INDEPENDENT ASSESSMENT OF INDIANA'S NON-EMERGENCY MEDICAL TRANSPORTATION BENEFIT IN THE MEDICAID FEE-FOR-SERVICE PROGRAM

DECEMBER 9, 2019

BURNS & ASSOCIATES, INC.
Health Policy Consultants

3030 NORTH THIRD STREET
SUITE 200
PHOENIX, AZ 85012

TABLE OF CONTENTS

EXECUTIVE SUMMARY

The Family and Social Services Administration (FSSA) contracted with Southeastrans (SET) to serve as the broker to coordinate and schedule non-emergency medical transportation (NEMT) for individuals enrolled in Indiana Medicaid's fee-for-service (FFS) delivery system. The FFS system is outside of the managed care programs in Indiana Medicaid. In FFS, more than half of the enrollees are over the age of 50. Less than 20 percent are under the age of 18. As a result, the FFS population has significantly higher complex needs than the managed care population. Consequently, the need for NEMT is higher in FFS, particularly for trips that need wheelchair-accessible vans and stretchers. Although the FFS population itself is very different from managed care, it is geographically dispersed throughout the state in relative proportion to the managed care population.

The FSSA's intent of contracting with an NEMT broker was to:

- Develop operational protocols to make it easier for FFS members to obtain NEMT when it is authorized;
- Apply more rigor and oversight of FFS clients requesting and receiving NEMT;
- Apply more rigor and oversight of transportation providers and drivers;
- Adjudicate and process claims submitted for NEMT by providers; and
- Work with the FSSA to enhance the transportation provider network.

The contract with SET began on June 1, 2018. The current contract is set to remain in effect until May 31, 2022. Upon initial rollout, there was significant disruption to the system. This, in part, appears to be due to the following:

- With the announcement of the SET contract, the communication of the availability of NEMT became more widespread which then increased the demand for trip requests among FFS clients;
- The transportation providers were told that they must now enroll with NEMT in order to receive trip orders;
- The additional rigor that SET applied to vehicle and driver compliance was an unexpected requirement to providers; and
- The result of these factors, along with others, meant that SET could not fulfill all trip requests.

Because of continued concern among multiple stakeholders (most specifically among providers that deliver long-term supports to Medicaid beneficiaries) about the delivery of NEMT in Medicaid FFS, the Indiana Office of Management and Budget contracted with Burns & Associates, Inc. (B&A) to conduct an assessment of the delivery of NEMT and of SET operations. B&A also serves as an independent evaluator for other components of Indiana's Medicaid program. In these engagements, B&A's reports are submitted directly to the Centers for Medicare and Medicaid Services without editorial input from the FSSA.

To conduct this review, B&A interviewed SET operations staff at the local office in Indianapolis as well as the corporate office in Atlanta. A desk review was completed of the SET contract and other written materials such as provider contracts and training materials. Data on trip requests, trip fulfillment and claims payment were also conducted both as a means to identify specific trends in the delivery of NEMT since SET began its contract as well as a way to validate some of the key performance measures self-reported by SET to the FSSA in monthly summary reports. Where possible, B&A also compared NEMT utilization and payment data between the first year of the SET contract (June 1, 2018 – May 31, 2019) to the 12-month period immediately preceding the SET contract (June 1, 2017 – May 31, 2018).

Key Findings

Related to Trip Requests and Trip Fulfillment

1. There has been little change in the actual number of Medicaid FFS members receiving NEMT in the last two years. In Year 1 of SET (June 1, 2018 – May 31, 2019), 38,168 individuals received NEMT; in the year prior (June 1, 2017 – May 31, 2018), 38,101. In both years, 80 percent of users had 20 one-way trips or less. But in the first SET year, a higher proportion had four one-way trips or less.

2. In the first year under SET, the relative proportion of number of FFS members requesting trips and the total trips requested is similar across eight regions of the state examined (each of the 92 counties was mapped to one of the eight regions).

3. Wheelchair trip requests represent 30 percent of all trips requested; stretcher are six percent; ambulatory (non-wheelchair) are 64 percent.

4. Wheelchair trip requests are in higher demand when the point of origin is a nursing facility (67 percent of all requests), dialysis centers (42 percent of all requests) as well as for individuals living in the Northeast and Southeast regions of the state.

5. Half of the trip requests come from members deemed "high risk", meaning increased medical vulnerabilities such as dialysis, wound care, or chemotherapy/radiation treatments to name a few.

6. Most trip requests are short distances. Half of all trip requests require one to five miles drive from point of origin to destination.

7. A total of 10.1 percent of all trips requested in the 12-month period September 1, 2018 to August 31, 2019 were classified as "not completed" in SET's internal records (116,000 total trip legs, or one-way trips). Among these, in any given month during this time, 7 to 8 percent were because SET could not find a transportation provider to fulfill the trip request. The remainder were due to member no-show or provider no-show.

8. An additional challenge that SET has which requires cancellation of trips is when providers send the trip back to SET even when it was assigned to the provider. In the first nine months of CY 2019, there were 95,822 send backs. Half of these were ultimately cancelled because SET could not find a replacement provider. So approximately 50,000 additional trips annually could not be fulfilled in addition to the 116,000 that could not be fulfilled initially.

9. B&A did not find an issue with fulfilling trip requests for the "high risk" member category. Almost all of the unfulfilled trips appear to be for members not deemed high risk.

10. There are some differences in the not-completed trip rate by region. The Central region had the lowest rate (8.6% of all requests) while the Southeast region had the highest rate (12.3%).

11. By modality, the not-completed trip rate was 11.3 percent for stretchers, 10.6 percent for non-wheelchair vehicles, and 12.3 percent for wheelchair vehicles. By point of origin, the lowest not-completed rate was from pickups at dialysis centers (6.7%) and the highest from clinics (13.7%).

12. Unscheduled trips are exacerbated by member no-shows when the trip is scheduled because this takes away a spot that could be used for an unscheduled trip. During the 12-month period studied, just over 4,000 FFS members no-showed at least once, but 70 percent of these individuals had only one or two no-shows. There is a small contingent of members who are chronic no-shows.

Related to Provider Supply and Payments

1. From November 2018 to October 2019, the number of vehicles credentialed for use by SET to deliver NEMT increased from 1,139 to 1,615. The greatest increase was in wheelchair-accessible vehicles.

2. The number of credentialed drivers during this time increased from 1,265 to 1,686.

3. Payments in the first 12 months of the SET contract to providers for NEMT totaled $19.5 million compared to $20.4 million in the year just prior to SET. A total of 250 unique providers were paid in the SET period compared to 362 in the pre-SET period. A significant number of EMS providers dropped out as a Medicaid provider shortly after SET came on board, but these providers delivered few trips. (Total trips requiring stretchers are approximately 5-7% of the total trips each month.) SET has picked up 51 new providers since its contract began with FSSA.

4. B&A has cited concerns about payments to providers since there is a significant percentage of trips (21%) that were requested where it is not known if the provider should be paid or not. The trip was not cancelled in advance, but the provider has yet to be paid. This may be due to the fact that the member no-showed or cancelled on-the-spot when the provider appeared for the pickup (the provider is not allowed to get paid when this occurs). It could also be true that the trip was delivered but the claim is suspended due to incomplete data. It is not known how many claims may be in "suspended" status. The rate of trips assigned-but-not-paid is highest for EMS providers.

Related to SET Operations

1. SET has a robust system to track inflows and outflows for NEMT coordination. This includes specific modules in its software to track both client and provider attributes, details on each trip requested, the history of a client's NEMT use, and status indicators related to each trip.

2. The software in the call center tracking system is robust and is what would be expected for a state-of-the-art call center. Likewise, the compliance software used to track vehicles and drivers is comprehensive and easy to navigate for individual case file review and management reporting.

3. Claims processing appears to follow industry conventions with an additional emphasis on pre-payment review that was not present in the pre-SET period. In fact, at the request of FSSA, many automated claims edits were "turned off" so that claims would not be denied so that providers could be educated about proper claims submissions. SET has more editing features for program integrity purposes than what FSSA is currently availing itself of.

4. With the exception of January and February 2019, SET met the FSSA performance measure targets for its call center including response time and abandonment (hang-ups) rate.

5. Client complaints as a percentage of all trips completed is near 0.2 percent each month which is lower than the FSSA threshold of 1.0 percent.

6. SET is meeting the claims processing targets set by FSSA as well. For example, average days to pay claims has consistently been 16 days (target is less than 30 days). Claim denial rate is always under two percent (no specific target given by FSSA).

7. The FSSA requires a significant number of reports from SET on a monthly basis to conduct oversight of SET operations. SET has the information readily available to report; in fact, SET often has information in a format that may be more useful for FSSA to conduct its oversight. Ad hoc reports have also been delivered to FSSA upon their request without particular issue. B&A did observe, however, some inconsistencies in the summary-level data submitted by SET to FSSA in the monthly reports compared to what the detail-level showed when B&A reviewed SET's source files.

Recommendations

B&A offers recommendations for the FSSA and the NEMT Commission to consider as a means to ensure accessibility of the NEMT benefit to Medicaid FFS members while also preserving the highest level of quality services and integrity of program expenditures. In Section V of this report, nine recommendations specific to SET and 19 recommendations to FSSA are offered across 13 topics. A summary of these recommendations appears below.

1. SET should develop a more formalized methodology to assess gaps in service delivery and be able to report results to FSSA regularly. FSSA should develop a contractual requirement related to the percentage of trips successfully dispatched to providers and the timeliness of these dispatches.

2. SET should add additional status codes to trip requests to more effectively identify trips completed and trips cancelled. Also, indicators are needed to identify trips paid, in the queue to be paid, and trips completed but not yet billed. FSSA should require this more granular level of reporting.

3. Recommendations are made on how to track "unclean" (incomplete) claims, who is billing them, and what additional education is required for providers to know how to successfully submit claims.

4. Emphasis should be placed on getting more providers to submit claims electronically and/or to use the SET iPad option. This will reduce the level of unclean claims and will get providers paid faster.

5. The FSSA should work with SET and allow them flexibility to develop alternative payment arrangements to providers willing and able to accept more trip requests in areas of the state where provider supply is lacking. This may include retainer payments or above-standard rates on a per trip basis where need is greatest (e.g., specific counties or specific modalities such as wheelchairs).

6. Incentives should be considered for providers who either commit to accepting more Medicaid FFS trips or who infrequently send back trips assigned by SET.

7. Related to the recommendations above, the FSSA should assess annually the trip rates paid by SET to providers to assess current market demand.

8. The FSSA should consider policies related to members who are chronic no-shows and empower SET to enforce action (or limitations) on members who continue to chronically no-show.

9. The SET should consider penalizing any provider who has a disproportionate number of no-shows and FSSA should support SET in this action.

10. The FSSA should re-examine the suite of monthly reports required to be submitted by SET and work with SET to submit reports that provide more meaningful context and that give FSSA a greater ability to measure SET against contractual performance measure targets.

11. The FSSA should add more reporting related to vehicle and driver compliance. This information is readily available from internal SET sources but is currently not reported to FSSA.

12. The FSSA should review some performance measures and strengthen the requirements to align with industry standards.

13. In concert with the additional education that may be needed for some providers, the FSSA should allow SET to "turn on" all edits related to claims adjudication and allow claims to be denied when they should be denied. This will provide immediate feedback to providers on the status of their claim.

SECTION I: INTRODUCTION

Non-Emergency Medical Transportation Benefit in Medicaid

One of the services that is a covered benefit for individuals in Indiana's Medicaid program is non-emergency medical transportation (NEMT). This service can be described as transportation to Medicaid clients, planned in advance, to a medical service covered by Medicaid delivered by a contracted Medicaid provider.

All three tenets must be present—*covered Medicaid beneficiary, covered Medicaid medical service, and contracted Medicaid provider*—in order for an NEMT trip to be approved. In Indiana Medicaid's managed care programs (Hoosier Healthwise, Healthy Indiana Plan, and Hoosier Care Connect), the managed care entities under contract with the Family and Social Services Administration (FSSA) each have contracted with a transportation broker to assist in the coordination of the NEMT benefit to their Medicaid members.

In the past, there had not been a broker in the non-managed portion of Indiana's Medicaid program (often referred to as Fee-for-Service, or FFS). Effective June 1, 2018, the FSSA has contracted with Southeastrans (SET) to serve as the NEMT broker in the FFS portion of Medicaid.

The FSSA's intent of contracting with SET was to:

- Develop operational protocols to make it easier for FFS members to obtain NEMT when it is authorized;
- Apply more rigor and oversight of FFS clients requesting and receiving NEMT;
- Apply more rigor and oversight of transportation providers and drivers;
- Adjudicate and process claims submitted for NEMT by providers; and
- Work with the FSSA to enhance the transportation provider network.

Although FFS Medicaid beneficiaries are entitled to the NEMT benefit, there are some limits. Effective with the implementation of the SET contract, FFS members are now limited in the following ways:

- There is a rolling 12-month limit of 20 trip legs (one-way trips) per person unless prior approval is received. Some exceptions apply for trips related to dialysis treatment, chemotherapy, and methadone treatment centers.
- Trips that require travel of 50 miles or more one way.
- Transportation via bus, train, airplane, or air ambulance.
- Interstate transportation to areas not permitted by FSSA (e.g., border counties)

It should be noted that these limitations were not in place prior to the initiation of the contract with SET. The oversight of the use of these services was limited.

Service Delivery Model Before and After Southeastrans Contract

With the initiation of the SET contract, the process in which FFS members obtain NEMT has changed. Further, the oversight of transportation providers (including their vehicles and drivers) has been enhanced greatly. The process under which providers are paid has also changed. Exhibits I.1 and I.2 on the next page illustrate the changes in operational flows before and after the SET contract began.

