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MO HealthNet NEMT Review Final Report

February 25, 2010

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About This Report: Non-Emergency Medical Transportation (NEMT)

- The Lewin Group conducted a high-level review of MO HealthNet's NEMT program focusing on these questions:
  - Should MO HealthNet continue to use actuarially-sound rates?
    - Using available literature and through state interviews, what rate setting models do other states employ for broker-based NEMT payment?
    - Do other states with State Plan brokered NEMT programs require actuarially-sound rates?
  - What alternative reimbursement approaches might Missouri consider?
  - What best practices have states implemented to oversee brokers and assure quality in their NEMT programs?
  - What service or contract modifications Missouri might consider incorporating into its NEMT broker program?

Our review focused on NEMT program and rate setting options

- While we reviewed the existing rate-setting methodology, our scope of work excluded benchmarking rates and service volume against other states' NEMT programs
  - Variations in program design and data reliability make benchmarking difficult; however, we strongly suggest that MO HealthNet undertake such a study as part of the reprocurement process
- Our scope of work did not include assessing the effectiveness with which the current broker applies eligibility determinations, coordinates ride-sharing, and other program controls
  - Similarly, we consider this to be a valuable assessment that MO HealthNet should undertake periodically

Summary of recommendations

1. Remove actuarial soundness requirement from State Plan effective January 1, 2010
2. Do not specify minimum actuarially sound rates in RFP, but incorporate robust protections
3. Continue rate studies to provide rate range benchmarks
4. Maintain existing PMPM rate structure, but investigate option to include risk corridors
5. Investigate managed care carve-out opportunities
6. Ensure that NEMT service is provided only to truly needy participants

MO HealthNet NEMT Structure

The Lewin Group reviewed Missouri's NEMT program, including covered populations and services

Missouri's NEMT program must meet federal requirements

- Federal statute requires states ensure necessary transportation of Medicaid beneficiaries to and from providers
- Assures transportation and, if needed, ancillary services to MO HealthNet participants who do not have access to free appropriate transportation to and from scheduled MO HealthNet covered services
- Services must be available 24 hours per day, seven days per week, when medically necessary
- The NEMT program may use:
  - Public transportation or bus tokens
  - Gas reimbursement
  - Vans
  - Taxi
  - Ambulance
  - Airplane

MO HealthNet uses a brokered model to provide NEMT services

- Competitively bid, serving MO HealthNet FFS population; NEMT services carved-in to managed care contracts
  - State to rebid NEMT broker contract this year
- Broker payments based on actuarially-sound, per-member-per month capitated rates
  - Three regional rates for the aged, blind, and disabled (ABD), single Children and Families rate
- Broker determines beneficiary eligibility for NEMT, identifies least expensive and most appropriate type of transportation, and authorizes all transportation and ancillary services
  - Beneficiary co-payment of $2 per trip, with exemptions for specific populations, public transportation, and gas reimbursement modes of transportation.
- Contract requires broker to provide weekly, monthly, quarterly, and annual operational reports to the State, including grievance summaries, utilization by mode of transport, and encounters with FFS payments

MO HealthNet NEMT: Eligibility & service restrictions

- All FFS MO HealthNet beneficiaries eligible for brokered NEMT services, excluding the following beneficiaries:
  - Participants who have access to transportation at no cost to the participant
  - Participants who have access to transportation through a public entity
  - Participants enrolled in hospice, except when covered services are not related to the patient's terminal illness
- MO HealthNet covered services for NEMT purposes does not include:
  - Mentally Retarded and Development Disabilities waiver services, adult day health care, services, durable medical providers that provide free delivery or mail order services, covered services provided in the home, pharmacy visits, discharges from a nursing home

MO HealthNet's brokered NEMT program provided 918,293 services in SFY 2009

Overview Statistics of Missouri's Brokered NEMT Program			
	SFY 2007	**SFY 2008**	**SFY 2009**
Total Expenditures	$26.99 million	$29.83 million	$29.84 million
Total Trips	848,945	900,287	918,293
Per Trip Cost (Expenditures/Trips)	$31.79	$33.14	$32.50

Sources: MO HealthNet NEMT Program Description Data, FY 2009

Actuarial Review of Current Rate Setting Methodology and Alternative Rate Setting Structures

To assess the appropriateness of using actuarially-sound rates, The Lewin Group conducted a high-level review of current development of actuarially-sound rate ranges, including review of data sources and assumptions. This section presents the findings from the actuarial review.

