

# **DMA ADMINISTRATIVE LETTER NO: 04-12, NEMT VENDOR OBLIGATIONS AND POLICY IMPLEMENTATION TIMELINE**

**DATE:** 5/31/12

**SUBJECT:** NEMT Vendor Obligations and Policy Implementation Timeline

**DISTRIBUTION:** County Directors of Social Services  
Business Officers  
Medicaid Supervisors  
Transportation Coordinators  
Medicaid Eligibility Staff

## **I. BACKGROUND**

Change Notice 01-12, Non-Emergency Medicaid Transportation (NEMT), revised NEMT policy in order to provide more consistency and oversight of the transportation program. Federal regulations place additional reporting obligations on individuals and entities that contract to provide Medicaid Services. These additional obligations are outlined below and must be included in all NEMT vendor contracts.

Furthermore, in September 2011, the Centers for Medicaid and Medicare Services' Medicaid Integrity Group conducted a comprehensive program integrity review of the North Carolina Medicaid Program. As a result of that review, North Carolina was cited for noncompliance with 42 CFR 1002.3(b)(3) for failure to ensure that adverse actions against Non-Emergency Medicaid Transportation vendors and providers for program integrity reasons are reported to the Department of Health and Human Services Office of Inspector General (DHHS OIG). This letter provides a procedure for counties to report adverse actions against transportation vendors and providers and a form to do so (see [Attachment 1](#)).

Included as attachments to this Administrative Letter are the county contract template (see [attachment 2](#)) and contract transportation rider (see [attachment 3](#)), which are revised to include federal and state Medicaid vendor reporting requirements. The Local Business Liaisons have shared the revised contract template and transportation rider with the counties. The DMA-5024, Medicaid Transportation Vendor Documentation, form is revised to include the business ownership, control and location information specified in II. below (see [Attachment 4](#) for revised form). [Attachment 5](#) is the DMA-5125B, Medicaid Transportation Suspension Notice, which is revised to indicate that the individual is entitled to transportation to a critical service (where applicable) during the period of their suspension. In addition, the NEMT Grid, containing implementation timelines, is appended as "[attachment 6](#)."

## **II. ADDITIONAL CONTRACTUAL REQUIREMENTS**

### **A. Information on ownership and control (42 CFR 455.104)**

1. NEMT vendors must disclose the following information to the county:
  - a. The name and address of each person (individual or corporation) with an ownership or control interest in the vendor or in any subcontractor in which the vendor has direct or indirect ownership of 5 percent or more. The address for corporate entities must include as applicable primary business address, every business location, and P.O. Box address.
  - b. Whether any of the persons named, in compliance with paragraph a. is related to another as spouse, parent, child, or sibling.
  - c. The name of any other NEMT vendor in which an owner of the disclosing vendor has an ownership or control interest.
  - d. The name, address, date of birth, and Social Security Number of any managing employee of the vendor.
2. When the disclosures must be provided.

Disclosure is due at any of the following times:

- a. Prior to the vendor entering into a contractual agreement to provide NEMT services;
- b. Upon the vendor executing the contract to provide NEMT services;
- c. Upon request of the Medicaid agency during the contract renewal process;
- d. Within 35 days after any change in ownership of the vendor.

### **B. Information related to business transactions (42 CFR 455.105)**

Contracts with NEMT vendors must obligate the vendor to furnish DMA or HHS, within 35 days of the date on a request, full and complete information related to business transactions about:

1. The ownership of any subcontractor with whom the vendor has had business transactions totaling more than \$25,000 during the 12-month period ending on the date of the request; and
2. Any significant business transactions between the vendor and any wholly owned supplier, or between the vendor and any subcontractor, during the 5-year period ending on the date of the request.

**C. Information on persons convicted of crimes (42 CFR 455.106)**

Before the county enters into or renews an NEMT vendor agreement, or at any time upon written request by the county, the vendor must disclose to the county the identity of any person who:

1. Has ownership or control interest in the vendor, or is an agent or managing employee of the vendor; and
2. Has been convicted of a criminal offense related to that person's involvement in any program under Medicare, Medicaid, or CHIP since the inception of those programs.