Exhibit I.1
Trip Coordination Before and After SET Began Operations in Indiana in June 2018

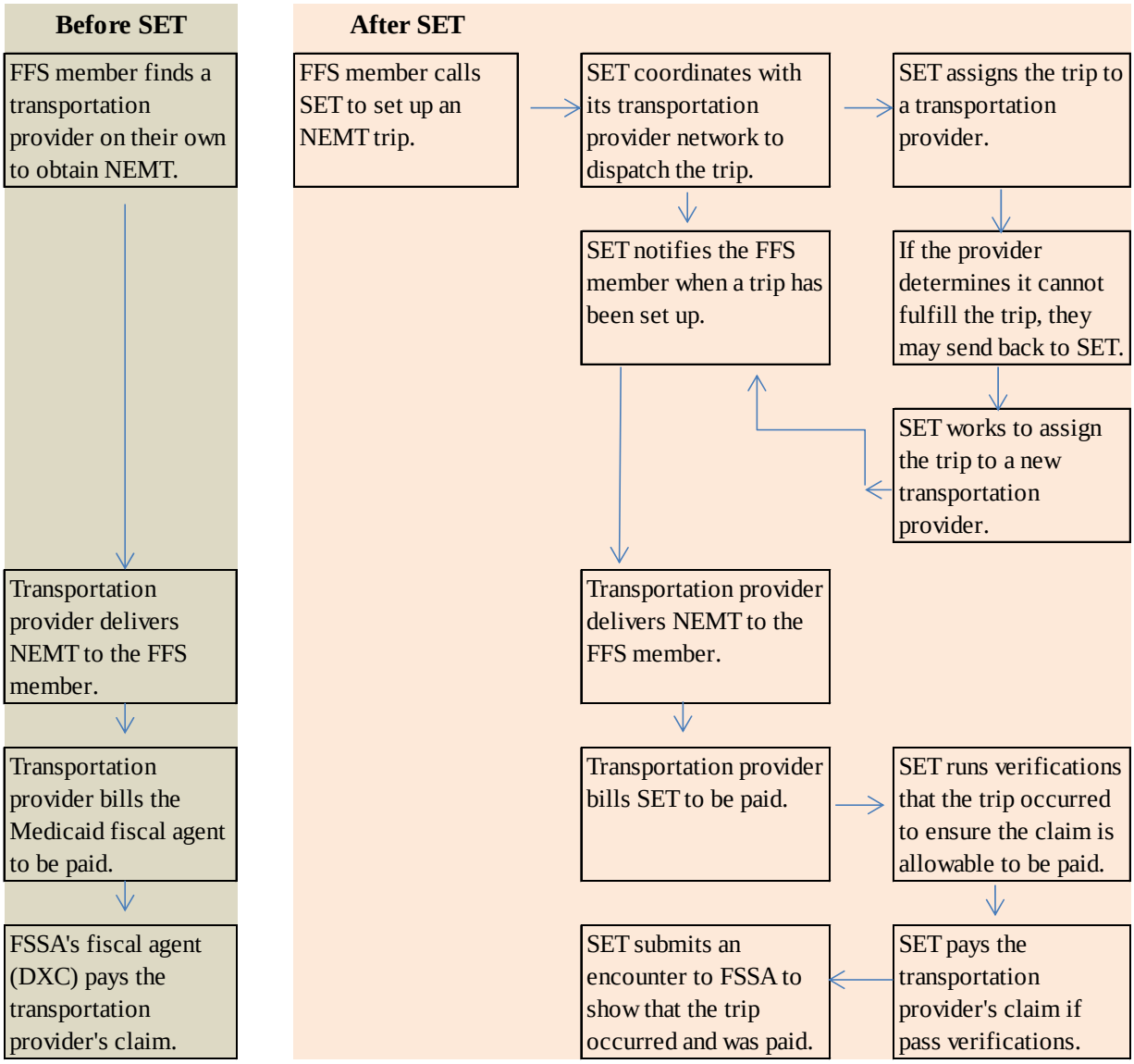
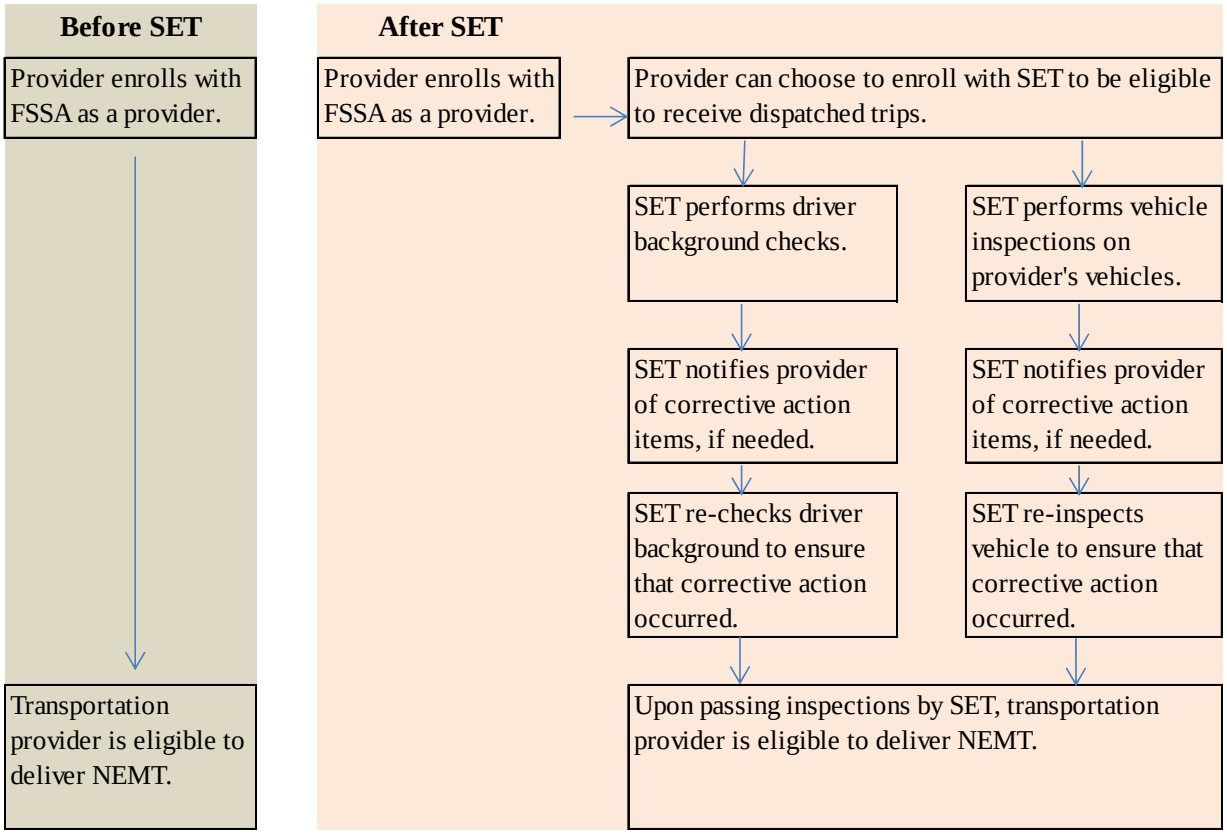


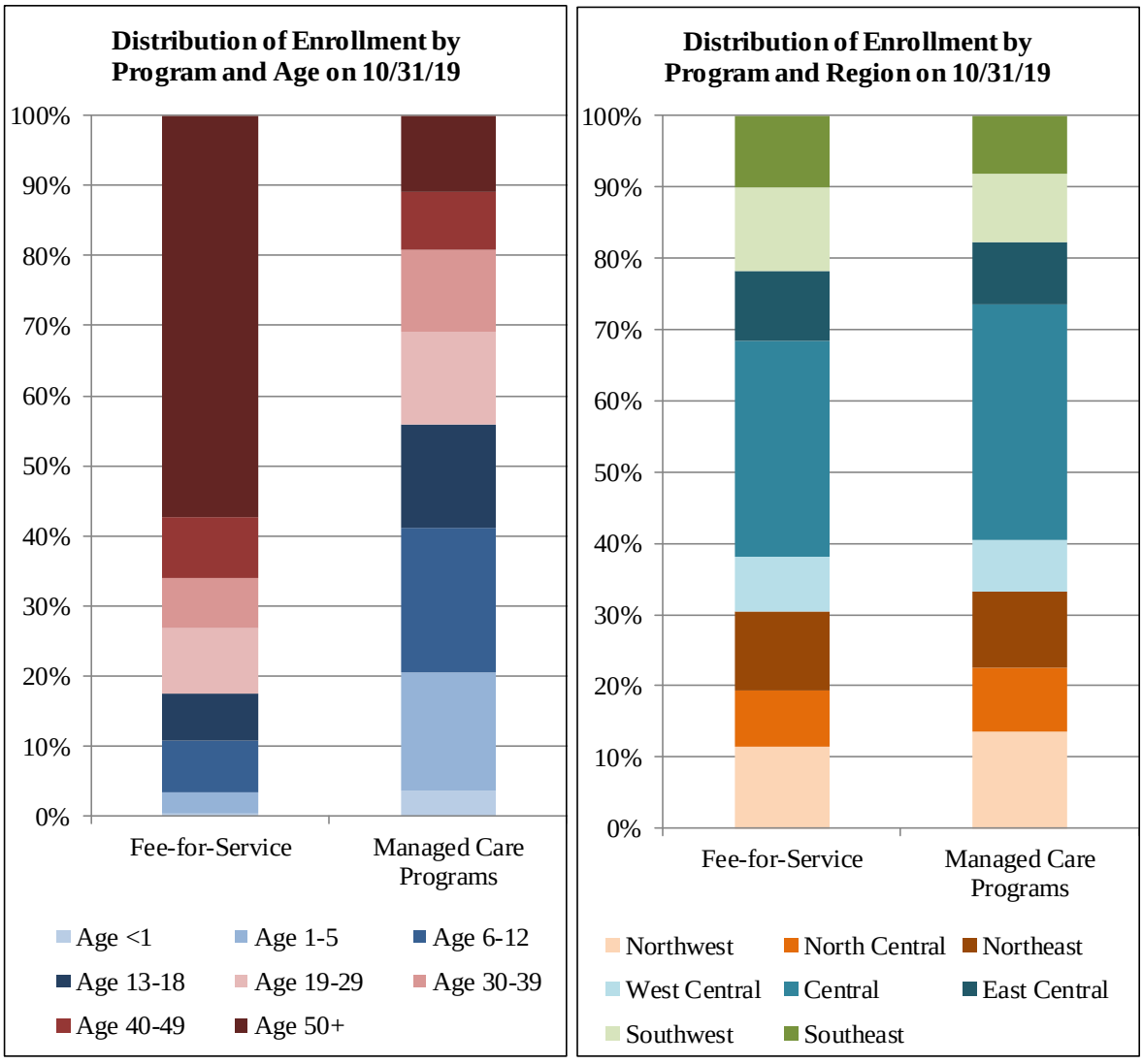
Exhibit I.2
Provider Contracting Before and After SET Began Operations in Indiana in June 2018



Profile of Enrollment in Indiana Medicaid's Fee-for-Service Program

As seen in Exhibit I.3, the enrollment by age is very different in FFS compared to the managed care programs in Indiana Medicaid. In FFS, more than half of the enrollees are over the age of 50. In managed care, more than half of the enrollees are under the age of 19. As a result, the needs for NEMT differ significantly between the two delivery systems. The FFS program needs more wheelchair vans and stretcher vehicles, whereas the managed care program needs mostly ambulatory vehicles.
At the regional level, there is only a slight difference in the proportion of FFS members in each region compared to the proportion of managed care members.

Exhibit I.3
Comparison of Fee-for-Service and Managed Care Enrollment in Indiana Medicaid



Source: Enrollment report, OMPP website https://www.in.gov/fssa/ompp/4881.htm

It should be noted that SET is not responsible for all FFS members. Approximately 215,000 of the 316,000 FFS members (68%) are eligible for NEMT services through SET. The remaining 32%, particularly individuals dually eligible for Medicare and Medicaid, are not.

Approach to Conduct the Independent Assessment

Burns & Associates, Inc. (B&A) was engaged to conduct an independent assessment of the delivery of NEMT in the Medicaid FFS delivery system. B&A also serves as an independent reviewer on other aspects of Indiana's Medicaid program—first, as the External Quality Review Organization that conducts an annual review of Indiana Medicaid's managed care programs; second, as the independent evaluator of the Substance Use Disorder waiver for which Indiana was granted authority by the Centers for Medicare and Medicaid Services (CMS). Under both of these other engagements, B&A must attest to its independence both from the State and the managed care entities (MCEs). Our reports are submitted to CMS and are publicly available for viewing.