Rate setting background

- Rates are developed regionally for Aged, Blind and Disabled (ABD) and statewide for non-managed care Medical Assistance for Families, Children and Pregnant Women (MAFCPW)
  - Four rate cohorts:
    - ABD Region 1
    - ABD Region 2
    - ABD Region 3
    - MAFCPW Statewide
- Rate ranges vary from low to high, with ABD having a larger range than Children and Families
- Final contracted rate is a set PMPM within the appropriate rate range for each of the four rate cohorts

Current methodology is a typical actuarial rate setting model using generally accepted actuarial principles

- Actual base data from broker, including utilization and unit cost data by cohort and type of service, was used as the starting point
- Projected target PMPM amounts for each rate cohort were developed by incorporating:
  - Trend
  - Program changes
  - Administrative expense load, including target profit contingencies
- Rate ranges were developed around the projected target PMPM amounts

Alternative rate setting structures are available

- Fixed PMPM (current structure)
  - Regional or statewide
  - Urban vs. Rural
- Fixed PMPM with reconciliation process
  - Same option as fixed PMPM, but includes a process for "settling up" at regular intervals
  - Could include some risk sharing arrangement
- Cost plus fixed fee
- Cost plus percentage
- Per Trip / Utilization based
  - Could include various rates by mileage range or trip type

NOTE: All rate structures could vary by population type and/or rate cohort.

Alternative rate setting structures vary in their assignment of risk

- Cost or utilization based approaches leave the risk with the State
  - Fluctuations in actual costs and utilization are primarily borne by the State
- Fixed PMPM approaches pass some or all of the risk to the broker
  - Fluctuations in actual costs are primarily borne by the broker
- The fixed PMPM with some reconciliation or risk sharing is likely the best approach to manage financial viability and limit State exposure to risk, particularly in early program years
- Mature programs have less need for risk sharing; however, risk corridors protect both the State and broker from significant rate fluctuations

Modifications to the current methodology may increase State flexibility and offer cost-saving opportunities

- Lower trend values - many sources we contacted expect very flat or even negative PMPM changes, especially in early years of a program
- Wider rate ranges – creating wider rate ranges allows the State more flexibility in choosing an appropriate contract rate

NEMT data typically has significant limitations, but Missouri's data appears to be reliable

- There is a general lack of data for NEMT services
  - Large variance between markets and population types
  - There are no standards or benchmarks available as there are for other services
  - Many times FFS data is not accurate or reliable
  - Due to these data limitations, it is difficult to establish appropriate rates in a new NEMT program
  - The longer a program is established, the more reliable the data becomes
- The Missouri NEMT data used in the rate setting process appears to be consistent, sufficient and reliable over time
- The State should continue requiring these data from the broker in order to continue to analyze financially viable rates

Importance of administrative functions

- Broker reporting is key
  - Financial
  - Operational
- Broker management of services, when done correctly, is very labor intensive
  - Ensure appropriate services are covered and provided
  - Coordination and planning of trips
  - Call center and customer service functions
  - Fraud and abuse prevention
- Broker contract should include service guarantees to ensure customer satisfaction, quality care and financial viability

Actuarial soundness has many benefits, but they can be achieved without a requirement

- Benefits of requiring actuarial soundness
  - Independent entity must certify to actuarial soundness
  - Ensures certain standards are followed in the rate setting process
  - Generally ensures financial viability of rates (barring unforeseen events)
  - Can help detect fraud and abuse through data analysis
- Removing actuarial soundness requirement does not necessarily mean removing all of the benefits associated with the requirement
  - State can still hire outside vendor to establish rate benchmarks using typical standards
  - Financially viable rates can still be considered in the contracting process
  - Data are still available to monitor fraud and abuse

Review of States with Brokered NEMT Programs

The Lewin Group conducted an environmental scan of NEMT across states and a literature review, including reviews of federal statute, regulations and policies.

Interviewed states include Kansas, Kentucky, Nevada, Oklahoma, South Carolina, and Virginia.

