

# **CHANGE NOTICE FOR MANUAL NO. 01-12, NON-EMERGENCY MEDICAID TRANSPORTATION**

**DATE: 12/13/11**

**Manual: Family and Children's Medicaid**  
**Change No: 01-12**  
**To: County Directors of Social Services**  
**Effective: 01/01/12**

**Make the following change(s)**

## **I. BACKGROUND**

Federal regulations specify that state Medicaid programs assure necessary transportation for recipients to and from providers (See 42 CFR 431.53). The Centers for Medicare and Medicaid Services conducted a Compliance Review in 2008 and cited DMA for inadequate oversight of the Non-Emergency Medicaid Transportation program. The Compliance Review resulted in a corrective action plan. A DMA Quality Assurance (QA) audit in 2007 and a recent QA records review revealed consistent problems, such as:

- Recipients not receiving a Medicaid covered service at the trip destination;
- Individuals not eligible for Medicaid at the time of the trip;
- Recipients not assessed for transportation assistance eligibility;
- Recipients not provided notice that a request for transportation assistance was denied;
- No evidence that the vehicle transporting the recipient was covered by liability insurance

In order to address both CMS' concerns and the problems uncovered by QA, DMA entered into a collaborative process, with stakeholders throughout the state, to reform NEMT policy. These stakeholders included county DSS directors, county transportation supervisors, NC Department of Transportation, and transportation vendors. This collaboration produced a thorough revision of transportation policy.

## II. POLICY PRINCIPLES

A. [MA-3550](#), Medicaid Transportation, IV.C., lists those Medicaid recipients who are not eligible for NEMT. Ineligibility may be due to:

1. Medicaid program/category does not include transportation assistance for example, MQB
2. The service has transportation included in provider reimbursement.

B. [MA-3550](#), Medicaid Transportation, V., covers the rights and responsibilities of the recipient.

1. Included rights are:
  - a. The right of the recipient to be informed of the availability of transportation assistance;
  - b. The right to receive instructions on how to request a trip;
  - c. The right to be transported to his destination on time for his appointment.
2. Included responsibilities are:
  - a. To use those resources that are available to the A/R;
  - b. Be ready for pick-up when transportation arrives;
  - c. Follow instructions of the driver;
  - d. Respect the rights of other passengers; and
  - e. Use NEMT for transport to a Medicaid covered service.

C. [MA-3550](#), Medicaid Transportation, VI., details county responsibilities.

1. Designate one individual to act as coordinator and contact person for transportation. The coordinator will be responsible for ensuring that:
  - a. Receives trip requests;

- b. Each trip request is tracked from intake through disposition by completing the DMA-2056, Transportation Log, or equivalent form that captures all of the DMA-2056 data fields;
- c. A list of all available transportation modes in the county, ranked from no cost options, such as community resources, to the most costly, is developed and maintained;
- d. Eligibility is verified, or designates an individual to verify eligibility, every time a trip request is made.

## 2. Documentation and Forms

The county must maintain a transportation file containing copies of:

- a. Transportation related notices to the recipient, including No-Show notices when applicable;
- b. Current DMA-5047, Medicaid Transportation Assessment;
- c. Current DMA-5048, Medicaid Transportation Exception Verification form; (when applicable);
- d. Prior approval verification documentation (when applicable).

## 3. Track trip requests

- a. The county must track each trip request using the DMA-2056, Title XIX Medicaid Transportation Log, or an equivalent form that captures all of the DMA-2056 data fields.
  - (1) Document the trip from intake through disposition
  - (2) Document the trip cost
  - (3) Use billing codes for the mode of transportation provided (DMA-2056, Transportation Log, contains the applicable codes)
- b. If the county contracts with a vendor, the vendor must be required to maintain its own transportation log. The county must review and compare the vendor's log to the DMA-2056 to ensure an accurate count of NEMT trips.

4. Hours of operation

The county must:

- a. Provide transportation after normal business hours when the medical service required by the recipient is available during those hours
- b. Have a phone system with an answering machine or other message recording device for taking transportation requests or cancellations 24 hours per day.

5. Compliance with transportation policy

The county must perform a random review of 3% of the trips on the DMA-2056, Transportation Log (or equivalent form) each month. Findings are documented on the DMA-5078, Medicaid Transportation Monitoring Report.