For this engagement, the B&A team members are those that have participated in these other evaluations. The team included four individuals. Two team members participated in onsite SET interviews. The other team members participated in desk review and data analysis. The B&A team has a broad historical knowledge of the Indiana Medicaid landscape. The engagement began in late August 2019. Specific activities conducted include the following:

Tasks	**Examples**
Desk Review	Review SET contract for requirements and performance measures Review other broker contracts to compare requirements to FSSA's contract Compile and analyze monthly reports submitted by SET to FSSA
Onsite Interviews	Conduct in-person interviews at SET's offices <u>September 25</u> (topics covered in SET's Indianapolis office) • Member services, call center, member complaints • Trip routing and assignment to providers • Prior authorizations • Provider network and contracting, provider complaints • Data collection and reporting <u>October 2</u> (topics covered in SET's Atlanta office) • Vehicle and driver compliance • Claims processing and encounter submissions to FSSA • Program integrity • Internal tracking and reporting
Data Validation	<u>Onsite review November 19</u> • Review a sample of vehicle inspections and driver records <u>Desk review</u> • Use SET source files to validate information submitted on monthly reports to FSSA against internal records
Primary Research	Use SET source files to analyze trends or measures in ways not regularly requested by FSSA Clarify ongoing compliance activities and other background research with the FSSA team responsible for day-to-day oversight of SET in calls/meetings on Sept 6, Sept 24 and Oct 16

SECTION II: PROFILE OF NEMT IN THE FEE-FOR-SERVICE PROGRAM BEFORE AND AFTER SOUTHEASTRANS CONTRACT BECAME EFFECTIVE

Introduction

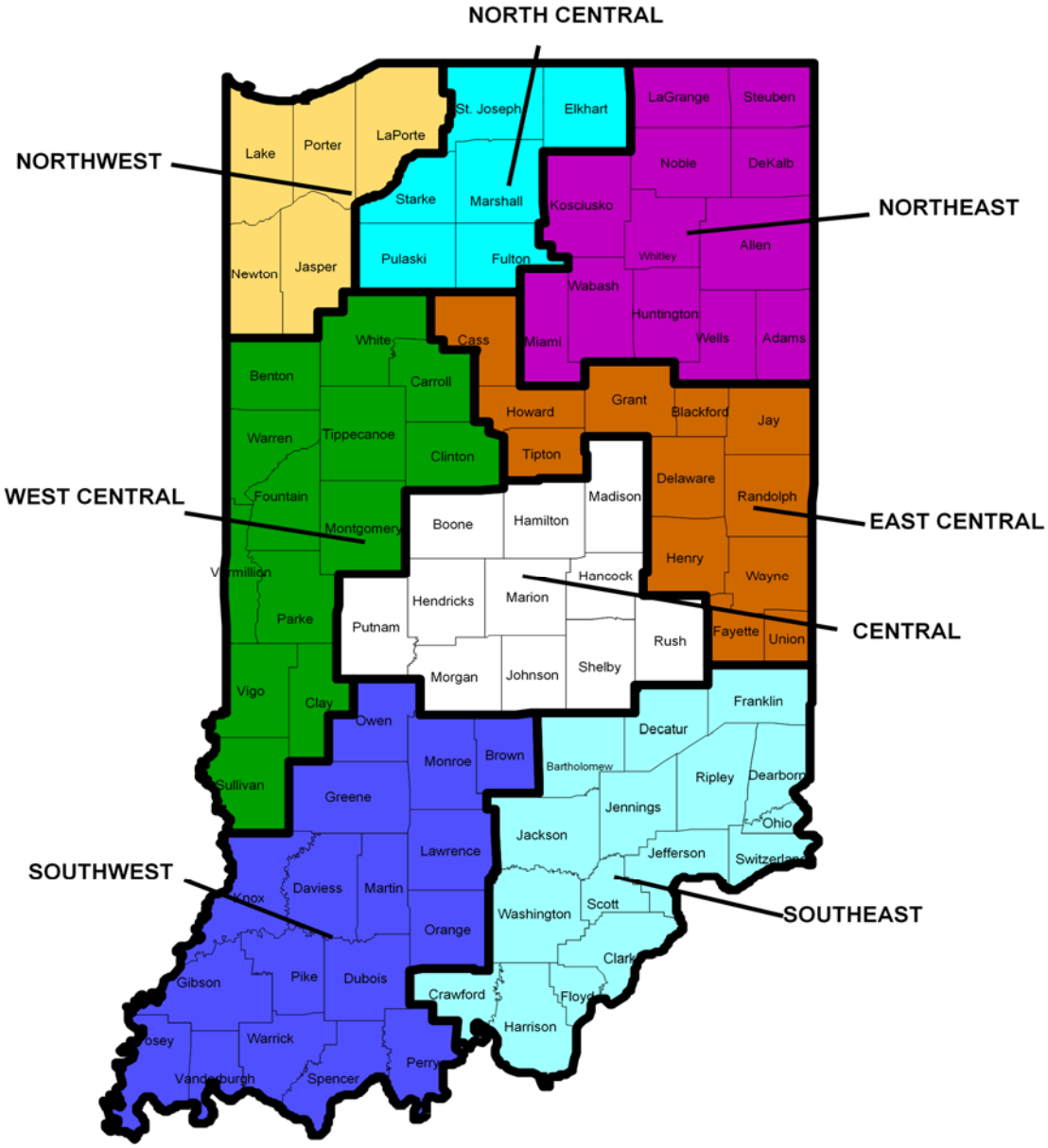
Burns & Associates, Inc. (B&A) reviewed the database that Southeastrans (SET) uses to store trip leg and provider claim information. In both situations, each record in the database represents an individual trip leg. This means, for example, that a round-trip request is two individual trip legs. Data is stored in this manner because there are situations where only a one-way trip is requested. In other situations, there may be three trip legs (e.g., from home to doctor office, then to the pharmacy, then back home).

For data reported in Section II, B&A used these source files provided by SET for all trips that were scheduled and paid for since SET began its contract with FSSA on June 1, 2018. B&A conducted its own analysis and did not rely on computations from SET to summarize the results presented here.

There are some exhibits in this section that also present information from the period prior to June 1, 2018. The source for this data is the FSSA data warehouse. B&A was provided information about trips and medical claims at the individual claim level. It should be noted, however, that there was not a separate trip leg database maintained by the FSSA prior to SET. Therefore, although B&A can compute the total payments made to providers for NEMT in the period prior to SET, B&A cannot provide other detailed information about the trip such as the total miles driven, the type of vehicle used for transport, the point of origin, etc. As a result, the data that can be compared between the pre-SET and post-SET periods is limited.

As a means to summarize results at the regional level throughout the state, B&A mapped each of Indiana's 92 counties into one of eight regions. The assignment of each county to a region is shown in Exhibit II.1 on the next page.

Exhibit II.1
Crosswalk of Indiana's 92 Counties into Eight Regions Used in this Report



Users of the NEMT Benefit

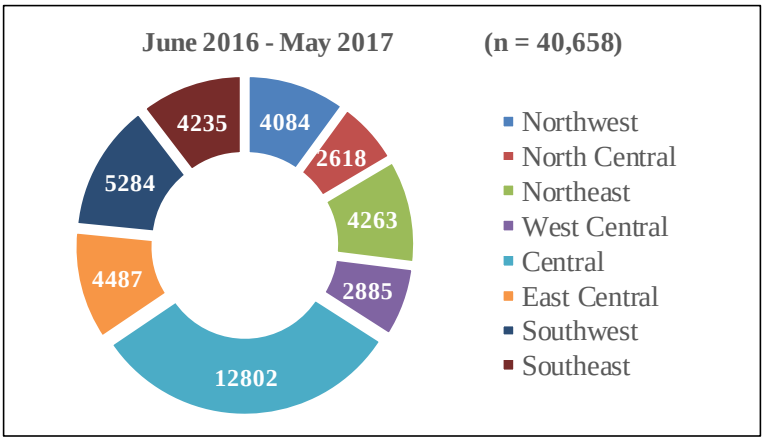
B&A examined the number of unique Medicaid FFS members who utilized NEMT during the first year of SET's contract (June 1, 2018 – May 31, 2019) and compared this count to the two years preceding the SET contract start date.

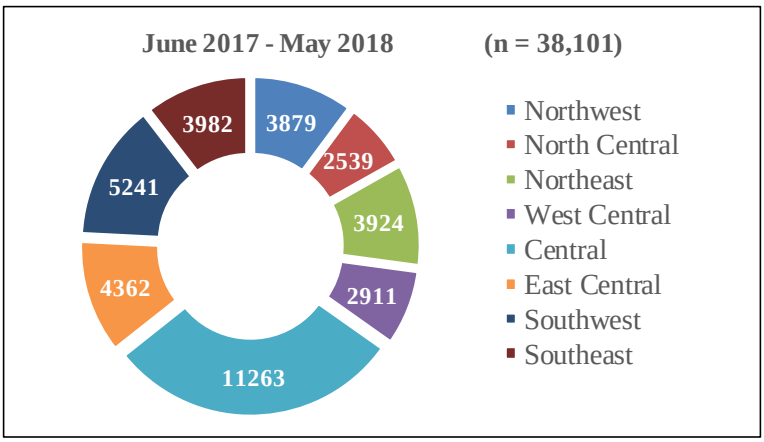
The total count of NEMT users remained unchanged between the first SET year and the year just prior to this (June 1, 2017 – May 31, 2018) at 38,100 members. In the second year preceding SET, the count was slightly higher at 40,658 members.

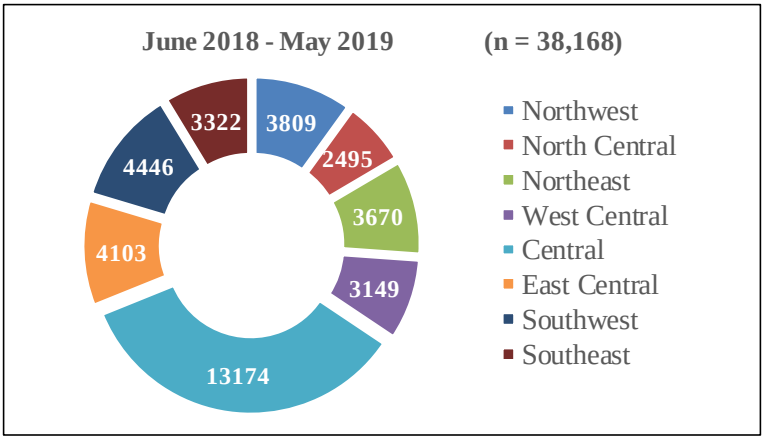
There has been some variation in the count of users between the first SET year and the year immediately prior to this at the regional level. When comparing these two years, the count of users in the West Central Region is up 8.2 percent and in the Central Region up 17.0 percent. Conversely, the count of users in the Southwest Region is down 15.2 percent and in the Southeast Region down 16.6 percent. The other regions are more similar across the two years.

It should be noted that some individuals could be counted in more than one region because the counts are based on users in the region. So, if a member lives in the Northeast but went to seek a service in Indianapolis, he/she would be counted in both the Northeast and Central Regions.

Exhibit II.2
Count of Unique Fee-for-Service Members Using NEMT in the Two Years Prior to and One Year After SET Contract Began







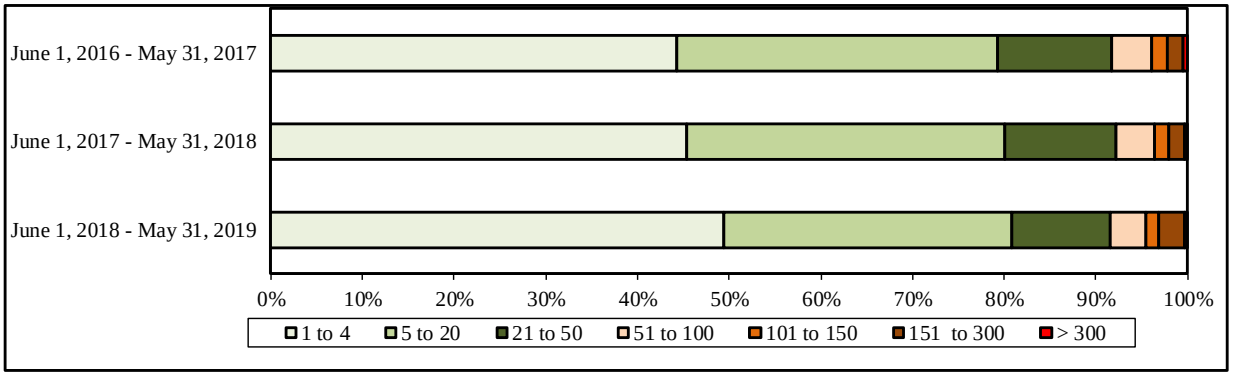
Note: Individuals can be counted in more than one region if they received trips that had a point of origin in more than one region.

Source: For June 2016 - May 2018, FSSA
For June 2018 - May 2019, SET

B&A also examined the volume of NEMT use among all users. In Exhibit II.3 below, the total count by year is the unique number of users (individuals are not counted in more than one region). The exhibit shows the distribution of unique NEMT users based on the number of one-way trips that they used in the year.

The exhibit shows that there is a slightly higher percentage of all users with just one to four one-way trips in the first year of the SET contract (49%) as compared to the prior two years (44-45%). In all three years, 80 percent of NEMT users had 20 or fewer one-way trips. Among the 20 percent with a considerable number of trips, there are more with 151 to 300 trip legs (2.8%) in the first year of SET's contract than the prior two years (1.7% each year).

Exhibit II.3
Percent of Individuals Receiving NEMT, Based on Paid Claims for One-Way Trips
Exhibit Displays Percent of Fee-for-Service Members Based on Number of Trips Received



Number of FFS Individuals	1 to 4	5 to 20	21 to 50	51 to 100	101 to 150	151 to 300	> 300	Total
June 1, 2016 - May 31, 2017	17,922	14,125	5,051	1,775	687	693	187	**40,440**
June 1, 2017 - May 31, 2018	17,201	13,094	4,593	1,595	619	617	145	**37,864**
June 1, 2018 - May 31, 2019	16,579	10,537	3,565	1,320	455	946	130	**33,532**

Source: For June 2016 - May 2018, FSSA; for June 2018 - May 2019, SET

Trips Requested

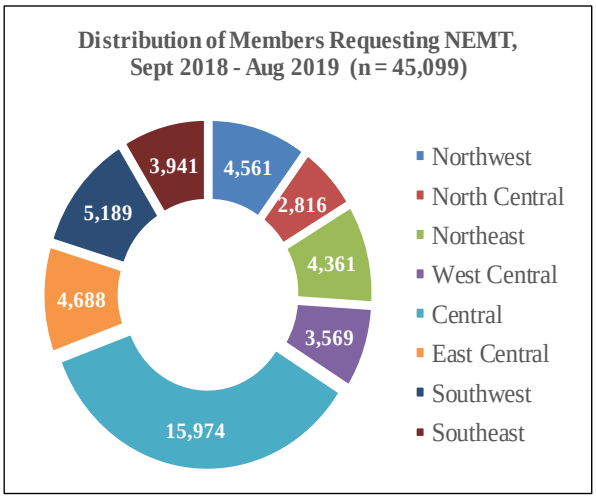
This section provides more details on the actual trips requested during a 12-month period under SET's contract. Comparisons cannot be made to prior years because this level of information about trip requests was not captured by the FSSA.