**III. COUNTY RESPONSE TO DISCLOSURES AND NON-DISCLOSURES**

- A. Terminate the enrollment of any vendor where any person with a 5 percent or greater direct or indirect ownership interest in the vendor did not submit timely and accurate information and cooperate with any screening methods required by Medicaid policy.**
- B. Deny enrollment or terminate the enrollment of any vendor where any person with a 5 percent or greater direct or indirect ownership interest in the vendor has been convicted of a criminal offense related to that person's involvement with the Medicare, Medicaid, or CHIP in the last 10 years, unless DMA determines that denial or termination of enrollment is not in the best interests of the Medicaid program.**
- C. Deny enrollment or terminate the enrollment of any vendor that is terminated on or after January 1, 2011, under Medicare, Medicaid program or CHIP of any other State.**
- D. Terminate the vendor's enrollment or deny enrollment of the vendor if the vendor or a person with an ownership or control interest or who is an agent or managing employee of the vendor fails to submit timely or accurate information, unless DMA determines that termination or denial of enrollment is not in the best interests of the Medicaid program.**
- E. Terminate or deny enrollment if the vendor, or any person with a 5 percent or greater direct or indirect ownership interest in the vendor, fails to submit sets of fingerprints in a form and manner to be determined by DMA within 30 days of a CMS or a State Medicaid agency request, unless DMA determines that termination or denial of enrollment is not in the best interests of the Medicaid program.**
- F. Terminate or deny enrollment if the vendor fails to permit access to provider locations for any required site visits, unless DMA determines that termination or denial of enrollment is not in the best interests of the Medicaid program.**

**G. The county may terminate or deny the vendor's enrollment if CMS or the State Medicaid agency:**

1. Determines that the provider has falsified any information provided on the application; or
2. Cannot verify the identity of any provider applicant.

**IV. REPORTING ADVERSE ACTIONS AGAINST TRANSPORTATION VENDORS**

Effective immediately, counties must notify DMA Quality Assurance when they take an adverse action against a NEMT vendor for program integrity reasons. Adverse actions include denials and terminations of enrollment or contracts. Program integrity reasons include fraud, integrity, or quality.

Examples of program integrity reasons include but are not limited to:

- Conviction of a criminal offense related to the delivery of an item or service under Medicare or under any State health care program
- Conviction under Federal or State law, of a criminal offense relating to neglect or abuse of patients in connection with the delivery of a health care item or service

When an adverse action is taken against a transportation vendor or provider, complete the attached [DMA-5142](#), Office of Inspector General Adverse Action Reporting Form, and submit via fax or mail to Division of Medical Assistance, Quality Assurance Section, 2501 Mail Service Center Raleigh, NC 27699-2501 at 919-814-0036 within five work days.

**V. REVISED VENDOR AGREEMENT**

DSS contract template and contract "Addendum J, Certification Regarding Transportation" is revised to obligate NEMT vendors to perform the regulatory and policy requirements contained in NEMT policy. The Local Business Liaisons have shared the revised contract template and transportation rider with the counties. The use of the contract template is optional, but the information required by it must be contained in every NEMT contractual agreement the county enters into with an NEMT vendor. See [Attachment 1](#), contract template and [Attachment 2](#), Certification Regarding Medicaid Transportation.

**VI. DMA-5124, MEDICAID TRANSPORTATION PROVIDER DOCUMENTATION FORM**

The DMA-5124, Medicaid Transportation Provider Documentation form is revised to include the contractual requirements added in II.C. above. See [attachment 3](#).

**VII. CLARIFICATION OF NO-SHOW POLICY FOR CRITICAL NEEDS RECIPIENTS**

MA-2910/3550, Medicaid Transportation, VII.G.2. states that critical needs recipients, such as those receiving dialysis or chemotherapy, cannot be denied transportation to critical services, no matter how many transportation appointments they miss. However, transportation to non-critical services, such as routine doctor visits, can be suspended for these individuals. Indicate on the revised DMA5125B, Medicaid Transportation Suspension Notice, that the individual can still receive transportation to a critical need medical service during the suspension.

**VIII. TRANSPORTATION POLICY IMPLEMENTATION GRID**

On March 15, 2012, a “Dear County Director of Social Services” letter included a “NEMT Grid” which contained implementation timelines for the revised NEMT policy. The identical NEMT Grid is appended to this Administrative Letter as [Attachment 6](#).

If you have any questions regarding this information, please contact your Medicaid Program Representative.

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Director

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(This material was researched and written by Shara Britt, Assistant Chief, Quality Assurance Section and William Appel, Policy Consultant, Medicaid Eligibility Unit.)