



COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

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October 27, 2021

MEMORANDUM

TO: The Honorable Janet D. Howell
Chair, Senate Finance Committee

The Honorable Luke E. Torian
Chair, House Appropriations Committee

The Honorable Mark D. Sickles
Vice Chair, House Appropriations Committee

FROM: Karen Kimsey
Director, Virginia Department of Medical Assistance Services

SUBJECT: Report on The Use of Transportation Network Companies to Supplement Medicaid Non-Emergency Medical Transportation (NEMT)

This report is submitted in compliance with the Virginia Acts of the Assembly – HB1800, Item 313.HHHHHH. which states:

“The Department of Medical Assistance Services shall analyze utilization of Transportation Network Company (TNC) Type II Non-Emergency Medicaid Transportation (NEMT) providers by the Medicaid fee-for-service program and the department's contracted Medicaid managed care organizations. The department shall identify any barriers to patient access to TNC Type II NEMT services. In its review of barriers to accessing TNC Type II NEMT benefits, the department shall identify any gaps in TNC Type II service contracting between the department's contracted MCOs, or their transportation brokers and TNC Type II NEMT providers. Additionally, the department shall examine the eligible patient population for TNC Type II NEMT services to ensure all clinically indicated Medicaid beneficiaries are eligible for TNC Type II NEMT services. Further, the department shall examine the necessity of TNC Type II operating requirements and identify any extraneous service requirements limiting TNC Type II services. The department shall report its findings and recommendations to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by October 1, 2021.”

Should you have any questions or need additional information, please feel free to contact me at (804) 786-8099.

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Enclosure

Pc: The Honorable Daniel Carey, M.D., Secretary of Health and Human Resources

The Use of Transportation Network Companies to Supplement Medicaid Non-Emergency Medical Transportation (NEMT)

A Report to the Virginia General Assembly

October 1, 2021

About DMAS and Medicaid

Report Mandate

313.HHHHHH. The Department of Medical Assistance Services shall analyze utilization of Transportation Network Company (TNC) Type II Non-Emergency Medicaid Transportation (NEMT) providers by the Medicaid fee-for-service program and the department's contracted Medicaid managed care organizations. The department shall identify any barriers to patient access to TNC Type II NEMT services. In its review of barriers to accessing TNC Type II NEMT benefits, the department shall identify any gaps in TNC Type II service contracting between the department's contracted MCOs, or their transportation brokers and TNC Type II NEMT providers. Additionally, the department shall examine the eligible patient population for TNC Type II NEMT services to ensure all clinically indicated Medicaid beneficiaries are eligible for TNC Type II NEMT services. Further, the department shall examine the necessity of TNC Type II operating requirements and identify any extraneous service requirements limiting TNC Type II services. The department shall report its findings and recommendations to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by October 1, 2021.

Background

Consistent with state and federal law, the Department of Medical Assistance Services (DMAS) must ensure necessary non-emergency medical transportation (NEMT) of Medicaid members to and from health care providers. Available modes of transportation must include non-emergency air travel, non-emergency ground ambulance, stretcher vans, wheel chair vans, common user buses, registered drivers and taxis. The most frequent users of Medicaid NEMT are individuals with physical, intellectual or developmental disabilities that routinely attend needed Medicaid services multiple times per week. DMAS Medicaid NEMT programs ensure this access for all members, including those with complex medical concerns, including disabilities that require specialized assistance and accommodation in order to access NEMT services.

When DMAS received approval for Medicaid Adult Eligibility Expansion to begin January 1, 2019, DMAS anticipated enrollment of 400,000 newly eligible Members who would also be newly eligible for the NEMT benefit. Due to the COVID pandemic, the numbers of newly enrolled members have exceeded the predicted amount. As of August 1, 2021, 571,034 newly eligible Virginians have enrolled under Medicaid Expansion, bringing total Medicaid enrollment to 1,870,389.

DMAS's mission is to improve the health and well-being of Virginians through access to high-quality health care coverage.