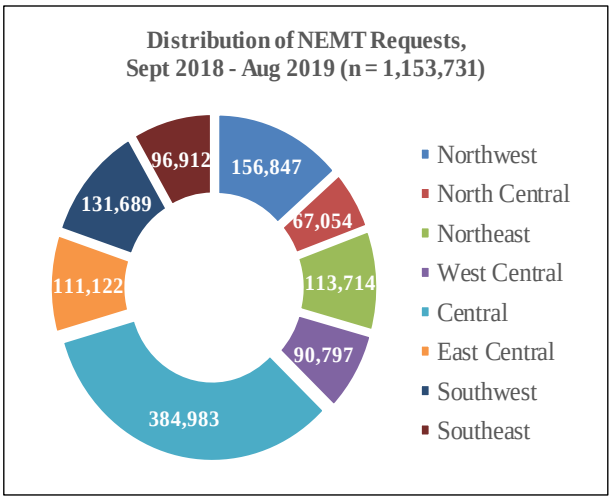
Exhibits II.4 and II.5 on the next page compare the distribution of unique FFS members requesting trips (left side of exhibit) and the total trips requested (right side of exhibit) by region for the time period September 2018 to August 2019.

Exhibit II.4 shows that the percent of members and the percent of trips are generally proportional across the regions during this time period. The two exceptions are in the Northwest (10.1% of all users but 13.6% of all trip requests) and the Central regions (35.4% of all users but 33.4% of all trip requests).

There is greater variance when reviewed by modality in Exhibit II.5. Although FFS members requesting stretchers represent 23.2 percent of all members, this is only 6.1 percent of all trips. This contrasts with ambulatory (non-wheelchair accessible) trips which represent 47.2 percent of members but 63.5 percent of the trip requests. For wheelchair vehicles, the percentage of members and trips is 30 percent.

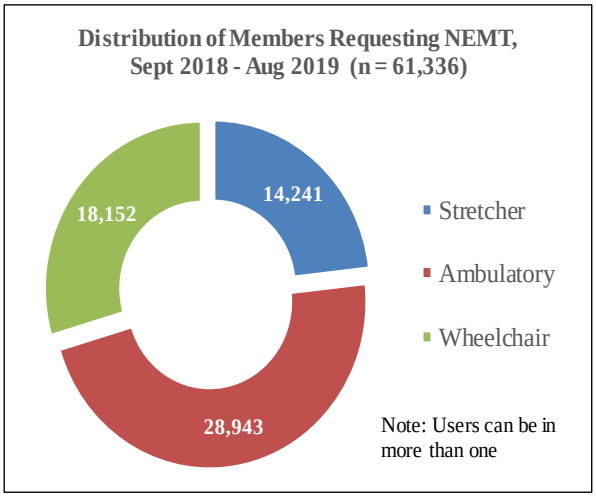
Exhibit II.4
Count of Unique Fee-for-Service Members Requesting NEMT and Number of Trips Requested, by Region

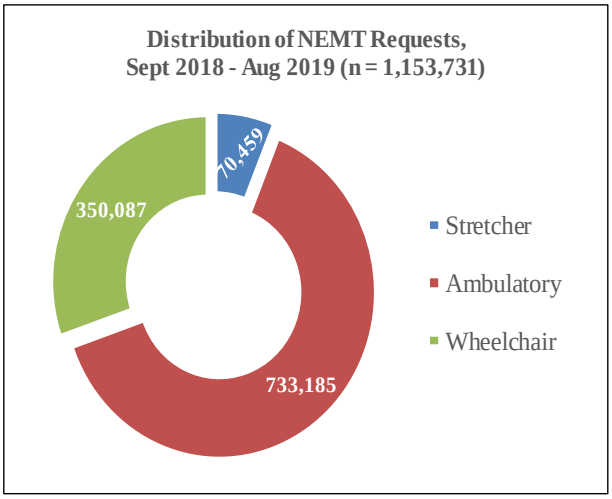




Note: Individuals can be counted in more than one region if they received trips that had a point of origin in more than one region.
Source: SET internal data files

Exhibit II.5
Count of Unique Fee-for-Service Members Requesting NEMT and Number of Trips Requested, by Modality



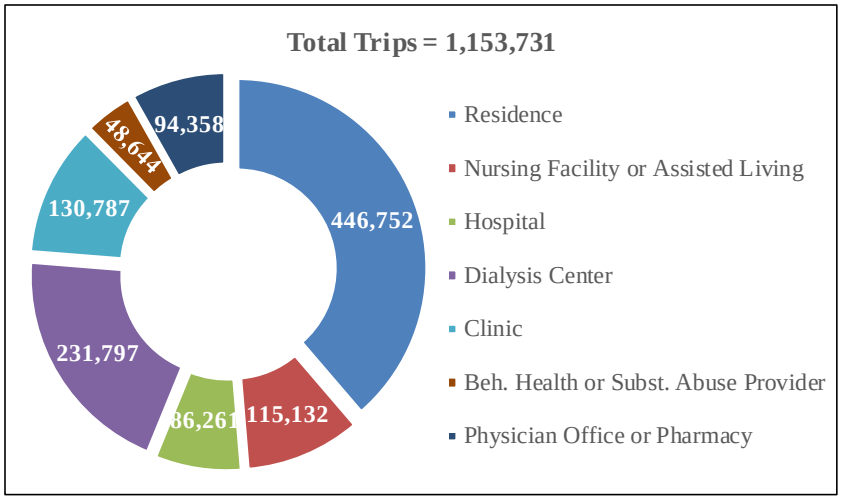


Note: Individuals can be counted in more than one modality.
Source: SET internal data files

During this 12-month time period studied, 38.7 percent of trips were requested from the member's residence. Another 10.0 percent were from a nursing facility or assisted living while 7.5 percent were from a hospital. It should be noted that these are counts for one-way trips.

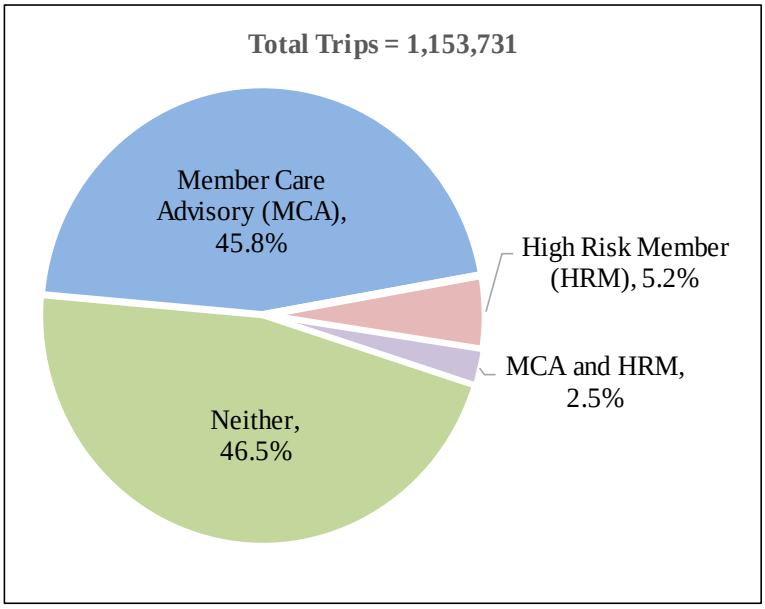
NEMT from dialysis centers represented 20.1 percent of trips. For these trips, the return could be to a member's residence or to a nursing facility.

Exhibit II.6
Count of NEMT Trips Requested, by Origin, Sept 2018 - Aug 2019



Source: SET internal data files

Exhibit II.7
Count of NEMT Trips Requested, by Member Status, Sept 2018 - Aug 2019



Source: SET internal data files

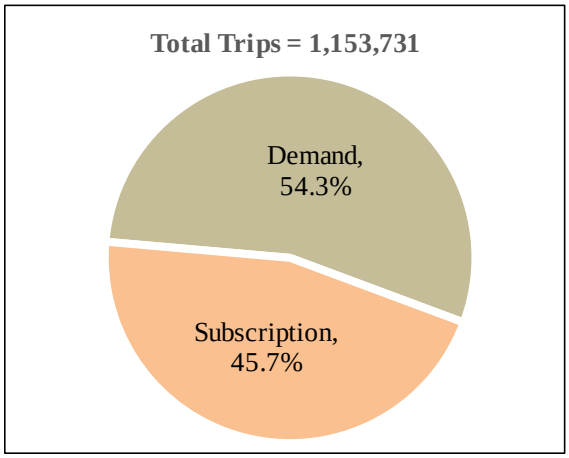
As required in the contract with FSSA, SET assigns a status to each individual requesting NEMT. Individuals identified as High Risk Members (HRM) are those individuals with increased medical vulnerability (e.g., dialysis, surgery, wound care, or chemotherapy/radiation). Individuals identified was Member Care Advisory (MCA) are individuals who require a higher priority either because of previous missed appointments or complaints by the member.

Among all trips requested in the 12 months examined, 45.8 percent of trips were for MCA members, 5.2 percent were for HRM members, 2.5 percent were for members designated MCA and HRM, and 46.5 percent were for members with neither designation.

SET allows FFS members to set up trips on a "subscription basis", that is, multiple trips scheduled at the same time for known periodic trip requirements such as dialysis three times per week.

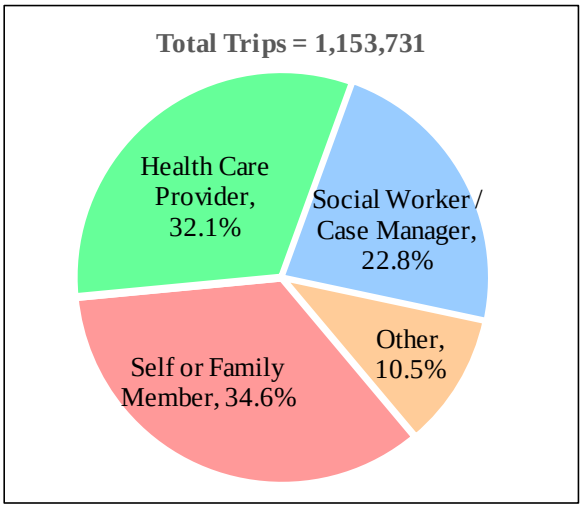
Almost 46 percent of trip requests are by subscription basis while 54 percent are "demand" (i.e., one-time only) requests. The high level of subscription requests is indicative of the high level of medical needs in the FFS population in Medicaid.

Exhibit II.8
Count of NEMT Trips Requested, by Method, Sept 2018 - Aug 2019



Source: SET internal data files

Exhibit II.9
Count of NEMT Trips Requested, by Requestor, Sept 2018 - Aug 2019



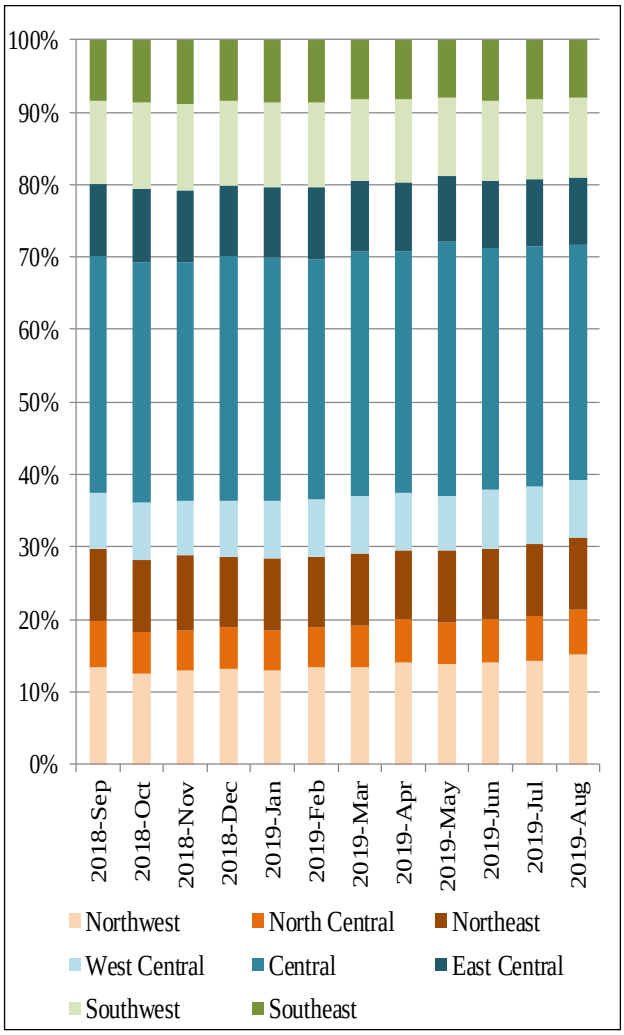
Source: SET internal data files

Another indicator of the high medical needs of this population is by analyzing who is making the NEMT request for the FFS member. More than half of all requests for NEMT for FFS members were made by either a health care provider (32.1%) or a social worker or case manager (22.8%). Only 35 percent of the requests were made by the actual FFS member or his/her family member.

