

Tara Larson, Chief Clinical Operating Officer, NC Division of Medical Assistance, along with Miriam Perry, NC DOT, held a public meeting on July 14, 2011 to discuss Non-Emergency Medical Transportation. Attendees included representatives of the DSS Directors, NC Public Transportation Association, NC County Commissioners' Association and other DHHS Divisions. At the end of the power point presentation, the floor was opened for discussion. The sole purpose of this document is to notate the comments, questions, issues, concerns and suggestions raised during this open discussion. The issues are not listed in order of importance, and some items may not be in complete sentence format.

For purpose of reading clarity, this document is broken into five sections: General Concerns, Medicaid Audit Concerns, Questions, Suggestions for Moving Forward, and Attachments. Attached at the end of this document are prepared comments submitted by the Land of Sky Rural Transportation Planning Organization, and the North Carolina Public Transportation Association.

## I. General Concerns

There was a lack of engagement with the statewide transportation authority. NC DOT was not at the table until late.

The way the RFP information was released was not organized and consistent across all parties impacted– gossip, rumors were rampant.

The one meeting is not fair given the magnitude of the issue and greater representation and comment is needed. How do we establish a relationship that promotes stakeholder input and cooperation?

Transportation services are provided in 100 counties. The other states referenced in the presentation are not operating county managed systems. Further study is recommended before moving forward

There is concern that the vendors (brokers) were part of the discussion of the process moving forward.

The concerns and comments are not about self serving for the transportation providers; there is concern about overall quality. The opinions represent the

customers; they live in the community with us. There are personal relationships with the customers – with the drivers and the communities.

There is an unlevel playing field to put public transportation systems in competition with private vendors. Every day recipients get to their appointments and get back to their home. The brokerage system does not have the same accountability. Public transport is expensive – much of the requirements are built into the costs – meaning the FTA standards. At the end of the day – we are compliant with federal requirements.

What are the non-benefits or cons of a brokerage system? These need to be documented as well as the benefits.

The revisions to the transportation policy manual - was a good first step. Regardless of who provides the service– policy must be fixed and updated? There will be the same errors if the policy or the “rules” are not current. Same problems will exist with a different transportation provider.

Don't “throw the baby out with the bath water” or use a Band-Aid approach.

Continue to use Medicaid revenue to leverage with local community resources.

The staff (drivers) know the recipients, the brokers do not. The local transportation managers know the local vendors, if they don't have the reputation, they don't get used. Brokers may look good on paper, but may not be really good. Especially true in small rural areas.

Budget process – Impacts the local system regardless of who/what will manage or operate the transportation process. Making a change in the middle of the Fiscal Year is problematic. This will hurt the county infrastructure for contracts to end in the middle of the year. Contracts are already in place to provide transportation.

This will impact the other agencies in the community (Aging Services, etc). Have those impacts been explored?

The local transportation systems have been progressively moving forward over the years. The local systems utilize vehicles across program and funding types. There are multiple payer passengers on the same vehicle. Is it (brokerage) the only alternative – or are there other options in coordination? Our Call center is in the community. All clients of the transportation agency call the central number for the community. Once certified, the DSS doesn't worry about it again – the transportation agency handles. There already are reports back to DSS. Require documentation, medical appt proof and provide the required documentation back to the DSS.

DHHS is the number 1 customer and the problems should be corrected. Local agencies do serve as broker so a broker system is already in place. The number of recipient trips are up, costs are down. Take a closer look at the process in some of the local communities. January 1<sup>st</sup> could be the start up date; they have to be concerned about negative feedback. The 90 day start up would be competitive disadvantage for many transportation providers. Work together.

## II. Medicaid Audit Concerns

What steps were taken to correct the problems cited in the audit?

Reports from the group is that they never saw the 2007 audit before – need to have the opportunity to correct the problems and work on the solutions. Missing the ball in getting the problems corrected – the perceived turf wars. Want to see the corrective actions and who was contacted. Review the findings with the stakeholders and have more discussions. This extreme measure of an RFP is a knee jerk reaction to the audit?

