



## The Changing Face of Health Care Transportation – Fall Policy News Update

*November 2018*

Health care transportation over the past few months has been filled with both promising and threatening news. The industry is at a point of imminent change and growth. Below is our quarterly news roundup of some of the biggest updates and what they might mean for you and your agency:

### **HHS Unified Agenda and the Potential Threat to NEMT**

On October 17th, the Administration released its [semiannual forecast](#) of the rules that the Department of Health and Human Services (HHS) will be churning out over the next year. Many of these rules and guidance documents touch on issues that are top of mind and we expect that the administration will be moving forward with many of these priorities in the coming months.

This announcement is relevant to transportation providers given that the list released includes a potential rule that would [reexamine](#) non-emergency medical transportation (NEMT) coverage requirements for states under Medicaid. The overwhelming consensus around this proposed rule (which is speculated to be released in late Spring 2019) is that it will revisit NEMT benefit requirements for beneficiaries with no other means of accessing medical services.

The explicit goal of the potential proposed rule aligns with the administration's goal to provide states with greater flexibility as part of the administration's reform initiatives. One situation being discussed is that the rule could possibly allow states to make changes to their NEMT program through a State Plan Amendment versus a Waiver, which would be an easier and less time intensive process. Taken at face value, the item does not appear to be focused on any one specific Medicaid population or set of eligibility categories. At this point in time, our thoughts above, and any others you hear, are merely speculations until further information is released by Centers for Medicare and Medicaid Services (CMS).

This rule is concerning for transportation providers who provide this benefit and community members who use this benefit. In addition to the potential elimination of benefits, there are also many potential unintended consequences on transportation services as a whole. For example, currently, many specialized and public transit systems simply do not have the capacity or funding to take on the additional demand that would occur if the NEMT benefit were eliminated.

CTAA is currently tracking this development closely and is already working on a response and advocacy strategy. In addition, CTAA is also an allied member of the [Medical Transportation Access Coalition \(MTAC\)](#). In this capacity, we are working with a number of key stakeholders in this arena including Brokers, Insurers, and other organizations who have members or constituents reliant on NEMT services, to create a unified response strategy across groups. As our strategy takes shape, and more information emerges, we will be sure to share any relevant updates on with you.

### **CMCS Gains New Director with History of Controversial NEMT Reforms**

CMS recently announced that Mary Mayhew, the former health commissioner of Maine, and one-time Maine gubernatorial candidate will head the Center for Medicaid and CHIP Services (CMCS). In her new role, Mayhew will report to Administrator Seema Verma.

Last year, Mayhew penned a letter to then-HHS Secretary Tom Price touting Maine’s decision not to expand Medicaid and indicating Maine would seek controversial reforms to its Medicaid program, including: (1) a requirement to provide NEMT only in situations where the underlying service to/from which a member is being transported is a required Medicaid service; (2) more stringent requirements for enrollees to first avail themselves of existing transportation services; and (3) a prohibition on providing NEMT to so-called “able-bodied” adults.

While Mayhew may not be in a role that will allow her to implement these same ideas while at CMCS, she will be directly working with Seema Verma who has supported similar limitations on NEMT, as seen in her work as a consultant on [Indiana Medicaid NEMT Waiver](#).

Given the potential proposed rule discussed above, Mayhew’s appointment to CMCS is yet another indicator of the current Administrations view and potential actions on the NEMT benefit. As transportation providers, understanding this background can allow for proper preparedness and advocacy plans if further restrictions to the benefit are proposed or applied.

### **California Medi-Cal Covers Non-Medical Transportation Benefit**

In California, the state provides three different types of transportation to ensure that Medi-Cal (the state’s Medicaid program) beneficiaries can access covered services. Two of these types, Emergency Medical Transportation and Non-Emergency Medical Transportation (NEMT), have been long recognized benefits under Medi-Cal. The third, Nonmedical Transportation (NMT) has historically been provided (although on a somewhat fragmented basis) for those covered by Medicaid under the age 21, dually eligible seniors, and persons with disabilities. However, in August, the Centers of Medicare & Medicaid Services (CMS) approved California’s [State Plan Amendment \(SPA\) which implements the non-medical transportation \(NMT\)](#) as a covered benefit for all Medi-Cal beneficiaries (retroactively providing coverage back to July 1, 2017). All Medi-Cal enrollees are now entitled to the three types of transportation available if they meet the specified criteria and it is medically necessary.