B&A examined month-to-month trends in the time period September 2018 to August 2019 to see if there are significant changes in the trip requests being made. Data was reviewed at the regional level, the modality level, and the region/modality level. Requests were also reviewed by modality based on the point of origin of the trip pickup.

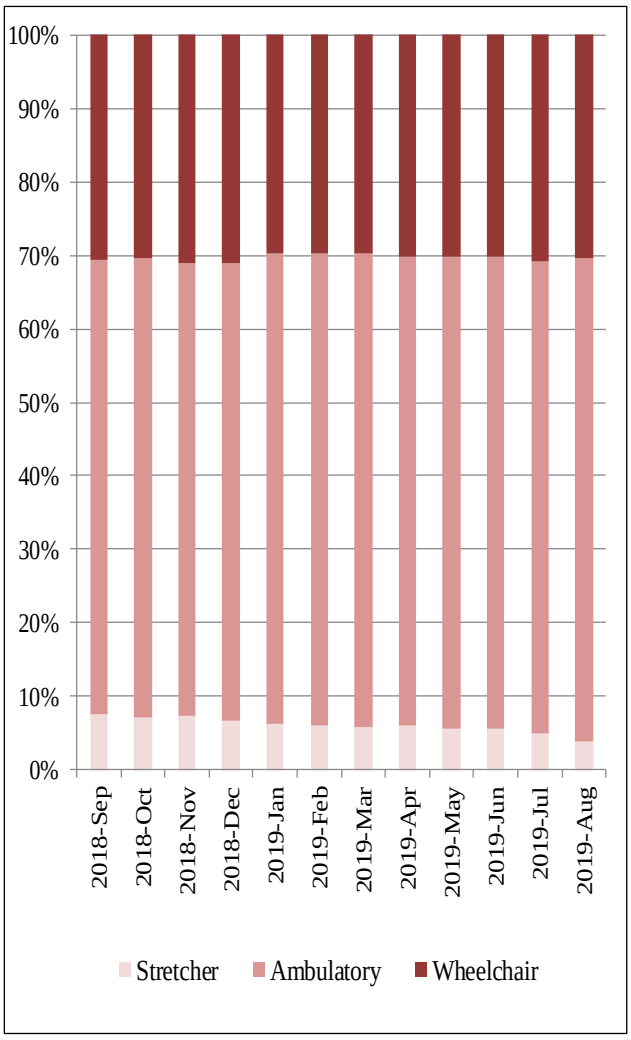
Exhibit II.10 on the left shows the distribution of trip requests by region within each month. The requests have been consistent proportionally across the regions during this period. In Exhibit II.11 on the right, it was observed that requests for stretchers was as high as 7.6 percent in September 2018, but this continues to decrease as a percentage of all requests. The percentage of requests for wheelchair-accessible vehicles has been steady at 30 percent.

Exhibit II.10
Distribution of NEMT Trips Requests by Region
Sept 2018 - Aug 2019



Source: SET internal data files

Exhibit II.11
Distribution of NEMT Trips Requests by Modality
Sept 2018 - Aug 2019

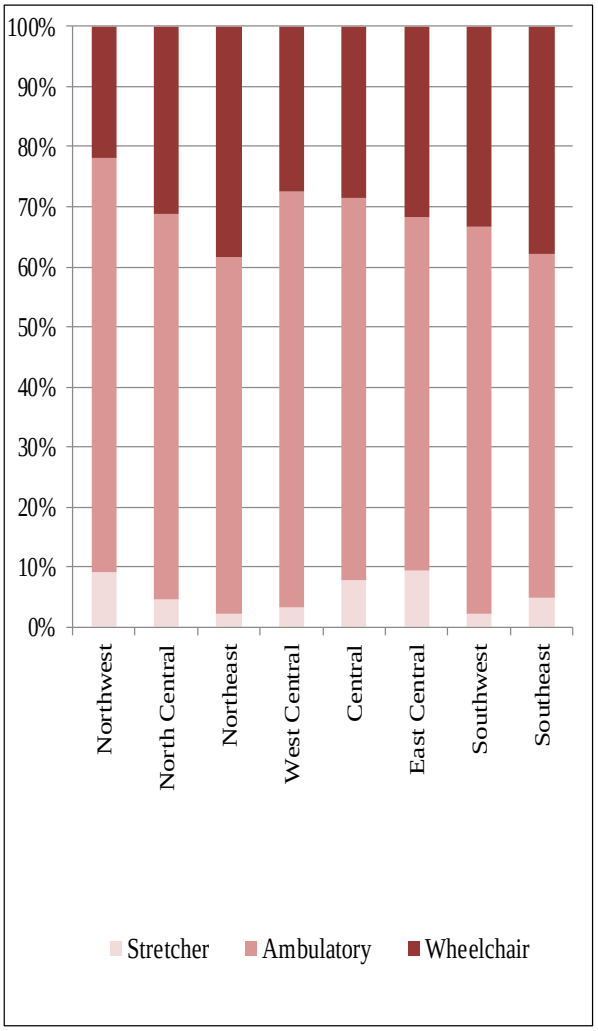


Source: SET internal data files

Exhibit II.12 shows that there is a greater need for stretchers in the Northwest and East Central Regions. There is a greater need for wheelchair vehicles in the Northeast and Southeast Regions.

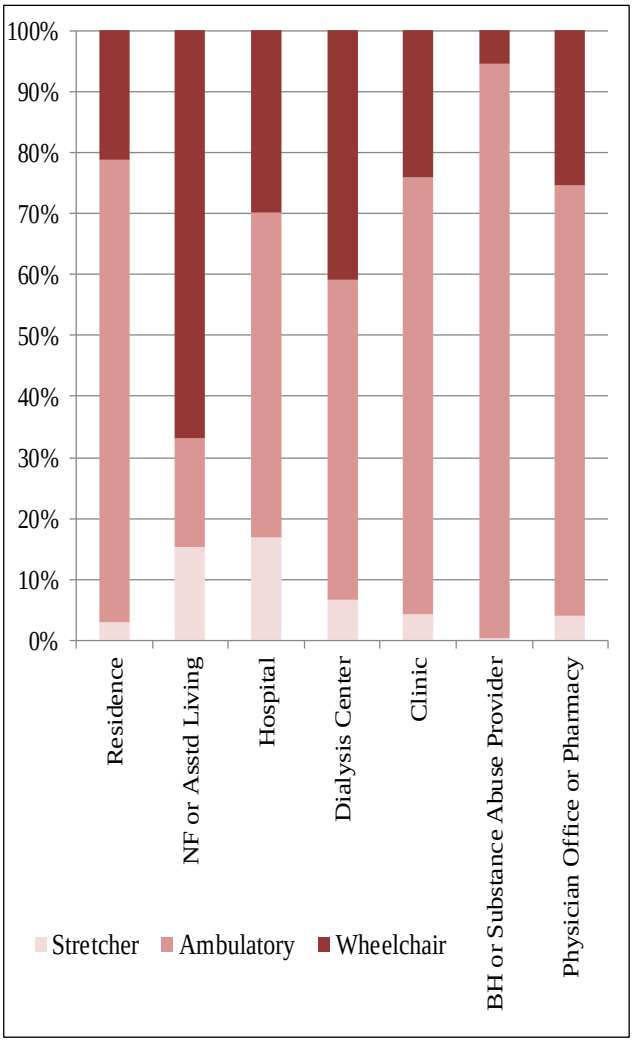
Exhibit II.13 shows that among all requests for NEMT where nursing facilities or assisted living centers (NFs/ALs) are the point of origin, 67 percent require wheelchair vehicles. This compares to 21 percent from residential homes. Also, 42 percent of dialysis center pickups need wheelchair vehicles. Stretcher vehicles are requested 15 percent of the time from NFs/ALs and 17 percent when the point of origin is a hospital.

Exhibit II.12
Distribution of NEMT Trips Requests by Modality and Region
Sept 2018 - Aug 2019



Source: SET internal data files

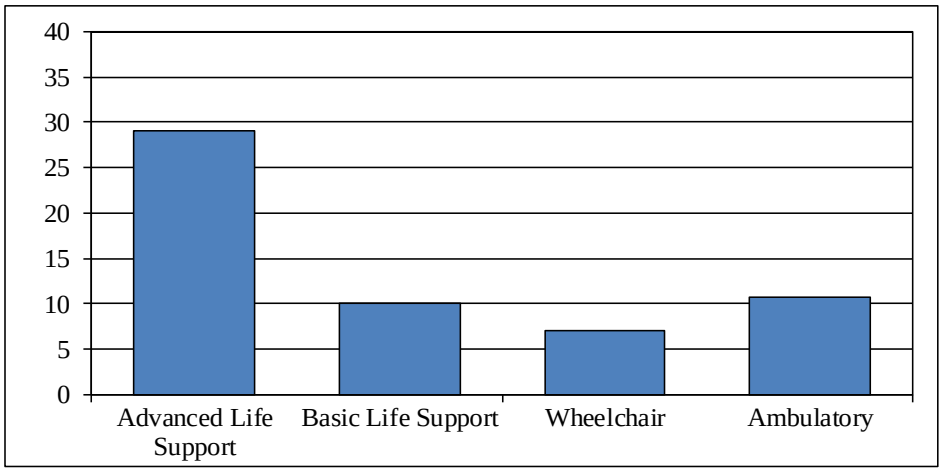
Exhibit II.13
Distribution of NEMT Trips Requests by Modality and Origin
Sept 2018 - Aug 2019



Source: SET internal data files

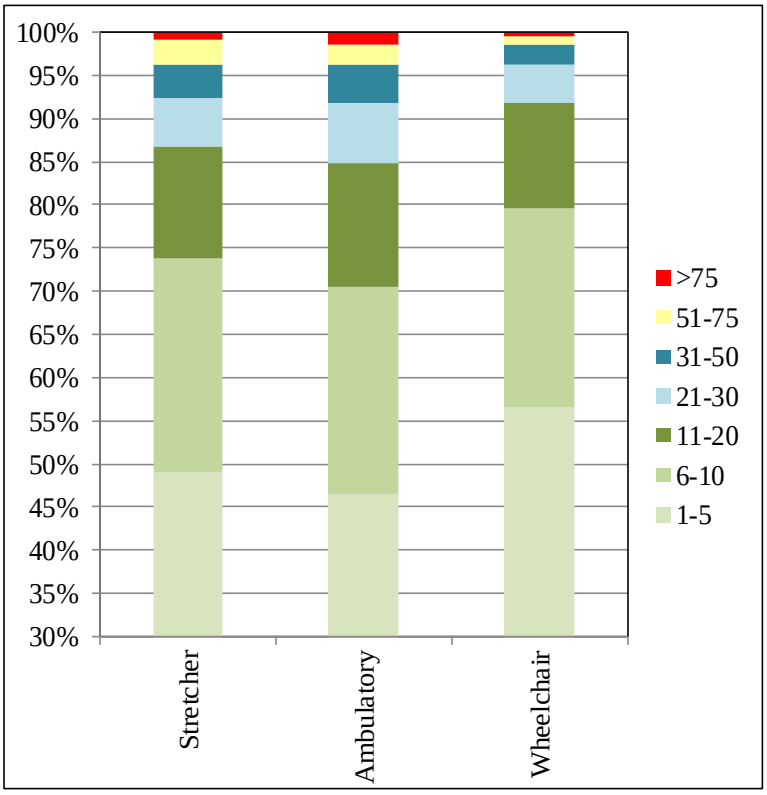
There is some variation in the distance required for NEMT trips based on modality. The greatest distance required, on average, is for advanced life support vehicles at 29.1 miles; for basic life support vehicles, 10.0 miles. These would both be delivered in stretcher vehicles. The average for wheelchair-accessible vehicles (7.0 miles on average) and ambulatory vehicles (10.8 miles on average) are similar.

Exhibit II.14
Average Miles Per One-Way NEMT Trip by Modality
For 12-Month Period June 2018 to May 2019 Combined



Source: SET internal data files

Exhibit II.15
Distribution of NEMT Trips Requests by # Miles and Modality
Sept 2018 - Aug 2019



Source: SET internal data files

Exhibit II.15 shows that half of all NEMT requests are short distances of one to five miles from point of origin.

Although the weighted average values were similar for wheelchair and ambulatory, the percentage within mileage ranges does vary. For ambulatory vehicles, 3.8 percent of trips required travel in excess of 50 miles; for wheelchair vehicles, 1.5 percent; for stretchers, 3.8 percent.

Trip Fulfillment Rate

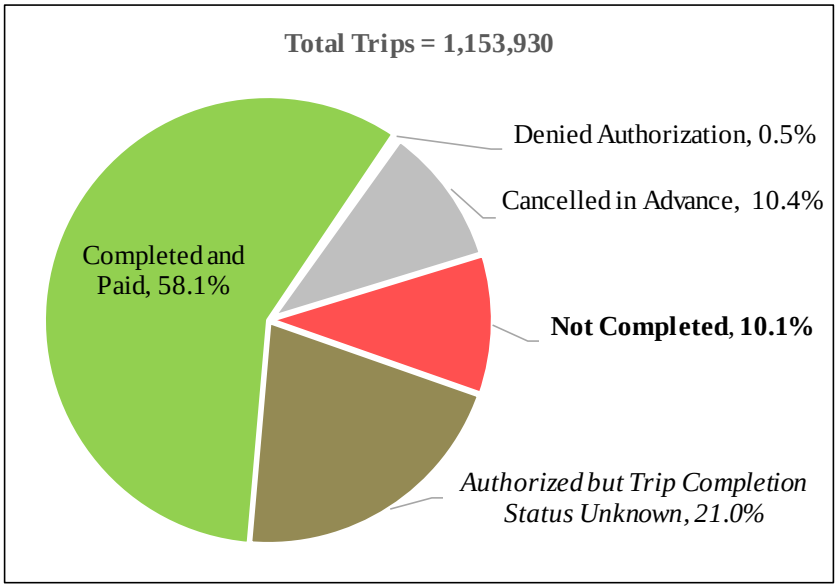
B&A also examined the rate that trip requests were fulfilled by SET and the transportation provider network. One important observation is that the reporting of the status of each trip is essential in order to effectively assess trends over time. SET does use status indicators to track each trip leg individually. B&A used these in the exhibits shown below. A limitation that was found, however, is that the ultimate disposition of some trip requests remains unknown. B&A has findings related to how this tracking can be improved in Section V of this report.

