc reports requested by the DOM:

- number of incoming calls,
- number of calls answered,
- average time to answer a call,
- number of abandoned calls during the wait in queue for interaction with call center staff,
- average abandonment time,
- highest abandonment call time,
- average talk time,
- identity of the call center staff member taking the call and authorizing the request,
- daily percentage of abandoned calls and calls answered, and
- number of available operators by time of day and day of week, in hourly increments.

Sufficient Resources

Contractor shall maintain sufficient equipment and call center staff to ensure on a monthly basis for each telephone line detailed in section 2.31.1 the following standards are met:

- The average monthly abandonment rate is no more than 4%.**
- The ACD answers all calls within one ring.**
- The average monthly speed to answer after the initial automatic voice response is 40 seconds or less.**
- Contractor shall submit to the DOM a monthly deliverable report which includes the call center staffing-to-call ratio. The report shall include recommendations by the Contractor the DOM regarding appropriate staffing based on call center sufficiency standards.**
- Contractor shall record calls received at the call center and monitor no less than 3% of calls for compliance with customer care guidelines. The contractor shall use this monitoring to identify problems or issues for quality control and training purposes. The contractor shall document and retain results of this monitoring and subsequent training and will report the findings of these audits to the DOM via quarterly deliverable report and upon the DOM request.**

Education Plan

Contractor shall develop and implement a plan for informing and educating beneficiaries, local human service agencies, NET providers, and Medicaid providers in the state about the NET brokerage program. The contractor shall provide written and verbal instructions to adequately educate beneficiaries, local human service agencies, NET providers, and providers in the state. The education plan shall emphasize the availability of NET services, eligibility for these services, standing orders, medical documentation of need, and how to request and use NET Services.

Contractor shall hold an educational event six months after the start date of the contract and at minimum an annual educational event thereafter for NET Providers to which the DOM is invited to participate. The c shall notify the NET providers in writing at least 30 days prior to the event. Any material (PowerPoint slides, handouts, flyers) shall be submitted to the DOM 10 business days prior to the education event and must be approved by the DOM prior use by the contractor.

Noncompliant Beneficiaries

Contractor shall provide targeted education to beneficiaries who do not comply with established policies and procedures of the NET brokerage program. The contractor may impose transportation options, at the approval of the DOM, to beneficiaries with excessive incidents of noncompliance. The contractor shall notify the DOM in writing prior to making such determinations and must do so within 10 business days prior to the action.

Contractor shall maintain a record of beneficiaries who are required to utilize alternative transportation options and present this information to the DOM via a quarterly deliverable report.

In the case of beneficiaries who are chronically late or absent for scheduled trips, the contractor may require the beneficiary to call when the beneficiary is ready to be picked up. Neither the contractor nor the NET transportation provider may charge beneficiaries for appointments to which they do not show up.

Contractor shall have a DOM-approved education policy and alternate transportation options for beneficiaries whose behavior en route threatens the safety of the beneficiary, driver, or other passengers. The education policy and alternate transportation options shall be submitted to the DOM 60 calendar days prior to the operational start date and must be approved by the DOM prior to the contractor commencing operations.

Beneficiary and Medicaid Provider Complaint Resolution

Contractor shall establish and maintain a protocol for reviewing and handling complaints made by a beneficiary, beneficiary representative or Medicaid provider. The contractor shall publish the protocol in writing and electronically on their public website.

Contractor shall respond to a complainant within one business day after receipt of a complaint. The contractor shall provide the complainant with an update of its review of the complaint within 10 business days. All complaints must be deemed substantiated or unsubstantiated within 20 calendar days. The beneficiary, beneficiary representative, or Medicaid provider shall be allowed 20 calendar days to request a review of the decision by the contractor. Failure to request a review within 20 calendar days shall be a waiver of the beneficiary, beneficiary representative, or Medicaid provider's right to request a review.

Contractor shall attempt to resolve the complaint in accordance with the beneficiary and Medicaid provider complaint and grievance resolution protocol.

Contractor shall work with all parties, and the DOM, as necessary, to resolve the complaint.