Included among those aspects of each file which must be reviewed are:

- a. Was there a current DMA-5047, Medicaid Transportation Assessment in the file?
- b. Was the recipient authorized for Medicaid on the date of the trip?
- c. Was the recipient in an eligible Medicaid program category?
- d. Was the recipient transported to a Medicaid enrolled provider?
- e. Did the recipient receive a Medicaid covered service?
- f. Were billing codes used correctly on the DMA-2056, Transportation Log?

**D. [MA-3550](#), Medicaid Transportation, VII., contains procedures that must be followed when transportation assistance is requested**

1. Complete the DMA-5047, Medical Transportation Assessment, in its entirety to assess the A/R's need for NEMT.
  - a. The assessment requires consideration of resources available to the a/r as well as no-cost community resources.

- b. The assessment must be completed:
  - (1) On initial request for transportation assistance
  - (2) At review (every 12 months for SSI recipients)
  - (3) When a change in circumstances is reported

2. Assessment by other entities

If other entities perform the assessment, they must meet all assessment requirements, including completion of the DMA-5047.

3. Special needs

The a/r must be asked about special needs or impediments to using some forms of transportation. The DMA-5048, Medicaid Transportation Exception Verification Form, is sent to the A/R's provider for verification when:

- a. The a/r alleges a special need that prevents the use of a mode of transportation and the need is not obvious.
- b. The A/R alleges a need for transportation to a provider outside the local area.

4. Documentation and notification

- a. Document assessment results on the DMA-5047, Medicaid Transportation Assessment Form.
- b. Notify the a/r of the eligibility determination on the DMA-5024, Transportation Assessment Notification.

5. Advance notice policy

- a. Recipients should be encouraged to make transportation requests as far in advance as possible.
- b. Recipients cannot be required to make such requests more than three business days before their scheduled medical appointment for in county trips and five business days prior to their scheduled appointment for out-of-county trips.

6. No-show policy

A recipient who is a no-show for three trips within a three month period without good cause may be suspended from transportation assistance for 30 days.

- a. The recipient must be counseled after one missed trip and warned after the second missed trip within the three month period. This may be completed with a telephone call or by using the DMA-5125, and the DMA-5125A respectively. All suspended individuals will be notified by using the DMA-5125B.
- b. Critical needs recipients, such as dialysis patients, cannot be suspended from transportation services to critical care.

7. Conduct policy

Conduct which jeopardizes the safety of the other passengers or the driver can result in suspension from transportation assistance other than gas vouchers.

8. Which county is responsible for transport

The county where the recipient resides is responsible for arranging, providing and requesting reimbursement for transportation.

**E. [MA-3550](#), Medicaid Transportation, VIII., provides instructions for arranging transportation to medical care.**

1. NEMT is only provided to Medicaid covered services.

- a. For each trip, the county must obtain verification that a Medicaid covered service was provided.
- b. The county is not responsible for verifying whether the recipient has exceeded his annual visit limits or other covered service limitations.

2. Method of transportation

- a. Least expensive means
- b. Suitable to the recipient's needs
- c. Public transportation options must be considered
- d. Ambulance
  - (1) Most ambulance transportation is a Medicaid covered service
  - (2) On rare occasions, non-emergency, non-medically necessary ambulance transportation is required. This service is arranged by the county NEMT Coordinator.

3. Types of approvals

Transportation may be approved for individual trips or for a series of appointments. Blanket approval, for example, approval for all medical appointments for the entire certification period, is not allowed.

4. Notification and trip approval/denial

- a. Trip approval notification can be verbal or written
- b. The DMA-5119, Denial of Transportation Request(s), must be used to notify the recipient of each trip denial.

**F. [MA-3550](#), Medicaid Transportation, IX., details safety and risk management requirements.**

1. County monitoring responsibilities

- a. Ensure that all contracts with vendors contain required safety and risk management provisions (see 2 through 7).
- b. Monitor contractor compliance with all safety and risk management requirements.

c. Maintain a file for agency staff, agency-approved volunteers, and recipient relatives and friends who are reimbursed directly by the county containing:

- (1) Driver's License;
- (2) Current vehicle registration/inspection;
- (3) Current driving record (for agency staff and agency volunteers only);
- (4) Liability insurance;
- (5) An agreement stating that the staff/agency volunteers will report all changes.

2. Liability insurance

Sufficient insurance coverage to adequately protect the agency and the recipients transported.

3. Licensed operator

Ensure that all drivers are properly licensed.

4. State Inspection

All vehicles used to transport recipients must have valid state registration and inspection.

5. Alcohol and drug testing

Vendors must be required to participate in a random alcohol and drug testing program.