Among over 1.1 million NEMT trip requests made to SET for the period September 1, 2018 to August 31, 2019, B&A could confirm that 58.1 percent of these were trips delivered and paid to the transportation provider. A minor percentage of requests (0.5%) were denied up-front for reasons such as member no longer eligible, trip request to a non-medical provider, etc. There were 10.4 percent of trips were requested but then cancelled in advance of the trip. Another 10.1 percent of trips were requested and not cancelled in advance but never delivered. B&A shows more details on these trips in upcoming exhibits in this section of the report. Importantly, 21.0 percent of trips were requested and authorized by SET and SET found a provider to deliver the trip. Unfortunately, the status of these trips is unknown at this time because there is no evidence that the provider has been paid. There could be a number of situations why this is true:

- The provider went out to deliver the trip, but the member did not show up or refused on the spot. This was not communicated back to SET by either the member or the provider to void this trip.
- The provider went out and did deliver the trip, but the provider has yet to bill SET for the trip.
- The provider went out and did deliver the trip and did bill SET, but the claim is suspended for some reason (e.g., incomplete data) so it has not been paid.

At the present time, it is not known what percentage each of the categories above comprises the 21.0 percent in the brown portion of the pie chart, or, if there are other reasons as well.

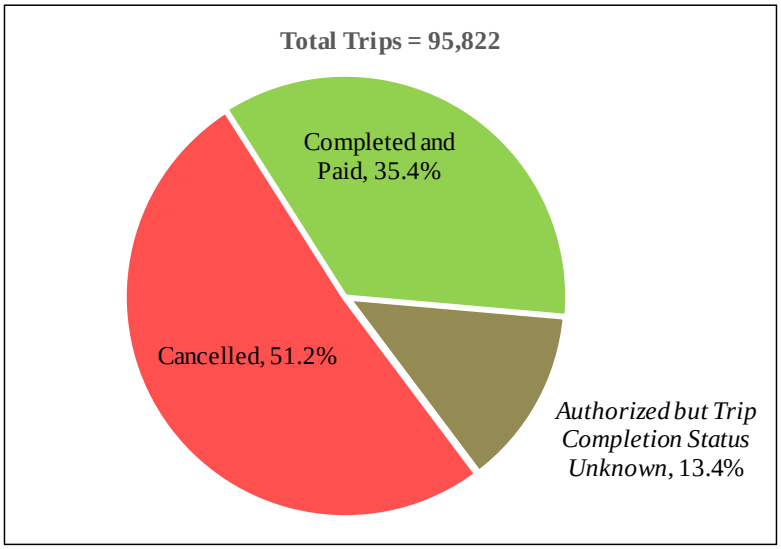
Exhibit II.16
Count of NEMT Trips Requested, by Status, Sept 2018 - Aug 2019



Source: SET internal data files

Another challenge for SET is when providers send back trips that were assigned to them. In this case, SET did assign a trip to a provider, but then the provider determined that it could not fulfill the request. In this case, it is considered a "send back". SET must then find a replacement provider. In the first nine months of CY 2019, there were 95,822 send back trips reported by SET. Of these, 35 percent were fulfilled and the provider was paid. Just over half of these were cancelled because an alternative provider could not be found. For the remaining 13 percent, it is unknown at this time because the trip was not cancelled in the system but the provider has also not yet been paid.

Exhibit II.17
Status of Send Back Trips Already Dispatched, Jan - Sept 2019



Source: SET internal data files

It should be noted that, among the 51 percent of cancelled trip legs in Exhibit II.17, these are among the 10.4 percent of trips cancelled in advance in Exhibit II.16 on the prior page. In other words, not all of the 10.4 percent of trips cancelled in advance (almost 10,000 trip legs per month) appear to have been cancelled because the FFS member wanted the trip cancelled. It may have been due to the provider's last-minute cancellation.

Exhibit II.18
Distribution of Send Backs by Providers of Previously Scheduled Trips, Jan - Sept 2019

Source: SET internal data files

The contract that SET has with each transportation provider stipulates that the provider must give SET 48 hours advance notice if the provider needs to send a trip back. It appears that SET has challenges with providers fulfilling this requirement.

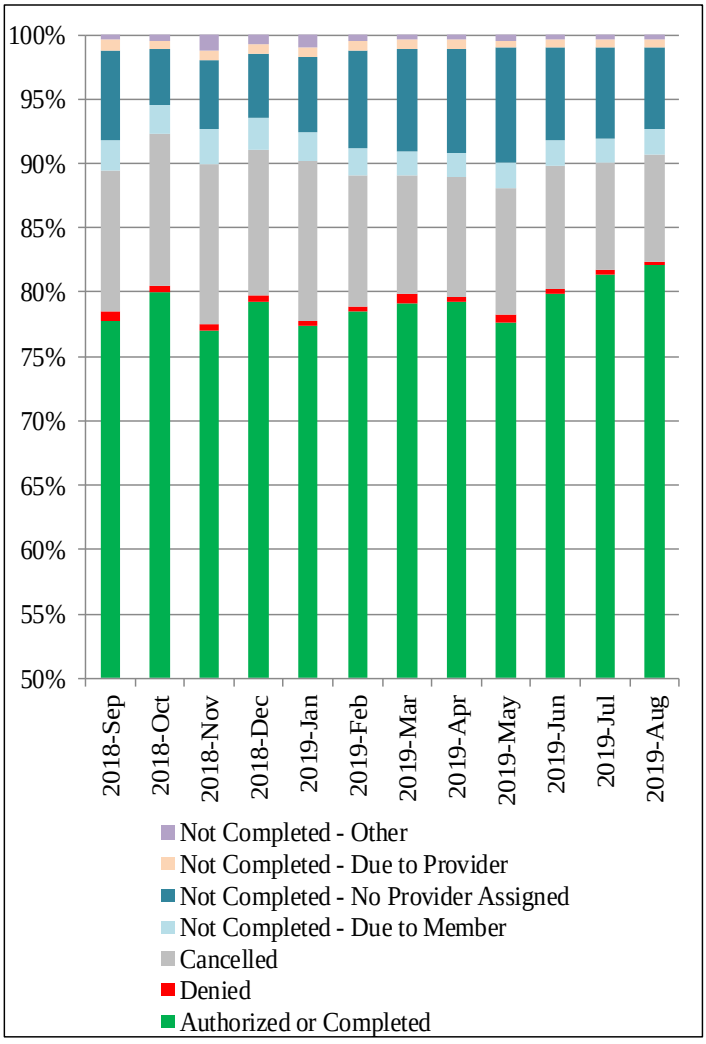
In the first nine months of 2019, 33 percent of send back trips, on average were sent back to SET with less than 48 hours' notice. The average time for send backs during this time period was 24.8 hours.

B&A focused attention on the 10.1 percent of trips, on average, that were shown in Exhibit II.16 to be requested but not completed. In Exhibit II.19 below to the right, the green bar represents either claims that were paid or claims authorized but unknown final status at this time (the brown portion of the pie chart in Exhibit II.16). The gray bar represents cancelled in advance. The colors above the gray are a more detailed split of the Not Completed trips requested (the red portion of the pie chart in Exhibit II.16).

There is some variation in the top part of each stacked bar by month in Exhibit II.19. The requested-but-not-completed rate varied from 7.7 percent to 11.9 percent in the time period studied. It was further observed, based on reason codes stored by SET, that approximately 2.5 percent of trips were not completed due to the member (e.g., known no-show, member sick, member died), approximately 0.8 percent were due to provider no-show, approximately 7% to 8% were due to SET not finding a provider, and another 0.5 percent due to miscellaneous reasons (e.g., inclement weather).

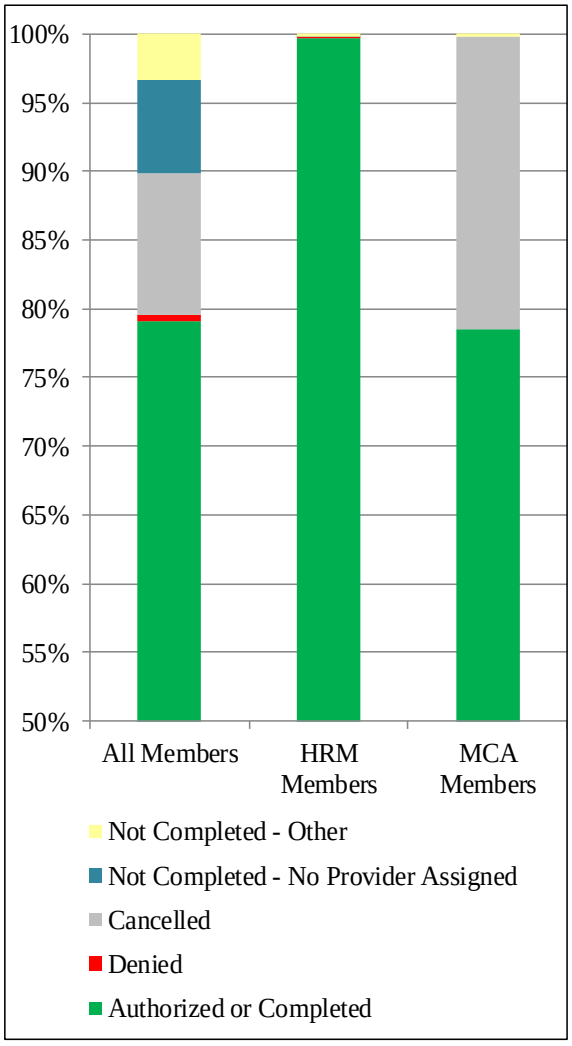
B&A also looked at the not-completed rate for HRM and MCA members in particular (Exhibit II.20 on the right). There are almost never not-completed requests for these members.

Exhibit II.19
Distribution of NEMT Trips Requests by Final Status
Sept 2018 - Aug 2019



Source: SET internal data files

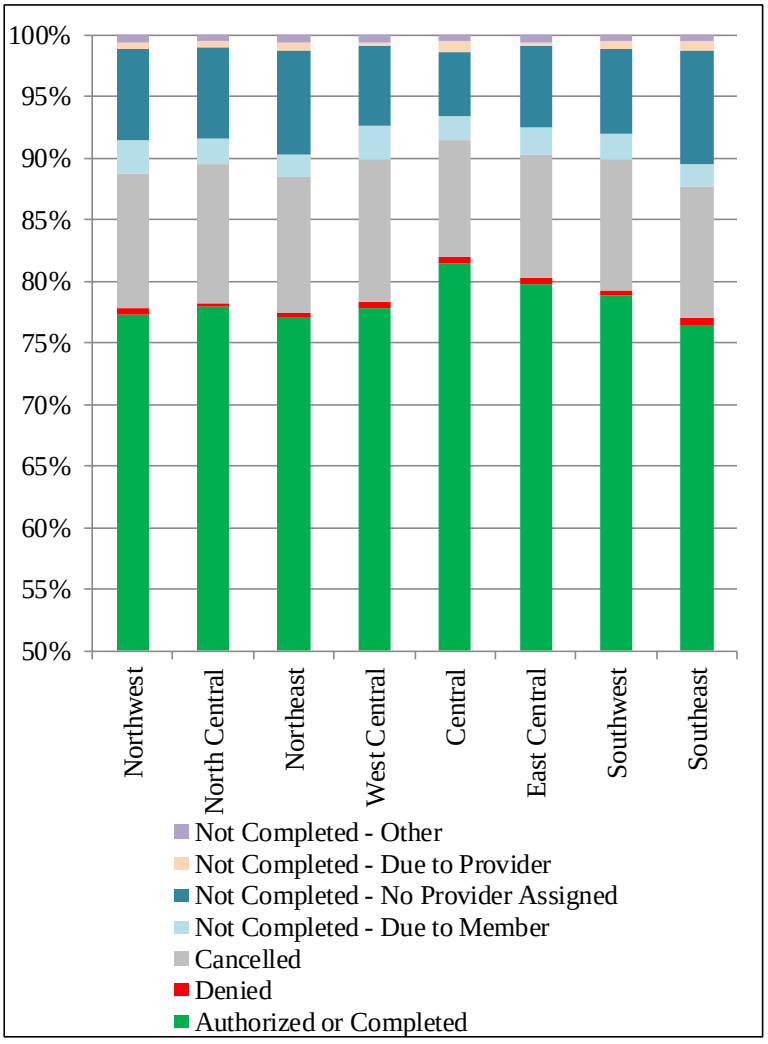
Exhibit II.20
Distribution of NEMT Trips Requests by Member Category and Final Status



Source: SET internal data files

The same statistics were measured at the regional level to see if there was a difference in the requested-but-not-completed rate by region. The not-completed rate was lowest in the Central Region (8.6% of all requests) and highest in the Southeast Region (12.3% of all requests). Similar to what was observed in the prior exhibit, there are some instances where the not-completed rate is due to the member or transportation provider. The percentage of trips requested where SET could not find a provider to deliver the trip varied from 5.1 percent of trips in the Central Region to 9.2 percent in the Southeast Region.