Supervision of the system is the State's responsibility. Share the results of the supervision

What should and could be done about the reducing the error rate before changing the management and operation of the system.

### III. Questions Asked

How are ambulance services included in this?

RFP inclusion – what is in it?

Executive order 21 – has this been considered and what is the impact on the execution of the order?

Safety is left out the presentation. How does the broker, located out of state, audit/monitor the safety requirements at the local level? What are the performance requirements?

What about the people served - Number of people served? Medicaid recipients –what do they say? How many fewer people were served when a broker took over? What impact on the customer?

Last FY 43 million. This is a small % of the total budget- why are we having the conversation about getting rid of the existing system or changing when it is such a small part of the overall budget?

There was a court order – Blue vs Gray, many years ago. Is the order still in effect and what is the impact of this proposal on the court order?

What constitutes hardship? Who makes Eligibility determination issues? Policy is subject to interpretation.

Review the policies and make sure they're clear. How do appeals happen for medical determination denial of request for eligibility of transportation or method and the impact from the state level? How do assessments get done?

Optional services may get cut. How can the private company make the profit? How do the decisions get made and by whom?

What is the potential liability and who is at risk?

Who does the complaint get addressed to and when?

How much would it cost to start the broker system? What is the PMPM?

NC DOT was recognized as a leader in public transportation policy and implementation but yet, the State is not pushing that agenda or continued policy. How can we improve? Where we are in NC?

Who will be responsible for monitoring the service requirements?

Who will be responsible for administering the gas vouchers?

Who will handle denial hearings?

Is the transportation rate going to be reduced?

Concerns about timeline – 90 day broker start up. What about competitive disadvantage to many providers?

Brokerage is not perfect in other states. They're in it for making money. We question the motives of the Brokers. What are they telling you?

#### IV. Suggestions from Attendees for Moving Forward

Administrative cost to county - needs study before moving forward. Studies are inclusive.

There should be continued leverage of Medicaid dollars with other resources. The stakeholder group, with strong state leadership can work on improvements. DOT should be at the table and part of the process and decision making. Collaboration. Re-energize committees at DOT, DSS and DHHS and work together.

Slow down the process and study. Research is not a clear. Most of the systems – the general assembly had studies first. They all conducted a study first before going forward. They included major stakeholder involvement in the study and process.

Minimum transportation standards and performance requirements should be looked at.

Existing systems do work in some areas. Look at local level performance before changing statewide.

Coordination is happening among the counties. It can improve, but give local systems a chance to improve or work on the identified problems before going to the brokerage model.

Partnerships and collaboration are in place. Look at where we are and do the study of what is working. Look at alternatives and all options. There is recognition that budgets are tight. Most regulated agencies have lots of different folks “monitoring” them so having more State monitoring is not a problem

Postpone the transition date to the next FY and not during the middle of the current FY.

Group the brokers by region instead of a statewide brokerage.

Ensure the right of first bid to the local systems before bidding to the private sector.

Establish medical transportation advisory board.

Look at Oregon’s model as an example, and COGs example.

The assessment and approval process is too administrative heavy and burdensome. The process must be streamlined. Kidney dialysis example – look at process to streamline.

Let us look at ways to cut cost and reduce error rates without abandoning the current system. (This suggestion received ample applause – applause documented as requested by the audience).

Could we do a demonstration – can we do it differently in one part of the state? How can we try different methods of management/delivery without having CMS compliance problems and also correcting the perceived problems?

Why not do a contract from DMA to DOT and let them (DOT) manage Medicaid transportation?