In order to help eliminate confusion between NEMT and NMT, California has laid out a few key differences between the two:

NEMT is “transportation by ambulance, litter van, or wheelchair van to get to and from covered Medi-Cal services.” NEMT services in California are subject to prior written authorization by a license practitioner and only available in situations when the enrollee cannot utilize ordinary means of public or private transportation, such as bus, passenger car, or taxicab due to their medical, mental health, or physical condition. <sup>1</sup>

Comparatively, NMT is defined as “round trip transportation for beneficiaries to access covered Medi-Cal services by private car, cab, bus, taxi, train, or other forms of public or private transportation.” It is important to note that NMT does not include the transportation of sick, injured, invalid, convalescent, infirm or otherwise incapacitated recipients by ambulances, litter vans or wheelchair vans, as these would be covered as NEMT services. NMT services do not always require prior authorization and they are available to travel to appointments or visits for medically necessary covered services including:

- Picking up drug prescriptions that cannot be mailed directly to the enrollee
- Picking up medical supplies
- Visiting a sick child in the hospital
- Transporting recipients to and from other Medi-Cal covered services including medical mental health, substance abuse, and dental care. <sup>2</sup>

Through the three different transportation options available under Medicaid, California provides a unique spin on the provision of transportation through Medicaid. The separation of NEMT and NMT offer a look at how health care could “tier” different types of transportation services. It is also interesting that the NMT benefit provides trips to locations that are not always included under NEMT such as picking up prescriptions or medical supplies. Given health care’s increasing focus on social determinants of health, this may be a shift that could happen in other states in the near future.

### **CMS Approves North Carolina’s Medicaid Overhaul**

As mentioned in the [Health Care and Transportation - Summer Policy News Round Up](#), North Carolina is attempting to transform its Medicaid system to better prioritize the social determinants of health. In October, CMS approved the states 1115 Waiver that will, among other changes, implement the North Carolina Enhanced Case Management and Other Services Pilot Program.<sup>3</sup> This pilot program will be implemented in two to four regions and is designed to address eligible enrollees specific social determinants of health. Starting in 2019, the state plans on having the Medicaid managed care organizations (MCOs) <sup>4</sup> screen beneficiaries for food security, housing stability, and access to reliable transportation.

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<sup>1</sup> <https://healthconsumer.org/wp/wp-content/uploads/2018/07/Fact-Sheet-MediCal-Transportation-7.17.18.pdf>

<sup>2</sup> [https://www.calhospital.org/sites/main/files/file-attachments/apl\\_17-010\\_transportation\\_final.pdf](https://www.calhospital.org/sites/main/files/file-attachments/apl_17-010_transportation_final.pdf)

<sup>3</sup> You can read CMS Administrator, Seema Verma’s announcement regarding the North Carolina Waiver approval here: <https://www.healthaffairs.org/doi/10.1377/hblog20181024.406020/full/>

<sup>4</sup> Managed Care is a health care delivery system organized to manage cost, utilization, and quality. Medicaid managed care provides for the delivery of Medicaid health benefits and additional services through contracted arrangements between state Medicaid agencies and managed care organizations (MCOs) that accept a set per member per month (capitation) payment for these services. (Definition taken from: <https://www.medicaid.gov/medicaid/managed-care/index.html>)

North Carolina is the first state in the country to create and embed this type of pilot program into its Medicaid managed care delivery system. Beneficiaries who are eligible for the pilot program must be enrolled in the state's managed care program, meet the at least one needs-based criteria, and have at least one risk factor. For each risk factor, the state has already identified potential services that could be provided for the beneficiaries in the program who are at-risk for that specific social determinant of health.