Exhibit II.21
Distribution of NEMT Trips Requests by Region and Final Status, Sept 2018 - Aug 2019

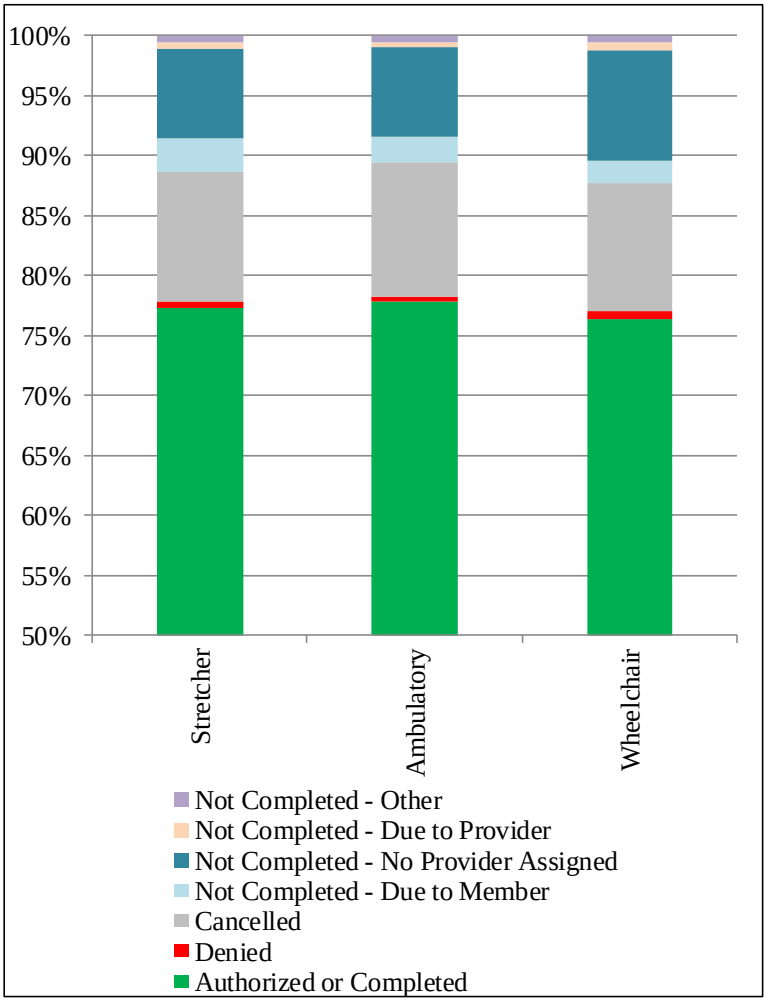


Source: SET internal data files

When the same information was reviewed at the modality level, it was observed that the not-completed rate was 11.3 percent for stretchers, 10.6 percent for non-wheelchair vehicles, and 12.3 percent for wheelchair vehicles.

Within these results, SET could not find a provider to fulfill the trip request for 7.4 percent of stretcher requests, 7.4 percent for ambulatory vehicles requests as well, and 9.2 percent for wheelchair vehicle requests.

Exhibit II.22
Distribution of NEMT Trips Requests by Modality and Final Status, Sept 2018 - Aug 2019



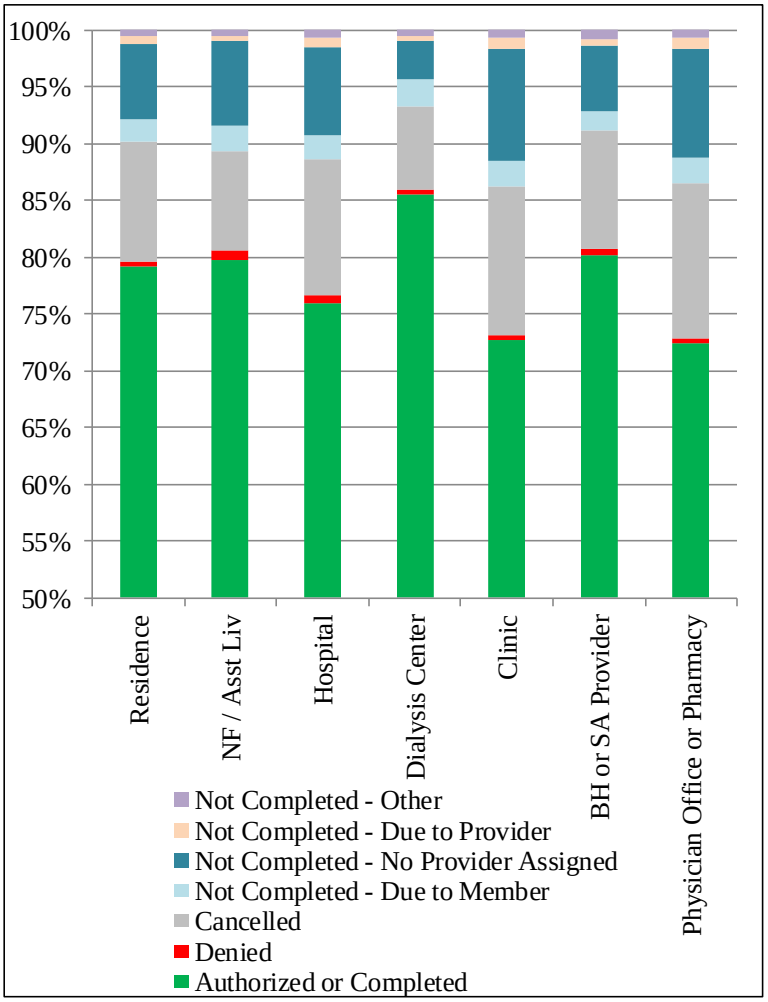
Source: SET internal data files

The not-completed rate varied some based on the point of origin for the trip pickup, from a low of 6.7 percent from dialysis centers to a high of 13.7 percent from clinics. The rate from home residence and NFs/ALs was similar at 9.8 percent and 10.7 percent, respectively.

Within these results, SET could not find a provider to fulfill the trip request for:

- 6.6 percent from residences
- 7.5 percent from NFs/ALs
- 7.7 percent from hospitals
- 3.4 percent from dialysis centers
- 9.8 percent from clinics
- 5.7 percent from behavioral health or substance abuse providers
- 9.6 from physician offices or pharmacies

Exhibit II.23
Distribution of NEMT Trips Requests by Origin and Final Status, Sept 2018 - Aug 2019

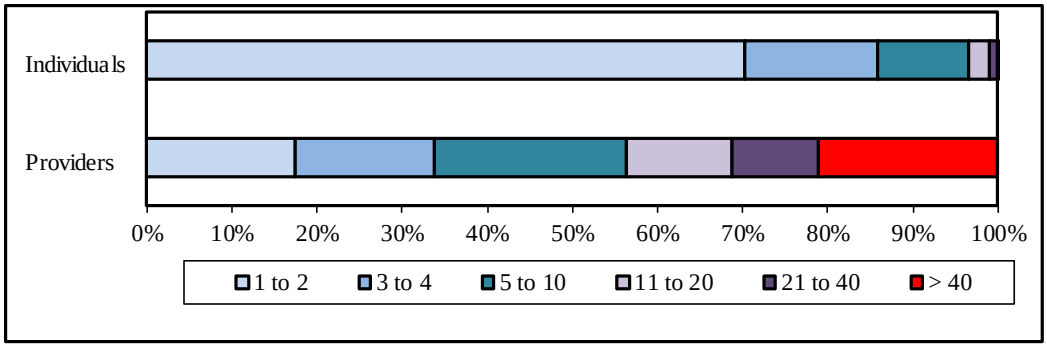


Source: SET internal data files

Since member no-shows and, to a lesser degree, provider no-shows are also contributing to the total not-completed rate, B&A reviewed to see if the no-show rates are concentrated or not. In Exhibit II.24, it is shown that, during the time period studied, there were 4,034 FFS members (out of the total of 38,168) that had at least one no-show. Of these, 70 percent had only one or two no-shows. Alternatively, 14 percent had five or more no-shows. There were 37 individuals with 21 or more no-shows.

Among providers, the overall no-show rate was found to be near one percent of all trips requested. Although in total this is not a large number, it does appear to be spread across a large number of providers. In fact, 195 different providers (out of the total of 250) had no-shows during the study period. Of these, 17 percent had only one or two no-shows, but 66 percent had five or more no-shows. A total of 61 providers had 21 or more no-shows.

Exhibit II.24
Percent of Individuals/Providers with No Shows, By Number of Trip Leg Requests
Sept 2018 - Aug 2019



	1 to 2	3 to 4	5 to 10	11 to 20	21 to 40	> 40	**Total**
Member	2,832	635	425	105	34	3	**4,034**
Provider	34	32	44	24	20	41	**195**

Source: SET internal data files

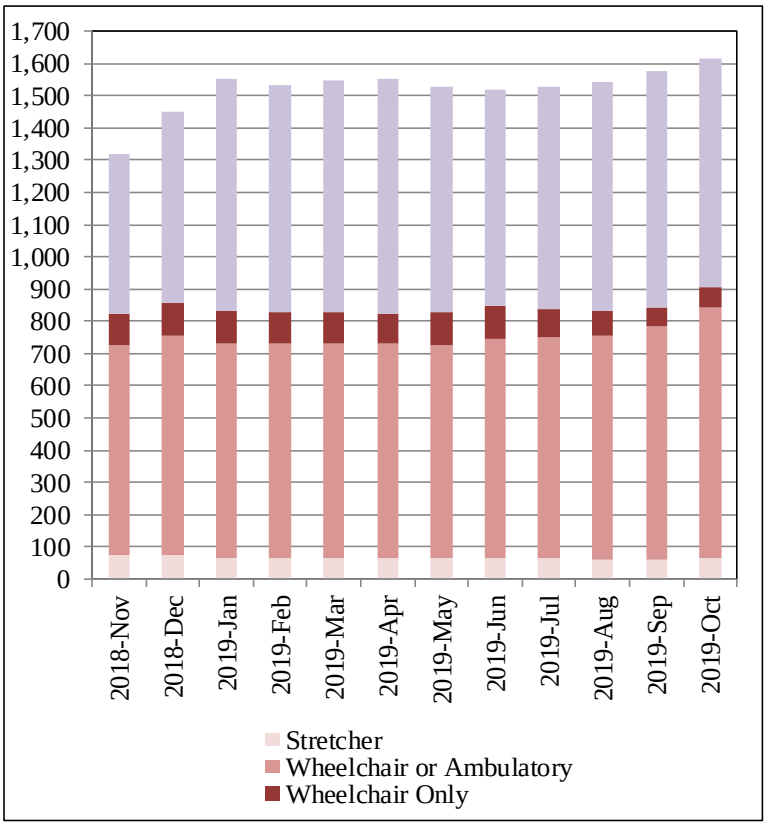
At the monthly level, the average number of no-show trips from clients was 1,097. This is distributed at 72.5 percent for ambulatory vehicle requests, 26.3 percent for wheelchair vehicle requests, and 1.2 percent for stretcher vehicle requests. No-shows from clients are more heavily weighted from ambulatory vehicles, since the split among all trip requests during this time period was 63.6 for ambulatory, 30.3 percent for wheelchair, and 6.1 percent for stretcher vehicles.

Provider Roster and Payments

In the most recent 12-month period where data was available, the number of stretcher vehicles credentialed by SET has reduced slightly from 75 to 63 vehicles. Ambulatory-only vehicles have increased from 494 to 711. Wheelchair-accessible (or wheelchair-only) have increased from 750 to 841 vehicles.

The vehicle inventory has been steadily increasing with the greatest number of vehicles available during the latest period studied.

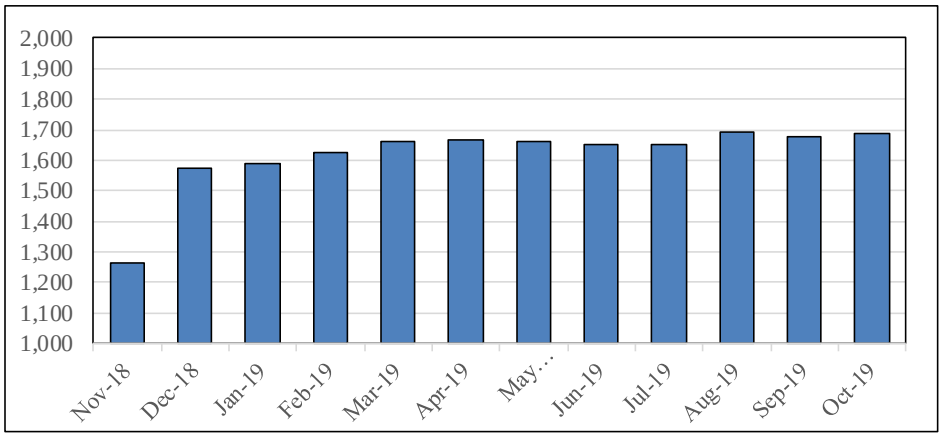
Exhibit II.25
Active Vehicles Credentialed by Southeastrans by Modality
Nov 2018 - Oct 2019



Source: SET internal data files

The number of credentialed drivers increased considerably from November to December 2018 and has been fairly steady since then. As of October 2019, the count is at 1,686.

Exhibit II.26
Active Drivers Credentialed by Southeastrans, Nov 2018 - Oct 2019



Source: SET internal data files

B&A analyzed the number of providers paid for NEMT and the amounts paid in two periods. The first period is the 12 months immediately preceding the SET contract (June 1, 2017 – May 31, 2018). The second period is the first 12 months of the SET contract (June 1, 2018 – May 31, 2019). Payment data is captured as of the end of September 2019. Effective January 1, 2019, the FSSA requires that all FFS providers must submit claims within 180 days of the service date. Therefore, it should be noted that the payment data for the SET period shown below may be somewhat understated because the timely-filing time period for services through May 31, 2019 has not yet expired (it expired November 30, 2019).