States continue moving to brokered NEMT models to contain costs and reduce fraud

- States are moving away from state-managed fee-for-service programs and toward brokered NEMT models
  - Using broker models, states aim to contain costs, reduce fraud, and improve service delivery
    - State staffing constraints also instigate move toward brokers
  - States also employ brokers to facilitate transition of NEMT from administrative FFP to service FFP
  - States with recent and proposed broker models include:
    - Kansas (began program November 2009)
    - Wisconsin (broker RFP release due April 2010)
    - Iowa (planning stages of transition)
- Missouri is an early adopter of brokered NEMT model; Kansas sought advice from Missouri when developing the State's brokered program
- Missouri's NEMT services do not differ materially from those of other states
  - Other states are also interested in service modification opportunities

Among brokered NEMT programs, states have developed many structural variations

- High-level variations in brokered NEMT models include:

Brokered NEMT Models	
Broker Service Area	Statewide, Regional
Populations Served	All full-Medicaid eligibles, fee-for-service populations; managed care carve-ins/outs; service type carve-outs
Types of Brokers	Not-for-profits, government agencies, for-profit
Payment Method	PMPM, cost plus administrative fee, mileage
Provision of Service	Broker provides direct transportation service, broker subcontracts for service

While the literature provided helpful overviews, there is little detail or financial data

- Literature review and environmental scan focused on states with broker-model NEMT programs, specifically capitated models
  - At least 23 states have brokered NEMT programs[1]
- Literature had little detail on rate setting structures and decision drivers; some discussion of best practices
- Scanned available Medicaid State Plans; only Missouri and Nevada's specifically require "actuarially-sound rates"
- CMS-64 data does not separately report transportation or NEMT services
- Available transportation data from CMS' Medicaid Statistical Information System (individual state enrollment, demographics, and claims reporting) did not contain capitated broker payments

Source: [1]Iowa Medicaid Non-Emergency Medical Transportation System Review and Options for Improvements & Appendices. Iowa University, Public Policy Center Transportation Policy Research. Updates from The Lewin Group interviews with state staff.

Financial comparisons are difficult due to program variations and inconsistent, outdated data

NEMT Financial Comparison				
State	**Annual System Cost**	**No. of Trips per Year**	**Per Trip Cost**	**Year**
MO[4]	$29.8 million	918,293	$32.50	2009
AR[1]	$11.9 million	354,720	$33.58	2003
KS[1]	$5.08 million	NA	NA	2002
KY[2]	$62.2 million	2.8M	$20.42 (~$1.77 cost/mile)	2009
NV[1]	NA	NA	NA ($4.10/mbr/mo)	2005
OK[2]	$25 million	250,000 round trips	$36.44	2009
SC[1,3]	$44.8 million	NA	NA	2007
VA[2]	$70 million	3.5M	NA	2009

Sources:

[1] Iowa Medicaid Non-Emergency Medical Transportation System Review and Options for Improvements & Appendices. Iowa University, Public Policy Center Transportation Policy Research

[2] The Lewin Group interviews with state staff, most recent complete year available, broker contract only

[3] Non Emergency Medical Transportation Study Report. The Hilltop Institute, Sept. 2008

[4] MO HealthNet NEMT Program Description Data, FY 2009

Summary of state NEMT programs contacted for interviews

States Contacted for NEMT Interviews

State	Broker Range	Payment Method	Type of Broker(s)	MCO Carve-in/Carve-out
AR*	Regional	Capitated rate, PMPM	Mixed	Carve-out
KS	Statewide	Capitated rate, PMPM	For-profit firm	Carve-in
KY	Regional	Capitated rate, PMPM	Mixed	Carve-out
NV	Statewide	Capitated rate, PMPM	For-profit firm	Carve-out
OK	Statewide	Capitated rate, PMPM	For-profit firm	Carve-out
SC	Regional	Capitated rate, PMPM	For profit firms	Carve-out
VA	Regional	Capitated rate, PMPM	For-profit firm	Carve-in

Source: The Lewin Group, 2010.

* Information based on environmental scan: did not interview state staff.

Interviews focused on topic areas most applicable to MO HealthNet

- NEMT rate setting approaches
  - Unique, inventive contract terms
- Use of actuarially-sound rates
- Broker oversight best practices
  - Assuring appropriate eligibility screening
- MCO carve-in, carve-out decision drivers

Summary of interview findings from states with brokered NEMT programs

- States seeking ways to reduce costs without compromising service
- Several interviewed states are moving away from actuarially-sound requirements
  - States may continue to rely on outside firms to set rates
  - Removing actuarial requirements affords state increased flexibility, such as options to freeze rates
- Two states added risk corridors to their broker contracts, successfully saving state dollars
- States want to improve oversight of brokers, but lack staff resources
  - With the exception of Oklahoma, role of state minimal in broker oversight
- States' managed care carve-in and carve-out decisions were influenced by a variety of factors, including historical relationships
- States expressed interest in sharing information and best practices with other states
  - Specific areas of interest are broker oversight and coordination with other pubic transportation providers