## Land-of-Sky RPO

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### LAND-OF-SKY RURAL TRANSPORTATION PLANNING ORGANIZATION

#### RESOLUTION ASKING FOR CONSIDERATION PUBLIC TRANSIT SYSTEMS' NEED TO PLAN FOR FY 2011-2012

**WHEREAS**, the change to a brokerage system is expected to occur on January 1st, 2012, which falls in the middle of Fiscal Year 2012 for counties and local transit providers, and

**WHEREAS**, public involvement from the local departments of human services or local transit providers with regards to the change was not adequate, and

**WHEREAS**, the brokerage firm call center might be located in a different part of the state and not responsive to the specific needs of rural counties of Western North Carolina,

**Now THEREFORE be it resolved** that the Land-of-Sky Rural Transportation Planning Organization strongly recommends that the North Carolina Division of Health and Human Services consider the following changes to the brokerage RFP and transition process:

1. Postpone the transition date until July 1st, 2012, to coincide with the start of FY 2012-2013;
2. Consider grouping the brokerage system by region, to coincide with existing regional structures, so that better coordination of Medicaid and other transit services would be possible, and so that the brokerage offices are more responsive to location-specific needs;
3. In the RFP, ensure that the brokerage system provides the right of first bid to the existing local public transit providers during the transition period, and holds any new private providers to a strict set of safety requirements;
4. Establish a state Medical Transportation Advisory Committee, to represent Medicaid service providers, local transportation providers and Medicaid recipients using non-emergency transportation services; this group could meet on quarterly basis or as needed to review issues and complaints and make recommendations for the resolution of those issues in a report to the Governor, Senate, House of Representatives and NCDHHS.

THIS the 20<sup>th</sup> Day of July, 2011.

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Michael Sorrells - Chairman, Land-of-Sky Rural Transportation Planning Organization

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Natalie Murdock - Secretary Land-of-Sky Rural Transportation Planning Organization

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# North Carolina Public Transportation Association

## NCPTA Delivers at NEMT Meeting

**July 14, 2011:** We could not have asked for a better start to this meeting. Tara Larson, Deputy Directory DHHS-DMA made opening remarks that acknowledged her department's previous —communication gap—and committed to greater engagement with NCDOT, NCPTA and other stakeholders from this point forward. She further stated that —No decision on the brokerage approach has been made—and will not be made until after all concerns and issues are resolved and discussion take place with DHHS, NCDOT and the Governor's Office.

It was a good start to what resulted in a very open forum where NCPTA members, DSS directors, COGs directors and other stakeholders were able to pose questions, voice concerns, make statements and provide recommendations on NEMT service and future direction of that policy to the DHHS directors and staff members who were at the meeting. Discussions from the meeting confirmed:

- DHHS had previously received information from various NEMT brokers on the benefits of converting to this type of service.
- Anticipated cost savings from a conversion to a brokerage system has not been calculated in the budget reductions that are being required of DHHS and therefore not a mandatory cut. (This question, posed by Taskforce co-chair Amber Wagner is significant to the whole —cost savings—debate) The fact that it is not required means that moving to a brokerage system is not mandated as a means to reduce their budget.
- Findings identified in a 2007 Medicaid Audit resulted in a \$4.3M payback and contributed to DHHS seeking alternatives to the current NEMT service delivery system. The irregularities noted in the provision of non-emergency medical transportation services, e.g., ineligible service and reimbursements, were never fully addressed (In fact, this was the first time many of the attendees heard of this audit.) In addition, as noted by the Washington County DSS Director, of the entire \$43M spent in 2010 on non-emergency medical transportation services this represents .00045 of the total budget for DHHS (\$9,450,000,000)—certainly not enough to prompt a change to the entire NEMT system.

Prior to opening up the meeting to questions and comments, DHHS presented a PowerPoint slideshow on NEMT that helped frame how we arrived to this point and a summary of the brokerage system. The summary included benefits, budgetary issues and concerns that had been brought to DHHS attention. (A summary of the points is noted below and a copy of the full PP presentation will be sent when made available to us by DHHS).