6. Background checks

Criminal background checks must be performed on all employed or agency volunteer, drivers. Conviction of a crime of murder or rape, kidnapping, assault, terrorism, illegal possession, distribution, etc. of weapons or explosives, elder abuse or child abuse is grounds for disqualification from employment.



7. Driving Records

- a. Driving records of all drivers (see below for exception), including agency employees who transport recipients and contract transportation vendors, shall be reviewed every 12 months.
- b. The driver screening policy does not apply to recipients, financially responsible persons, or family and friends of the recipient who do not receive a direct reimbursement.

8. Medicaid and Medicare exclusions

Check state and federal data bases (links provided in policy) to assure that each transportation vendor, including the vendor's owners and managers, is not excluded from participation in federal health care programs.

9. Transportation contract

Mandatory vendor contract requirements include, but are not limited to:

- a. An obligation that no more than one quarter of one percent of all trips be missed by the vendor (vendor no-show) during the course of the contract year;
- b. An obligation to meet on-time performance standards such that no more than five percent (5%) of trips should be late for recipient drop off to their appointment per month (past the recipient's appointment time);
- c. An obligation to report all no-shows on a daily basis and cancellations on a monthly basis;
- d. An obligation to record all recipient complaints which deal with matters in the vendor's control;
- e. An obligation to provide names of all owners, managers, management entities, and subcontractors (to allow for Medicaid/Medicare exclusion verification);
- f. An obligation to use the provided transportation billing codes on invoices to the county DSS for reimbursements.
- g. An obligation to allow monitoring of records to ensure all contract requirements are met.

**G. [MA-3550](#), Medicaid Transportation, X., discusses reimbursement for transportation and travel related expenses.**

1. Billing codes associated with the mode of transportation or travel related expenses must be entered on the DMA-2055, Reimbursement Request Form. The DMA-2055 lists the applicable codes.
2. Mileage reimbursement
  - a. Mileage costs incurred by non-financially responsible family members (non-FRPs) or friends not to exceed the current IRS business rate (55.5 cents per mile).
  - b. Mileage costs incurred by recipients and FRPS not to exceed half the current IRS business rate ( $1/2 = 28$  cents).
  - c. The county may negotiate the reimbursement rate for its staff and volunteers.
3. Attendants
  - a. Non-medical professionals

The county, at its discretion, may use the state or, if greater, the county per diem, but must not exceed the state minimum hourly wage.
  - b. Medical professionals
    - (1) If a medical service is performed during the trip, Medicaid is billed for the service.
    - (2) If a medical service is not performed during the trip, maximum reimbursement cannot exceed the hourly minimum wage.
4. Gas vouchers

Mileage reimbursement may not exceed half the current IRS business rate ( $1/2 = 28$  cents).

5. Travel related expenses

Reimbursement for travel related expenses may not exceed the state mileage, subsistence and lodging reimbursement rates.

**Note:** Direct reimbursement to recipients and financially responsible persons is no longer regarded as an administrative expense and is reimbursed at the FMAP rate.

**H. [MA-3550](#), Medicaid Transportation, XI., explains how to report transportation costs.**

Direct payment to Medicaid recipients for transportation and travel related expenses as well as transportation services purchased for Medicaid recipients are reported on the DMA-2055.

1. Include only one month of transportation per form submitted.
2. Counties must submit claims for reimbursement to DMA within one year of the date of service.

**III. EFFECTIVE DATE AND IMPLEMENTATION**

**A. This policy is effective January 1, 2012 with the exception of the preliminary steps for Medicaid and Medicare exclusion verification which are discussed in B.**

**B. Vendor Contract Compliance**

1. Review all existing contracts with transportation vendors by January 31, 2012 for compliance with policy requirements.
2. Amend all existing contracts with transportation vendors to bring them into compliance with policy and have amended contracts signed by February 29, 2012.

**C. Medicaid and Medicare Exclusion Verification**

1. Complete the attached request for access to the Provider Penalty Tracking Database with the name of the individual in the county who will perform the Medicaid/Medicare exclusion verifications ([DMA-5086](#), Request for Access to DHHS Provider Penalty Tracking Database). This individual must have OLV access. Fax this request form to the number listed on the form by January 17, 2012. It is not necessary to use a cover sheet.

2. As a prelude to performing the exclusion verifications, gather the necessary information from all vendors by February 1, 2012.
3. Complete all exclusion verifications on existing and prospective vendors currently under consideration by February 15, 2012.

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

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Director

(This material was researched and written by William Appel, Policy Consultant, Medicaid Eligibility Unit.)