North Carolina has identified potential transportation specific services to include: <sup>5</sup>

- *Transportation services to social services that promote community engagement.*
- *Providing educational assistance in gaining access to public or mass transit, including access locations, pilot services available via public transportation, and how to purchase transportation passes.*
- *Providing payment for public transportation (i.e., bus passes or mass transit vouchers) to support the enrollee's ability to access pilot services and other community-based and social services, in accordance with the individual's care plan.*
- *Providing account credits for cost-effective private forms of transportation (taxi, ridesharing) in areas without access to public transit. Pilot transportation services must be offered in accordance with an enrollee's care plan, and transportation services will not replace non-emergency medical transportation as required under 42 CFR 431.53. Whenever possible, the enrollee will utilize family, neighbors, friends, or community agencies to provide transportation services.*
- *Transportation services to/from interpersonal violence service providers for enrollees transitioning out of a traumatic situation.*

For these pilot programs, the state will select a lead pilot entity (LPE) for each region through a competitive procurement process. Transportation providers in North Carolina should be aware of this process as the LPE will eventually be in charge of developing the network of participating pilot providers that can provide services for beneficiaries (such as the transportation service identified above). For transportation providers in North Carolina, this is an opportunity work closely and integrate local transportation with health care services.

For those not in North Carolina, we can learn a great deal from the fact that North Carolina Medicaid has specified transportation as a key social determinant of health to address. Despite threats on the federal level to the NEMT benefit, some states seem to see the value that transportation provides. But there is still work to be done on this front. Both in North Carolina and in other states, the transportation industry continues to have an opportunity to work with our partners in health care to show the valuable impact local services can have on health outcomes and access to care.

## Looking Ahead

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<sup>5</sup> You can view a full list of the pilot program eligibility criteria, needs based criteria, and risk factors here: <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/nc/nc-medicaid-reform-ca.pdf>

A recent report by Zion Market Research estimates that the U.S. health care transportation services market is expected to reach USD 31.51 billion globally by 2026.<sup>6</sup> This market includes health care transportation as an entire entity (i.e. beyond Medicaid and NEMT), and includes not only the transportation of patients, but also the transfer of medicines, medical equipment, and test specimens between locations.

Prominent players in the U.S. health care transportation market are already thinking ahead and are expected to continue to increase their product line up and invest in mergers, acquisitions and strategic partnerships to gain a competitive edge. For example, in 2017, American Medical Response, Inc. and Lyft, Inc. created a partnership to offer non-emergency medical transportation services to patients, while earlier this year, Uber launched UberHealth, a new online tool to book rides for patients. This past September, Logisticare, a prominent NEMT broker, acquired Circulation and will fold its HIPPA compliant platform into its offering to improve the overall health care transportation experience.

These new partnerships and technology options are often seen as cheaper and more reliable than other existing modes of non-emergency medical transportation. As this market continues to grow, we are already seeing new players joining into the health care and transportation arena and the invention of new and innovative service and technology opportunities to improve the provision of health care transportation.

As transportation providers, it is critical to stay up to date on these changes and begin to think about where you may fall in this evolving space. While Medicaid NEMT is a large player, and payer in the health care space, the opportunities beyond NEMT continue to grow.

### **Interesting NEMT Links**

- [Humana Cleveland Clinic Medicare Advantage Plan will include a transportation benefit](#)
- [Lyft and Uber Help Patients Make It to Medical Appointments](#)
- [Shifting Non-Emergency Medical Transportation To Lyft Improves Patient Experience And Lowers Costs](#)
- [Logisticare will Acquire Circulation to expand NEMT Footprint](#)

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<sup>6</sup> <https://globenewswire.com/news-release/2018/10/24/1626157/0/en/Healthcare-Transportation-Services-Market-in-U-S-Will-Reach-USD-31-51-Billion-By-2026-Zion-Market-Research.html>