DMAS administers Virginia's Medicaid and CHIP programs for more than 1.8 million Virginians. Members have access to primary and specialty health services, inpatient care, dental, behavioral health as well as addiction and recovery treatment services. In addition, Medicaid long-term services and supports enable thousands of Virginians to remain in their homes or to access residential and nursing home care.

Medicaid members historically have included children, pregnant women, parents and caretakers, older adults, and individuals with disabilities. In 2019, Virginia expanded the Medicaid eligibility rules to make health care coverage available to more than 500,000 newly eligible, low-income adults.

Medicaid and CHIP (known in Virginia as Family Access to Medical Insurance Security, or FAMIS) are jointly funded by Virginia and the federal government under Title XIX and Title XXI of the Social Security Act. Virginia generally receives a dollar-for-dollar federal spending match in the Medicaid program. Medicaid expansion qualifies the Commonwealth for a federal funding match of no less than 90 percent for newly eligible adults, generating cost savings that benefit the overall state budget.

Anticipating the possibility of inadequate statewide NEMT networks affecting both FFS and Managed Care delivery of NEMT, DMAS completed a pilot study in 2018-19 to determine if, under certain criteria, Transportation Network Companies (TNCs) could supplement the available drivers in the existing NEMT programs, especially during periods of driver or vehicle shortages. (Each of the six contracted MCOs plus fee-for-service (FFS) constitute a separate NEMT “program”.) The results of that pilot suggested comparable cost and decreased incidence of missed appointments.

Type 1 and Type 2 TNCs

In developing criteria for use of TNCs to augment its NEMT programs, DMAS considered the special needs of Members most likely to utilize NEMT. Members enrolled in one of DMAS’ Medicaid waiver programs make up the majority of trips performed by the NEMT programs. Persons enrolled in these programs experience disabilities and chronic health conditions requiring frequent and routine access to health care appointments and Medicaid services. Access needed in order to allow these persons to continue living in the community. This resulted in classifying TNCs into one of the two types described below.

TNC Type 1 drivers and vehicles meet the State of Virginia Department of Motor Vehicles (DMV) TNC driver and vehicle requirements (i.e. Lyft, Uber).

TNC Type 2 drivers and vehicles meet or exceed State of Virginia DMV TNC requirements, and meet DMAS NEMT driver training and vehicle requirements (i.e. UZURV, internal NEMT broker TNC). TNC Type 2 drivers must utilize DMAS approved NEMT scheduling software that is integrated with brokers scheduling system to receive special transport instructions that may include hand-to-hand or door-to-door levels of service as well as all special instructions required to transport the Member safely.

Members requesting services are screened to ensure that the use of TNC is appropriate for their needs. The Member must have a smart phone to receive text messages, and must have the cognitive ability to understand and respond to those messages. In some cases, parent or guardian approval must be obtained.

Currently, Lyft completes almost 100% of Type 1 TNC trips in all seven NEMT programs, however, DMAS FFS’ NEMT broker, ModivCare (formally LogistiCare), signed

a national contract with Uber in August 2021, so, Uber will join Lyft for Type 1 TNC services.

Transportation Utilization and COVID

DMAS approved TNC utilization for NEMT starting February 1, 2020. Four of the NEMT programs began utilizing TNCs on that date. The four NEMT programs ran an average of 9,185 Type 1 TNC trips per week for the six weeks prior to the COVID 19 state-imposed quarantine, which was 7.63% of all Virginia NEMT trips. The number of TNC trips fell to a weekly average of 3,979 trips during the period of the COVID state of emergency (March 12, 2020 through June 30, 2021), which is 5.09% of all Virginia NEMT trips.

Table 1. Total number of TNC trips and destinations comparing pre-COVID and post-COVID periods.