Contractor shall require retraining for any NET providers or individual service personnel deemed in need of retraining as a result of the complaint.

Complaint information shall be provided to the DOM via monthly and quarterly deliverable reports and shall include, at a minimum:**

- documentation or testimony by the project manager or other medical or expert consultant who is familiar with and able to testify to the specific case and complaint;
- records and documentation regarding contractor's decision regarding disposition of the complaint. Records should be maintained as outlined in this IFB; and
- comprehensive documentation specific to the particular case.

NET Provider Complaint Resolution and Claims Appeal

Complaint Resolution:

Contractor shall establish and maintain, in accordance with the requirements specified in this section, a protocol for reviewing and handling complaints made by NET providers (complaints regarding claims denials are considered a separate protocol and should be handled in accordance with the contractor's NET transportation provider claims appeal protocol). The contractor shall publish the protocol in writing and electronically on their public website.

The procedures shall provide for prompt resolution, and ensure the participation of individuals who have authority to require corrective action. The contractor shall attempt to resolve any complaint in accordance with the complaint resolution protocol. The contractor shall work with all parties, and the DOM, as necessary, to resolve the complaint.

Contractor must provide the complainant with an update of its review of the complaint within 10 business days. All complaints must be deemed substantiated or unsubstantiated within 20 calendar days. The NET transportation provider shall be allowed 20 calendar days to request a review of the decision by the Contractor. Failure to request a review within 20 calendar days shall be a waiver of the NET transportation provider's right to request a review.

Complaint resolution information shall be provided to the DOM via monthly and quarterly deliverable reports. Complaint information shall be provided to the DOM via monthly and quarterly deliverable reports and shall include, at a minimum:**

- documentation or testimony by the Project Manager or other medical or expert consultant who is familiar with and able to testify to the specific case and complaint;
- records and documentation regarding contractor's decision regarding disposition of the complaint. Records should be maintained as outlined in this IFB;
- comprehensive documentation specific to the particular case.

Contractor shall obtain signed agreements from all NET transportation provider's signifying that the NET transportation provider has read and understands the process outlined in the Complaint resolution protocol. The agreement must outline the complaint process. The contractor shall obtain net transportation provider signed agreement forms upon contract with the NET transportation provider. The contractor shall require all NET transportation provider's sign an updated agreement when an amendment is made to the process. The signed agreement specific to each provider shall be made available to the DOM within one business day upon the DOM request.

Claims Appeals:

Contractor shall establish and maintain a protocol for reviewing and handling complaints made by NET providers regarding claims denials. This process shall be outlined in the contractor's NET transportation provider claims appeal protocol.

Contractor shall obtain NET transportation provider signed agreement forms upon contract with the NET transportation provider signifying that the NET transportation provider has read and understands the process outlined in the NET transportation provider claims appeal protocol. The agreement must outline the complaint process regarding NET transportation provider claims denials. The contractor shall obtain updated agreements from the NET providers when an amendment is made to the process. The signed agreement specific to each provider shall be made available to the DOM within one business day upon the DOM request. Failure by the Contractor to provide the provider specific signed agreement may result in liquidated damages as outlined in the IFB.

Contractor shall submit this agreement from to 60 calendar days prior to the Operational Start Date and must be approved by the DOM prior to the Contractor commencing operations.

Contractor shall review its NET transportation provider complaint and grievance resolution process regarding claims denials at regular intervals, and shall notify the DOM if an amendment to the process is necessary. The contractor shall amend the process only with the prior written consent of the DOM.

Data Capture and Encounter Data

Contractor shall capture and retain data used to administer the NET brokerage program. The data captured and retained shall be sufficient to meet the reporting requirements set forth in this IFB. The contractor's systems shall be capable of capturing additional data elements as required by the DOM.