NEMT programs under State Plan option are moving away from actuarially-sound rate requirement

- CMS does not require brokered NEMT option under State Plan to have actuarially-sound rates
  - Kansas: With new program, based rates to be 6 percent less than past spending and utilization experience under FFS. No actuarial review of rates
  - Kentucky: 1915(b) waiver prior to DRA. When moving into Medicaid State Plan option, Kentucky did not include actuarially-sound requirement; State froze rates for five years
  - Oklahoma: Actuarially-sound requirement not in Medicaid State Plan; however, State does have actuarial firm conduct rate study to determine rate range
  - Nevada: Submitting SPA specifically to remove actuarial requirements from Medicaid State Plan
  - South Carolina: Brokers bid rate in RFP response; State sends rates to actuarial firm to ensure soundness
  - Virginia: Rate study conducted in initial contract year; State then sets rates guided by CPI and State budget in renewal years

NEMT programs under State Plan option are moving away from actuarially-sound rate requirement (continued)

- Nevada will likely continue to use an outside rate setting firm
  - Removing the actuarial requirement affords the state increased flexibility to reduce or freeze rates without added time and expense of actuarial review
- With experience, Kansas is likely to employ new rate setting strategy
- While actuarially-sound rates not required, Oklahoma depends on the actuarial rates to protect the State and broker and to save State from annual negotiations
  - When bidding for the five-year contract, brokers agree to accept a rate equal to a fixed percentage of the annually-determined rate range (with the low end of the range equal to 0 and the high end equal to 100 percent)
  - This structure causes bidders to bid at the low end of the rate range

Nevada includes risk corridors in broker contract terms; Oklahoma removed some price controls

- Nevada:
  - Instigated by dramatic fuel cost shifts, Nevada incorporated a risk corridor into broker's NEMT contract
    - Under this arrangement, if actual costs are more than two percent below expectations, the broker fully refunds all savings above two percent
    - If costs exceed expectations by more than five percent, the State pays the broker 50 percent of costs above five percent[1]
  - Broker has returned funds to Nevada every year; however, it is unclear whether this is a function of broker efficiency or the initial rate setting
- Oklahoma:
  - Previously included complicated gas price controls in broker contract for situations in which gas prices shifted out of a wide range
  - Removed these controls because they were cumbersome and complicated to apply, but had minimal impact on actual reimbursement

[1] Five percent encompasses the 3 percent profit margin

Staffing constrains many states' ability to conduct oversight

- Federal statute requires states to audit and oversee brokers to ensure the quality of transportation services (Sec. 1902. [42 U.S.C. 1396a])
  - In practice, staffing constraints limit the amount of oversight above federal requirements
- Kansas: Two state staff oversee broker contract
- Nevada: Eight-person staff monitoring most major Medicaid contracts (MCOs, care management, EQRO, actuarial); NEMT broker provides reports, but most monitoring is by exception
- Oklahoma: One state staff person, plus supervisor and "back-up," conduct annual broker audit, inspect new vehicles, handle grievances
- South Carolina: Small number of staff monitoring brokers, monthly broker meetings helpful
  - Individual provider reviews initiated last year emphasize to the broker the importance of required subcontractor monitoring; allows providers to share concerns
- Virginia: Three State staff oversee broker contract
  - State developed online tools to assist in broker monitoring

Larger number of state staff allows for substantial oversight

- Kentucky's Transportation Cabinet staffs seven-person office to administer the NEMT broker contract (additional staff in Medicaid agency)
- When new Medicaid recipient accesses NEMT through broker, the broker screens and sends referral to the Office of Transportation Delivery for eligibility determination
  - Office of Transportation Delivery checks vehicle registration records and denies NEMT coverage to individual if a vehicle is registered in the household
  - Recipient may contest denial based on health status, work/school vehicle usage, or mechanical issue; must send documentation for temporary lift of the denial
- State reports denying 700-1000 cases each month, estimates under 20 percent are ultimately approved for services
- Staff conducts other activities such as on-site broker reviews

States discuss a variety of drivers of carve-in/carve-out decision

- Managed care carve-in/carve-out decisions are complicated by historical plan relationships.
- Kansas: Considered carving out NEMT from managed care contracts, ultimately retained carve-in
  - Managed care plans indicated that NEMT allowed a "carrot" for enticing enrollees to attend necessary care scheduled by the MCO; provide transportation to Medicaid non-covered services such as parenting classes
- Kentucky: NEMT was originally carved-in; State carved-out 5 to 6 years ago
- Nevada: Because most plans contract with same broker as the State; State felt NEMT carve-in added layer of management and expense
- Virginia: May research carve-out option because most plans contract with same broker as the State

Carve-in/Carve-Out	
State	**MCO Carve-in/Carve-out**
KS	Carve-in
KY	Carve-out
NV	Carve-out
OK	Carve-out
SC	Carve-out
VA	Carve-in

Source: The Lewin Group interviews with state staff

NEMT Structure & Financing Options and Recommendations

This section synthesizes the findings from the literature review and state interviews with the actuarial analysis to provide options and recommendations for NEMT structure and financing approaches.