	Feb 1, 2020 to March 11, 2020	March 12, 2020 to June 30, 2021
Doctor Appointment	15,463	86,178
Substance Abuse (ARTS)	14,702	78,127
Dialysis	3,896	21,987
Behavioral Health	7,210	14,844
Physical Therapy	2,985	16,758
Hospital Discharge	1,894	14,679
Urgent Care Facility	2,480	8,159
Lab & X-ray	1,047	7,501
Non Medicaid / Enhanced Benefit	1,564	6,140
Dental	1,299	6,306
Pharmacy	584	6,091
Ear Nose and Throat	109	3,111
Chemo/Radiation	523	2,430
Intellectually Disabled	511	1,364
Adult Day Care	354	1,049
Surgical Center	213	908
Wound Care	103	801
Counselor	154	647
Psych Facility Discharge	0	513
COVID 19 Vaccinations	0	380
Nursing Home	1	290
Immunizations	7	185
Assisted Living	13	94
Total number of trips (TNCs only)	55,112	278,542

Table 2. Total trips including TNCs and NEMTs

	Feb 1, 2020 to March 11, 2020	March 12, 2020 to June 30, 2021
Total number of trips (NEMT + TNC)	722,333	5,468,275
Number of Weeks	6	70
Avg Number of Trips Per Week	120,389	81,455

Current NEMT total program trip volume is at 67.7% of pre-COVID 19 numbers. NEMT providers and TNCs, in particular, are experiencing driver shortages throughout the state, but most notably in the Northern Virginia and Southwest regions. TNCs may only be utilized when Medicaid Members indicate no symptoms or recent exposure to COVID. NEMT Provider Drivers may only transport one member at a time, and must maintain physical distancing, limiting the type of and amount of hands-on support they are able to provide.

Utilization of Transportation Network Company (TNC) Type 2 NEMT providers

Virginia Premier was the first MCO to utilize a Type 2 TNC to supplement its NEMT program. From May 2020 through September 2020, they utilized UZURV, a national company with headquarters in Richmond VA. During the five-month period, VA Premier’s NEMT completed 263,256 trips. Of these, 849 (0.32%) were completed by UZURV Type 2 drivers.

In September 2020, VA Premier outsourced their NEMT program through a contract with Southeastrans, LLC, a national transportation broker. At that point, the UZURV contract was terminated.

Table 3. Medicaid services accessed through Virginia Premier’s Type 2 TNC (May 2020-September 2020)

Service	Trips	Percentage
Doctor Appointment	622	73.26%
Physical Therapy	67	7.89%
Pharmacy	39	4.59%
Dental	32	3.77%
Lab & X-ray	24	2.83%
Surgical Center	14	1.65%
Dialysis	12	1.41%
Psych Facility Discharge	10	1.18%
Counselor	8	0.94%

Hospital Discharge	8	0.94%
Chemo/Radiation	6	0.71%
Assisted Living	4	0.47%
Nursing Home	2	0.24%
Substance Abuse (ARTS)	2	0.24%

Note, Southeastrans, LLC is currently the NEMT Transportation Broker for Optima as well as VA Premier. Southeastrans is currently developing a plan to utilize an internal Type 2 TNC called Verida. Southeastrans currently uses Lyft which is a Type 1 TNC therefore adding Verida would increase their NEMT provider network adequacy.

Molina (formally Magellan) was the second MCO to utilize Type 2 TNC drivers as part of their NEMT program. Molina contracts with a national transportation broker, Veyo. Veyo started utilizing a DMAS approved internal Type 2 TNC in June of 2020. This internal Type 2 TNC program is called the Independent Driver Program (IDP).

For the first six months after launching Veyo’s IDP, Type 2 TNC drivers completed 2,183 (1.60%) of Veyo’s 132,675 total trips. From January 2, 2021 to August 6, 2021, Veyo’s IDP program increased their internal TNC capacity and completed 12,988 (7.47%) Type 2 TNC trips out of the 173,888 total Molina NEMT trips.

Table 4. The most frequently accessed Medicaid Services by Molina Medicaid Members transported by Veyo’s IDP program in SFY 2021.