Contractor shall maintain appropriate systems and mechanisms to obtain all necessary data from its NET providers or Subcontractors, Volunteer Driver, Gas Mileage Reimbursement, Fixed Route (Public Transit), Commercial Carrier (Ground), Commercial Carrier (Air), Fixed Wing Nonemergency Air Ambulance to ensure its ability to comply with the Encounter Data reporting requirements as specified by the DOM.**

When DOM or its fiscal agent rejects a file of encounter data, the resubmittals of rejected files must be resubmitted with all of the required data elements in the correct format by the Contractor within 14 calendar days from the date the Contractor received the rejected file. The DOM may assess liquidated damages for noncompliance with this requirement.**

Contractor shall make an adjustment to encounter data when the contractor discovers the data are incorrect, no longer valid, or some element of the claim not identified as part of the original claim needs to be changed. If the DOM or its fiscal agent discovers errors or a conflict with a previously adjudicated encounter claim, the contractor shall be required to adjust or void the encounter claim within 14 calendar days of notification by the DOM.**

Reporting Requirements

Contractor shall provide the DOM with the reports specified in this IFB in a format that will be provided by the DOM prior to the implementation or operation date, as appropriate:

- total number of unduplicated beneficiaries by level of service for each month in the fiscal year with cumulative fiscal year-to-date totals;
- percentage of beneficiaries by month and cumulative for the fiscal year for each level of service;
- total number of eligible beneficiaries (this number will be provided to the contractor by the DOM) by month;
- percentage of unduplicated beneficiaries over the total number of eligibles.

Quarterly Suspected Fraud, Abuse, and/or Misuse Summary Report

This report shall be due no later than the 30th calendar day after the end of each calendar quarter and shall include a summary of all cases forwarded to the Office of Program Integrity and the contract manager during the previous quarter. The report shall include the beneficiary's name and Mississippi Medicaid Identification number (MID), the NET transportation provider's name and number, and a brief description of the suspected fraud, abuse, or misuse. (Requirements found in this IFB.)

Annual Report

This report shall be due no later than the 60th calendar day following the end of each 12-month period beginning with the implementation date. The report shall include a narrative summary of all NET brokerage program activity, contractor accomplishments, remaining challenges, and contractor's recommendations.

** Denotes a new requirement under the 2018 NET broker contract.

SOURCE: PEER analysis of DOM IFB #20180511.

Appendix E: Liquidated Damages the DOM May Assess, from the 2018 NET Broker Contract

Performance Measure	Liquidated Damages
Failure by contractor to correctly authorize, schedule, and provide NET services where the DOM determines that there is a pattern of such failures	\$5,000 per calendar day
Failure by contractor to educate beneficiaries, Medicaid providers, and transportation providers and carriers where the DOM determines that there is a pattern of such failures	\$750 per instance
Failure by contractor to maintain a current Provider Manual or Operations Procedures Manual	\$250 per calendar day
Failure by contractor to ensure that drivers and vehicles meet the minimum requirements or failure by contractor to perform required vehicle inspections	\$1,000 per instance
Failure by contractor to maintain a NET provider network sufficient to meet the standards of the contract as determined by the DOM	\$1,000 per calendar day
Failure by contractor to make timely payment to providers and drivers as required in this IFB where the DOM determines that there is a pattern of such failures	\$1,000 per instance
Failure by contractor to meet the quality assurance and monitoring requirements, including Customer Satisfaction Survey, detailed in the quality assurance plan and monitoring plan	\$1,000 per instance
Failure by contractor to develop or maintain all required electronic and data systems	\$2,500 per calendar day
Failure by contractor to comply with reporting requirements set forth in this IFB	\$250 per instance, per calendar day
Failure by contractor to maintain staffing levels, to meet the standards outlined in this IFB	\$2,500 per calendar day
Failure by contractor to conduct pre-transportation and post-transportation validation checks as required in this IFB	\$250 per instance
Failure by contractor to authorize and schedule NET services within the time frames set forth in this IFB	\$200 per instance
Failure by contractor to submit to the DOM, by the due date, any material required by the contract	\$250 per instance, per calendar day
Failure by contractor to comply with the closeout and turnover requirements of this IFB	Up to \$25,000 (deducted from final payment to contractor)
Any other failure of contractor that the DOM determines constitutes a substantial noncompliance with any material term of the contract and/or IFB not specifically enumerated herein	\$1-\$5,000 for each instance