Miriam Perry Director, NCDOT/PTD, provided an overview of the history of coordination between DHHS and NCDOT. She cited Executive Order 21 and shared how Public Transportation has been working in the State. She stated that she —welcomed this

opportunity to be at the table on this issue. NCPTA members Amber Wagner, Albert Eby, Don Willis, Randy Bass, Mike Lovett and Executive Director Linda Wallace presented key points that included: how public transportation services are working under the current service model; concerns regarding the role of brokerage firms in the DHHS decision-making process; the lack of input from transportation providers/stakeholders; the recognition of the NC current system of coordination as a national model—that works; the fact that the current system represents a strong foundation to continue to build upon—not destroy; that public transportation providers operate with higher standards and compliance as recipient of state and federal funds; and concerns related to the lack of inclusion of other key stakeholders in the process.

While there were several questions pertaining to the RFP—the majority of comments and questions from participants supported the concept of keeping the current system in place and making improvements.

Essentially, the majority of the attendees suggested that DHHS seek to correct any current problems before —“throwing the baby out with the bathwater”. Attendees questioned how vendors proposed to achieve cost saving and if such savings were to be achieved by reducing the level of service. Other questions pertained to the use of out-of-state vendors and their motive to simply make money. There was a great deal of concern expressed about brokers compromising service for profit—while local transportation providers have greater interest in supporting the needs of the community and ensuring a high quality of service. Reference was made to an earlier lawsuit but no one knew if the ruling was still in effect. It was noted that DHHS audits are being conducted in all 100 counties, but the results were not likely to be available by year’s end. It was suggested that the results of the audits would provide significant information on the program.

#### **DHHS-MDA Power Point Presentation Summary**

- Provided background on the Federal Requirement of the Deficit Reduction Act of 2005 provides statutory authority for States to contract with one or more brokers to manage the NEMT service.
- Defined Brokerage program as administrative oversight and coordination, gatekeepers and responsibilities to verify eligibility, schedule trips, dispatch trips, contract with providers and pay transportation providers.
- Described the budget status. Required total state reduction of \$356,151,356 with specific areas of reduction targeted (NEMT service not one of them).
- Required to report progress on meeting these targets to the General Assembly—if unable to meet targets additional cuts will occur.
- Provided information on findings of a 2007 Medicaid Quality Assurance Review that revealed several findings of ineligible reimbursements and trips and cost the state \$4.3M.
- Summarized a number of current transportation issues such as rural counties experiencing difficulty in administering transportation due to lack of resources and

overburden of paperwork and lack of documentation to support transportation claims for reimbursement— such issues seemed not to reflect the NCPTA issues.

□ Reviewed benefits of brokerages based on success of other states and cited benefits in cost savings, 24/7 access, detailed reporting, consistency in all areas of the state, handling of all NEMT service including non-emergency ambulance, utilization of all DSS and county public transportation systems available in community.

□ Reviewed concerns DHHS received from transportation providers that included: Decrease transportation provider income, rise in cost of transportation insurance, quality of service decreased for recipient, lack of understanding of unique needs of recipient, loss of funding source for infrastructure in the county.

The meeting closed on a high note. DHHS reiterating that they have listened and heard our requests to slow the process, study the brokerage system and examine the impact on public transportation in the State. They restated their commitment to continue the dialogue with NCDOT and NCPTA, as well as, engaging other stakeholders. DHHS anticipates moving quickly to make a decision and plans to conduct a meeting as early as next week.

NCPTA feels that the meeting was a success. It provided an opportunity for NCPTA concerns to not only be heard, but a promise of action and response to our concerns. NCPTA will continue to move our recommendations forward and the Task Force will continue to meet and keep the membership informed of any action. We believe that we made progress, in our favor, and look forward to working this issue through in partnership with DHHS, NCDOT and other stakeholders.

A special thank you to the Task Force members and NCPTA members, COGs, DHHS directors that spoke up on behalf of Public Transportation in the meeting and in your organizational efforts.