Within Missouri's brokered structure, State has many structural and financing options

- The following recommendations are areas for which Missouri may both:
  - Act immediately, possibly influencing upcoming RFP and broker re-bid
  - Investigate further for possible changes to the NEMT program in the next several years
- In addition to findings that lead to the development of these recommendations, The Lewin Group's research encountered other options worthy of notation and possible future investigation. We have included these options in this section.

Recommendation 1: Remove actuarial soundness requirement from State Plan effective January 1, 2010

Rationale and Considerations

- Removing actuarial soundness requirement allows State flexibility to contract at lower rates, if desirable
  - Removing actuarial soundness requirement from State Plan does not limit State pricing options
- Missouri will obtain additional flexibility in NEMT rate setting and rate negotiations
  - May limit ability to counter budgetary pressure to reduce costs
- CMS is permitting this type of change. Other states do not have actuarial soundness requirement or are removing the requirement from the State Plan.

Recommendation 2: Do not specify minimum actuarially sound rates in RFP, but incorporate robust protections

Rationale and Considerations

- Include additional protections such as:
  - Criteria under which the State may access performance bond
  - Language under termination clause that bars contractor terminated for non-performance from participating in future contract cycles
  - Reweight technical proposal evaluation formula to add greater emphasis on past performance (e.g., increase experience, reliability, and expertise to 40 points and decrease method of performance to 50 points)
- Draft RFP already includes substantial protections, including:
  - Bidders provide actuarial soundness and documentation of assumptions

Recommendation 3: Continue rate studies to provide rate range benchmarks

Rationale and Considerations

- Continue to develop recommended NEMT rate ranges based on broker financial and service data for internal use
- State needs to avoid potential for significant underbidding which will lead to service degradation
- Rate ranges provide parameters for State to consider during evaluation of bids and negotiations with brokers
- Consider lengthening time between rate studies (e.g., conduct only during contract re-bidding)

Recommendation 4: Maintain existing PMPM rate structure, but investigate option to include risk corridors

Rationale and Considerations

- We do not recommend changing the existing PMPM rate structure
  - PMPM incentivizes management of NEMT utilization
- Risk corridors allow State to benefit from lower-than-expected broker costs
- Provides protection for both State and broker in event of unforeseen cost and utilization fluctuations

Recommendation 5: Investigate managed care carve-out opportunities

Rationale and Considerations

- Increases economies of scale and negotiating power
- Many managed care entities nationally often contract with same broker as state; centralizing to one contract streamlines service provision to beneficiaries and reduces administrative layers
- Managed care plans may have programmatic interest in keeping services in the contract; may already have low rates if negotiation occurs at the corporate (national) level
- Review transportation component of MCO rates to assess cost effectiveness of carve out

Recommendation 6: Ensure that NEMT service is provided only to truly needy participants

Rationale and Considerations

- States have long been concerned that participants do not avail themselves of private/personal transportation options
  - Kentucky has implemented program to ensuring that participants do not have access to a working vehicle
- Link program eligibility to motor vehicle registration and availability
- Likely requires additional resources, including systems integration and additional staffing

Areas for further investigation

- Volunteer driver programs: Supplementing mileage reimbursement, LogistiCare in Oklahoma and Virginia manages a volunteer driver program; the program is successful in linking volunteers to individuals needing transportation, especially in rural communities

- Coordination opportunities with other public transportation providers: Several states mentioned difficulties of coordinating transportation among public providers; Kentucky has a successful model for coordination, especially beneficial in transporting from rural areas to medical specialty centers

Appendix
State Interview Summaries

Kansas

- Kansas began their brokered NEMT program in November 2009 to provide services to the FFS population
  - Moved to broker program to contain costs, reduce fraud, and increase transportation safety; state staffing constraints also instigated move to broker
  - Kansas investigated carving out NEMT from managed care contracts, plans did not want service carved out
- State reimburses the single statewide broker (MTM) a flat PMPM
  - PMPM rate developed to represent 6 percent savings compared to historical expenditures and utilization
- Shift to broker has resulted in widespread woodwork effect and caused sharp utilization increases due to increased awareness of broker service