Failure by contractor to submit timely and accurate encounter data (paid, amended, or denied)**	\$5,000 per month
Failure by the contractor to resubmit rejected files with all required data elements in the correct format by the contractor within 14 calendar days from the date the contractor received the rejected file**	\$500 per instance
Failure by the contractor to adjust or void encounter claim files within 14 calendar days of notification by the DOM**	\$500 per instance
Failure by the contractor to obtain approval in writing by the Division of Medicaid for material requiring the DOM approval as outlined in the IFB**	\$250 per instance
Failure to obtain signed agreement/acknowledgment forms or submit form to the DOM in accordance with this IFB**	\$250 per instance per day
Failure to timely submit a DOM-approved corrective action plan (CAP)**	\$500 per business day
Failure to successfully carry out a DOM-approved CAP within the time frames outlined in the CAP**	\$500 per business day
Failure by the contractor to submit to the DOM within one business day contractor staff who no longer need access to the Mississippi Enterprise System/Mississippi Medicaid Information System**	\$100 per business day
Failure by the contractor to pay at least 90% of all “clean claims”# within 45 days**	\$1-\$5,000
Failure by the contractor to pay at least 99% of all “clean claims” within 90 days**	\$1-\$5,000

**Denotes a new failure in which the DOM may assess liquidated damages.

#A “clean claim” refers to one that can be processed without obtaining additional information from the NET provider or from a third party.

NOTE: 42 C.F.R. § 447.45 requires at least 90% of all “clean claims” from NET providers be paid within 30 days following receipt; at least 99% of all “clean claims” from NET providers be paid within 90 days following receipt, unless pending for additional information. For the purposes of assessing liquidated damages, the DOM established time frames of 45 and 90 days, respectively.

SOURCE: DOM IFB #20180511.

Appendix F: PEER Recommendations to the DOM from PEER Report #605

PEER provides the following recommendations regarding the DOM's future NET contracts:

1. The DOM should consider assigning a greater weight to bidders' business/cost proposals. While the DOM awarded the highest number of possible points to the business/cost proposal with the lowest cost bid in the most recent NET broker procurement, placing a greater weight on the cost component of future proposals could potentially save the State money on future contracts for the NET program. PEER notes that an increased focus on the cost component of the procurement should result if the DOM shifts to a per member per month procured rate payment methodology for the upcoming NET broker RFP, as previously discussed.
2. To ensure that all transportation providers are aware of and understand the processes for filing complaints, grievances, and appeals, the DOM should require MTM to modify the transportation provider handbook to clarify and specifically detail these processes within the "Complaints and Grievance Program" section. This should include detail on the following points:
 - contact information that transportation providers should use to file a complaints appeal
 - the specific information that transportation providers must include in their complaints appeals
 - a discussion of the time frames transportation providers must follow when filing an appeal

The DOM should require MTM to have transportation providers sign a separate form that outlines the complaints, grievances, and appeals processes, with the signature signifying that the provider has read and understands the process.

3. The DOM should analyze data compiled from the NET broker's monthly deliverables and reports in order to identify programmatic and operational areas where service quality could improve and to allow for service quality comparisons from month to month and contract to contract. These data should also include reports produced from routine monitoring of the recently implemented preferred provider program to assist in determining whether service quality improves over time.
4. In order to provide additional motivation to meet performance standards, increase service quality, and increase competition among NET transportation providers, the DOM and the NET broker should make the monthly NET provider report cards and NET preferred provider information publicly available on their respective websites.
5. The DOM should require that MTM add a section to the current transportation provider handbook that summarizes the types and frequency of monitoring and deliverable reports

that the DOM requires from MTM as the NET broker. This would illustrate some of the information that the DOM routinely reviews regarding NET services.

The DOM should periodically review and analyze performance standards for the NET broker and transportation providers using longitudinal data compiled from each NET broker contract (see Recommendation 3) to determine whether performance standards should be changed before issuance of an RFP for a new NET broker contract.