Service	Trips	Percentage
Substance Abuse (ARTS)	4,387	36.28%
Doctor Appointment	2,918	24.13%
Behavioral Health	1,742	14.41%
Dialysis	1,431	11.83%
Physical Therapy	559	4.62%
Counselor	230	1.90%
Surgical Center	184	1.52%
Dental	144	1.19%
Ear Nose and Throat	114	0.94%
Chemo/Radiation	83	0.69%
Lab & X-ray	81	0.67%
Urgent Care Facility	80	0.66%
Non Medicaid / Enhanced Benefit	66	0.55%
Psych Facility Discharge	18	0.15%
Pharmacy	17	0.14%
COVID-19 Vaccine	14	0.12%
Immunizations	14	0.12%
Nursing Home	8	0.07%

Wound Care	2	0.02%
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Identify any gaps in TNC Type II service contracting

The intended use of TNC providers is to supplement existing NEMT services, not replace those services. All seven NEMT programs can access TNC when and if needed.

Examine the eligible patient population to ensure all clinically indicated Medicaid beneficiaries are eligible for TNC Type II NEMT services

DMAS has examined the eligible patient population to ensure that all clinically indicated Medicaid beneficiaries are eligible for TNC Type 2 services. Based on that examination, DMAS established the following requirements for the use of a Type 2 TNC:

- The member must be able to receive SMS texted trip information from the TNC.
- The member must be able to read and understand the texted trip information.
- The member must give verbal consent to ride with the TNC driver in lieu of a Medicaid NEMT driver.
- For members enrolled in one of the following waiver programs: Community Living, Building Independence, Family and Individual Support and CCC Plus Waiver, the member’s parent or guardian, case manager/care coordinator and, if applicable, Group Home Manager must approve the use of the TNC.
- For members that are minor children aged 17 or younger, a parent or guardian must accompany the child on the trip utilizing a TNC.

Medicaid members that utilize NEMT most often have complex medical conditions and associated disabilities. For this reason, TNCs are used to augment NEMT services as a provider of last resort or when needed due to driver shortages, such as those seen during the recent COVID State of Emergency. DMAS is committed to sustaining the Medicaid NEMT Provider Network that is capable of transporting members experiencing physical disabilities, cognitive or speech difficulties, visual impairments, etc. Such persons often require special instructions (e.g., door to door, hand to hand, assistance with an oversized wheelchair, oxygen

transport). Type 2 TNCs can be used to supplement, but not replace, NEMT transportation services for members needing some degree of assistance.

The Necessity of Type 2 Operating Requirements and Limits to the Utilization of Type 2 TNCs

DMAS has reviewed its NEMT Type 2 TNC requirements and has determined that the following should remain in place in order to ensure that Type 2 TNCs are utilized only as appropriate in order to maintain Member safety and high quality customer service, Type 2 TNCs must:

- Meet Virginia DMVs operating requirements and hold a TNC Certificate of Fitness from the DMV,
- Meet DMAS NEMT driver training and vehicle requirements;
- Waive customer signature requirements typically required by TNCs, and accept acknowledgement by electronic means from the TNC and NEMT Broker;
- Ensure that their Transportation Brokers are assigning and paying for trips directly and not reimbursing members for TNC transportation;
- Ensure that TNC software connecting to NEMT broker software meets HIPAA, MCO, and DMAS System Security Requirements; and
- Ensure that TNC software allows the TNC driver to receive the Medicaid Member’s special transportation requirements (i.e. hand-to-hand, door-to-door, wheelchair requirements).

Summary and Conclusion

NEMT programs have the option to utilize both types of TNC as providers of last resort. As long as DMAS requirements are met, both can serve as viable alternatives for transporting Medicaid Members when a NEMT provider is not available. Utilizing TNCs helps to ensure a stable, adequate network for Members needing such transportation, especially during times of crisis, such as that experienced during the COVID state of emergency. Type 2 TNCs, in particular, can serve as a viable alternative to NEMT for members requiring special assistance in limited circumstances.