Kentucky

- Eleven regions, all not-for-profit brokers
- Brokers tend to be direct service providers leading to CMS concerns over conflict of interest
- Kentucky used actuarial sound rates under 1915(b); moved to State Plan under DRA; currently in process of returning to 1915(b) due to conflict of interest concerns
- Rates frozen while providing services under the State Plan options.
- In preparation for 1915(b), State recently conducted actuarial rate study
- Office of Transportation Delivery's seven-person staff oversees broker contract and screens for eligibility
- Office coordinates among other public transportation providers by contracting the brokers to provide transportation to non-Medicaid individuals with prior authorization; reimbursement of non-Medicaid riders is a per mileage rate

Nevada

- Statewide contract with LogistiCare
- Managed care carve-out, State removing layer of management and cost
- Program began in 2003 under 1915(b), moved to State Plan under DRA
- Submitting SPA to remove actuarial rate requirement, declassify broker as PAHP
  - Affords state flexibility in rate setting
  - Likely to continue to use outside firm to set rates
  - Instigated by dramatic fuel cost shifts, Nevada incorporated a risk corridor into broker's NEMT contract
    - Under this arrangement, if actual costs are more than two percent below expectations, the broker fully refunds all savings above two percent
    - If costs exceed expectations by more than five percent, the State pays the broker 50 percent of costs above five percent[1]
  - Broker has returned funds to Nevada every year; however, it is unclear whether this is a function of broker efficiency or the initial rate setting
- Concerned about broker's high administrative rates
- Outside of federal requirements, most monitoring is by exception; limited number of State staff to oversee multiple contracts
- Annual cost reductions due to increased bus pass utilization
  - Currently about 50 percent of services are bus passes

Oklahoma

- Statewide contract with LogistiCare, rates for ABD and TANF
  - LogistiCare won original contract and re-bid
- Program began in 2003 under 1915(b), moved to State Plan under DRA
- Actuarial soundness not required in State Plan; however, State continues to use actuarial firm to set rates
- When bidding for the five-year contract, brokers agree to accept a rate equal to a fixed percentage of the annually-determined rate range (with the low end of the range equal to 0 and the high end equal to 100 percent)
  - This structure causes bidders to bid at the low end of the rate range
- Previously included gas price controls into contract; State removed these
  - Controls proved complicated with little impact on reimbursement
- Utilization has steadily increased since moving to broker model
- To be eligible for NEMT, recipients must select PCP within 40 miles of home
- Most costs are for required specialty care for rural recipients
- Success with gas reimbursement (~37 cents/mile)
- Success with Volunteer Driver Program
  - LogistiCare manages this program

South Carolina

- Procured broker in 2006/2007.
- Two regions, flat PMPM for each region (LogistiCare and EMT)
- NEMT carved out of managed care contracts “way back”, continued carve-out when implementing the brokered NEMT program.
- South Carolina is interested in sharing other states’ eligibility screening mechanisms, seeks better understanding of threshold for denying transportation
- South Carolina is also interested in learning about other state practices for coordinating services with other public transit providers, especially in rural regions.

Virginia

- Procured broker in 2001; re-procured 2005
- 7 regions, LogistiCare won procurement in all 7 regions
- Eligibility file used to calculate payments by region and populations; 49 rate cells
  - Most expensive rate cell for intellectually disabled and developmentally disabled waivers
    - Half of individuals in these waivers use NEMT; average utilization is 9.6 trips/week; 2/3 individuals require wheelchair vans
- Managed care carve-in; most MCOs contract with LogistiCare
  - VA has not investigated an MCO carve-out, but may discuss option in upcoming year
- Virginia sets 15 percent cap on broker's administrative spending and profit
  - LogistiCare has discussed this cap with the State saying that this is too restrictive.
  - 75 to 80 percent of transportation services are for standing orders (e.g., transportation of a waiver-enrolled individual to day support services).
- State official fairly certain that State Plan does not require actuarially sound rates
  - Actuarial firm conducted rate study at beginning of contract; state gauges annual rate increase by the transportation component of the Washington-Baltimore CPI and available State budget
- Three State employees oversee contact; some program monitoring data available in online format; working with broker to improve encounter data
- States have few forums or opportunities to share NEMT best practices; Virginia suggests developing a list serve for state NEMT program managers

Principal literature reviewed

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