Also, by analyzing longitudinal quality data for the NET program, the DOM could determine any patterns or potentially problematic areas where the NET broker or providers repeatedly fail to meet performance standards. The DOM should consider using more frequent corrective action plans and/or increasing punitive damages for repeated failure to meet performance standards. For example, the DOM could include in future NET broker contracts an escalation clause with higher liquidated damage amounts assessed and collected when the NET broker consistently fails to meet a specific performance standard.

SOURCE: PEER Report #605, *A Review of the Procurement and Implementation of the Division of Medicaid's Non-Emergency Transportation Brokerage Contract* (November 1, 2016).



MISSISSIPPI DIVISION OF
MEDICAID

October 25, 2018

Mr. James Barber
PEER Committee
Post Office Box 1204
Jackson, Mississippi 39215

RE: Medicaid non-emergency transportation performance evaluation

Dear Mr. Barber,

Thank you for allowing the Division of Medicaid (DOM) to review the draft PEER report of the Medicaid non-emergency transportation (NET) program performance evaluation, which is mandated by Miss. Code Ann. § 43-13-117 (A)(36). We appreciate the time and effort that you and your staff put into compiling this comprehensive report. Previous reports have provided insightful analysis and ultimately led to programmatic improvements. We anticipate the information and recommendations contained in this report will also lead to improvements such as enhanced efficiencies, improved quality of services, and better value to taxpayers.

As noted in this report, DOM acted upon all the recommendations made by PEER in Report #605, *A Review of the Procurement and Implementation of the Division of Medicaid's Non-Emergency Transportation Brokerage Contract*. Specifically in response to Report #605, DOM:

- Placed a greater emphasis on cost during the most recent procurement by utilizing invitation for bid (the Public Procurement Review Board's preferred method of procurement);
- Improved the quality and utilization of monthly deliverable reports to enhance service quality; and
- Increased contractor transparency with NET providers by requiring MTM to share its DOM-mandated reporting requirements and requiring MTM to provide NET providers a copy of complaint and grievance policies.

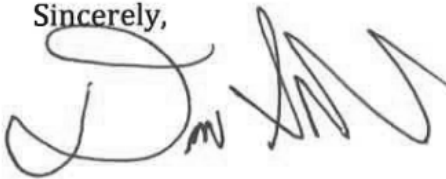
While many improvements have been made to the NET program to date, this report identifies more opportunities to make meaningful programmatic enhancements. We agree with the recommendations outlined in this report and intend to address, or are actively addressing, each of the five recommendations.

During our review, we notified your staff of a few factual errors that we understand have since been corrected. Specifically:

- Gas mileage reimbursement is reimbursed by the NET broker rather than DOM;
- DOM pays the NET broker at a firm and fixed rate rather than a capitated rate; and
- While safeguards have been put in place to reduce duplicate billing under the new payment structure between DOM and the broker, there are no known instances of duplicate billing under the previous payment structure.

In closing, we agree with the findings and recommendations contained in this report with the above-listed corrections and are appreciative of the opportunity to review the draft report. Your staff was courteous, professional, and thorough in preparing this report, and I am confident that the findings and recommendations it contains will result in significant changes to the quality and affordability of NET services provided by DOM. It is our intent to implement the recommendations as soon as possible.

Sincerely,

A handwritten signature in black ink, appearing to read 'Drew L. Snyder', written in a cursive style.

Drew L. Snyder
Executive Director

PEER Committee Staff

James A. Barber, Executive Director

Legal and Reapportionment

Ted Booth, General Counsel
Ben Collins
Barton Norfleet

Administration

Alicia Russell-Gilbert
Deborah Hardy
Gale Taylor

Quality Assurance and Reporting

Tracy Bobo
Kelly Saxton

Performance Evaluation

Lonnie Edgar, Principal Analyst
David Pray, Principal Analyst
Jennifer Sebren, Principal Analyst
Kim Cummins
Matthew Dry
Samuel Hearn
Matthew Holmes
Taylor Mullins
Sarah Williamson
Julie Winkeljohn
Ray Wright

Performance Accountability

Linda Triplett, Director
Kirby Arinder
Debra Monroe-Lax
Meri Clare Steelman