Exhibit II.27 shows that 362 NEMT providers were paid $20.4 million in the pre-SET period whereas 250 NEMT providers have been paid $19.5 million in the post-SET period thus far. Among these two periods, there are 180 providers that were paid in both time periods. There were 163 providers that were paid in the pre-SET period that appear to have dropped out since SET began its contract. Alternatively, 51 new providers have been added since SET began. The total payments between the "dropped" and "added" providers is similar ($3.2 to $3.8 million).

Among the providers that have dropped out, 16 can be deemed significant in that they were paid more than $50,000 in the pre-SET period. But SET has picked up 14 new providers that have also been paid more than $50,000 in the post-SET period to replace them.

Exhibit II.27
Profile of Provider Payments in Year Immediately Before and After Southeastrans Contract

		Pre-SET June 1, 2017 - May 31, 2018		Post-SET June 1, 2018 - May 31, 2019	
		# Providers	Total Payments	# Providers	Total Payments
A	**Total Number of Providers Paid in the Year**	**362**	**$20,447,834**	**250**	**$19,528,531**
		A = sum of [B + C + D]		A = sum of [B + E]	
B	Of these, the Number that Remained After SET Started and Have Been Paid in SET Period	180	$15,360,083	180	$16,323,727
C	Of these, the Number that Remained on SET Roster After SET Started But Have No Payments from SET	19	$1,297,716	19	$0
D	Of these, the Number that Dropped After SET Started	163	$3,790,034	--	--
E	Of these, the Number that are New Since SET Started	--	--	51	$3,204,804

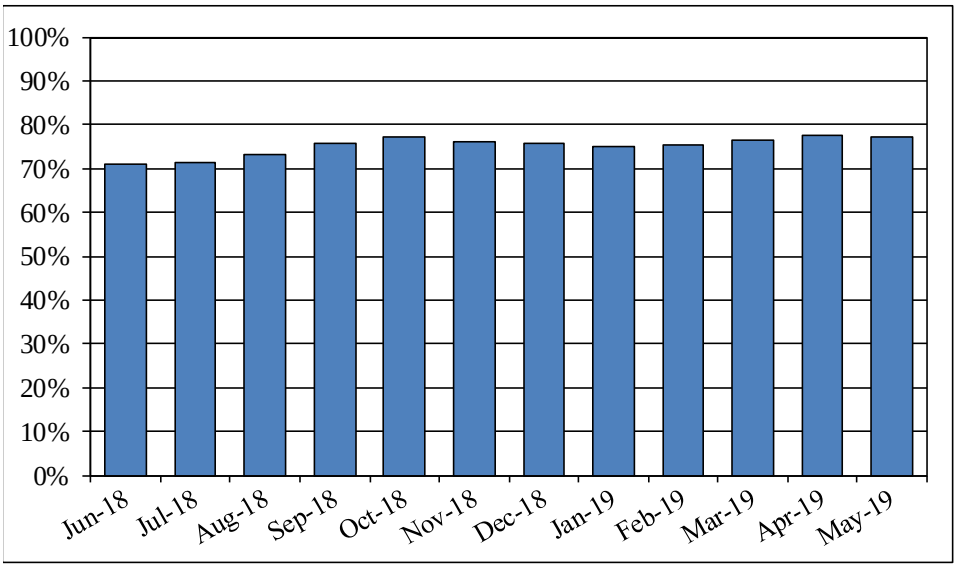
Payments in Pre-SET Period Among those that Dropped (Detail of Group D) Categories Show How Much Each Provider Was Paid		
Total	**163**	**$3,790,033**
> $100,000	11	$2,499,450
$50,000 - $100,000	5	$357,268
$25,000 - $49,999	15	$467,171
$10,000 - $24,999	17	$275,398
$1,000 - $9,999	46	$174,242
$1 - $1,000	69	$16,504

Payments in Post-SET Period Among those that are New (Detail of Group E) Categories Show How Much Each Provider Was Paid		
Total	**51**	**$3,204,804**
> $100,000	10	$2,586,845
$50,000 - $100,000	4	$285,174
$25,000 - $49,999	5	$169,478
$10,000 - $24,999	5	$97,886
$1,000 - $9,999	18	$62,585
$1 - $1,000	9	$2,836

Source: for Pre-SET period, FSSA data wareshouse; for Post-SET period, SET internal data files

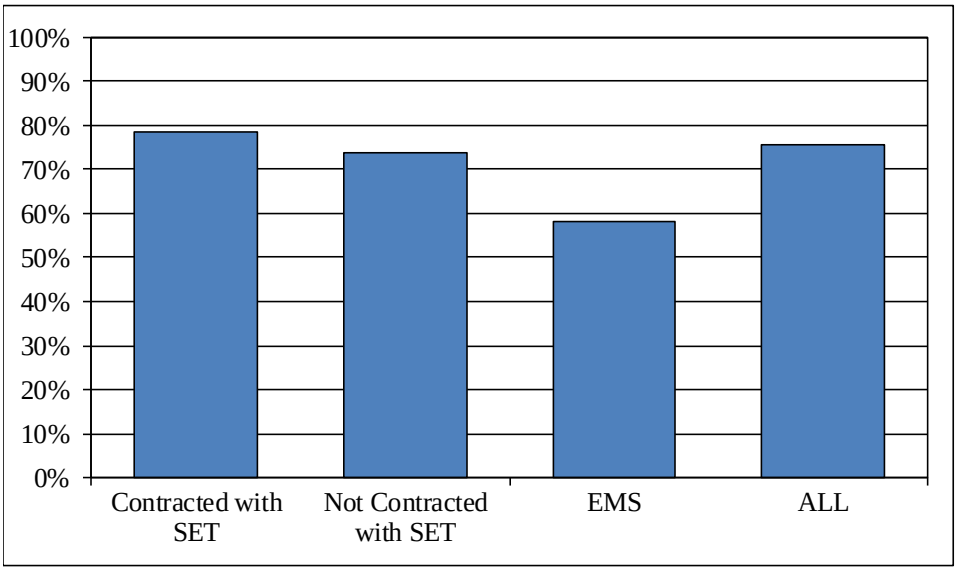
Exhibit II.28
Percent of All Trips Assigned to a Provider, Authorized, and Eventually Paid
June 2018 - May 2019
excludes trips cancelled in advance of scheduled appointment

Within the SET period studied, B&A reviewed to see what percentage of trips that were assigned to a provider were actually paid out (excluding cancelled-in-advance). On a monthly basis, this has been steadily increasing from 71.0 percent of the total in June 2018 to 77.1 percent in May 2019.



Source: SET internal data files

Exhibit II.29
Percent of All Trips Assigned to a Provider, Authorized, and Eventually Paid
By Provider Category, June 2018 - May 2019 Combined
excludes trips cancelled in advance of scheduled appointment



Source: SET internal data files

There is a disparity, however, among the provider categories. Among those providers that are contracted with SET and not EMS providers, the paid-to-authorized rate is 78.3 percent. For non-contracted providers (an option offered by FSSA in some situations), the paid-to-authorized rate is 73.7 percent. For EMS providers, the rate is only 58.0 percent.

Exhibit II.30 below distributes the individual providers along this statistic. The statistic that was computed was the percentage of trips authorized to a provider that have not yet been paid. The overall average is 24 percent. The data shown below is limited to providers that had at least 20 trip legs authorized during the 12 months studied.

The data shows that there are 46 situations where the provider was paid for every trip that it was authorized to deliver and there is a record that the trip was actually delivered. In other words, there are no trips that have yet to be paid during the study period. Alternately, there are 50 providers where more than 60 percent of their authorized trips have not been paid. Most significantly, 25 of these 50 providers are EMS providers.

Exhibit II.30
Percent of Total Authorized Trips Never Billed
For 12-Month Period June 2018 to May 2019 Combined
For Providers with at least 20 Trips Authorized

	Ranges Reflect Percent of Authorized Trips Never Billed						
Provider Category	0%	>0% up to 10%	10.1% - 20%	20.1% - 30%	30.1% - 40%	40.1% - 60%	> 60%
TOTAL	**46**	**19**	**66**	**57**	**25**	**39**	**50**
Contracted	33	18	55	38	17	14	11
Not Contracted	3	1	9	9	1	3	14
EMS	10	0	2	10	7	22	25

Source: SET internal data files

Average = 24%

SECTION III: ASSESSMENT OF SOUTHEASTRANS OPERATIONS

Introduction

The Burns & Associates (B&A) review team spent two days at Southeastrans' (SET's) offices—one day at the local Indianapolis office and one day at the corporate office in Atlanta. The following topics were reviewed with the SET staff responsible for each functional area:

- Member services, call center, member complaints
- Trip routing and assignment to providers
- Prior authorizations
- Provider network development, contracting and provider complaints
- Data collection and reporting
- Vehicle and driver compliance
- Claims processing and encounter submissions to FSSA
- Program integrity
- Internal tracking and reporting

The B&A team also used data files from SET to conduct further assessment through desk review. B&A reviewed the data files onsite at the Atlanta office. Many of the files that were requested by B&A were already available as they are used for internal purposes by SET. Other files were delivered based on particular specifications from B&A. A short turnaround time was allotted for the delivery of all files.

B&A spent another half-day at SET reviewing individual vehicle and driver case files. Although SET knew that B&A was coming to conduct the review, there was only a few hours of notice given on the case files that were reviewed. Each file was retrieved from SET's compliance tracking system in real time.

Summary of Results

SET has a robust system to track inflows and outflows for NEMT coordination. This includes specific modules in its software to track both client and provider attributes, details on each trip requested, the history of a client's NEMT use, and status indicators related to each trip.

Information on the trips themselves are robust. Through easy navigation, information is readily obtained on pickup and destination locations, any special notes on the trip, and preferred or blocked providers related to specific clients or specific locations.

The software and tracking system in the call center is robust and what would be expected for a state-of-the-art call center. This includes real-time views of calls in the queue, wait times, call center representative availability, and call duration times. Management and call center representative productivity reports are available in real time and in daily, weekly and monthly format.

The compliance software to track vehicle and driver inspections and reviews is comprehensive and easy to navigate. For vehicle reviews, photos are stored on views of each vehicle and proof of compliance when visual inspection is necessary. Documents related to driver compliance are stored within each driver's automated file and are easily searchable. Management reports to track vehicles or drivers out of compliance and ticklers for upcoming due dates for review are used daily.

Claims processing appears to follow industry conventions with an additional emphasis on pre-payment review items that are not captured on a standard medical claim such as driver and member attestation signatures and trip coordinates to validate mileage. One area that was not fully vetted was how and if claims that are submitted as "unclean" are tracked and/or reported back to providers.

Encounter file submissions to FSSA appear to follow industry conventions. SET is following the protocols set up by FSSA's fiscal agent, DXC, to intake encounters. These protocols are the same as those required by the State's Medicaid managed care entities. Although SET reported initial challenges in setting up the file transmission, this has been streamlined with few issues since December 2018.

More detailed information above specific functional areas appears in the remaining sections.

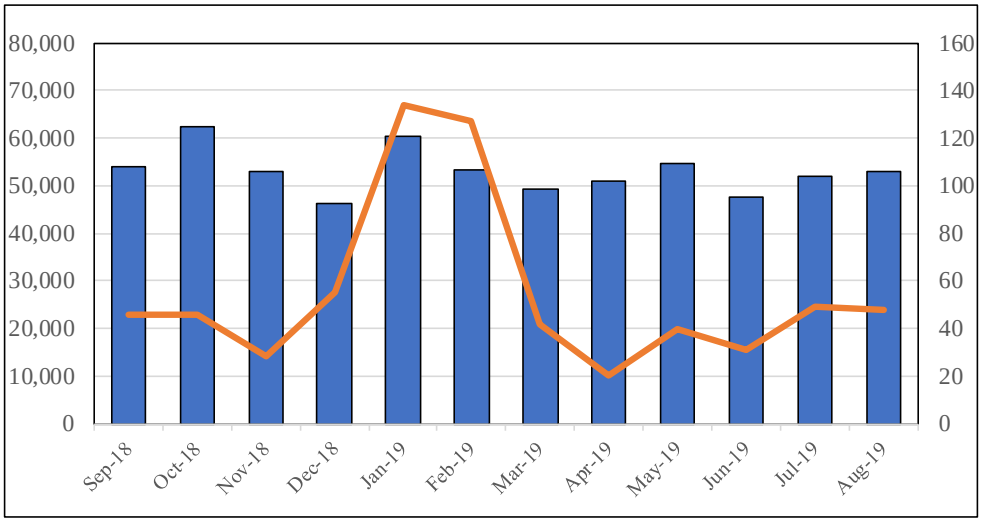
Client Services

The call center for SET Indiana operations is housed at the Indianapolis office. If necessary due to excessive volume or emergencies (e.g., power outages), calls may be routed to SET call centers in other cities; however, the Indianapolis call center is dedicated to the Indiana contract.

The call center contains 85 full-time equivalent (FTE) agents that intake calls from clients as well as representatives that coordinate and dispatch the trips. Standard hours for the call center are 8:00 am to 6:00 pm weekdays and Saturdays. Voice mail is available 24/7. All inquiries (including voice mail) must be returned within one business day.

In the Sept 2018 to Aug 2019 period, SET averaged 53,000 calls per month. The average time to answer calls was within 41 seconds, with the exception of January and February 2019. This means that SET met the contractual requirement of 60 seconds in ten of the 12 months.

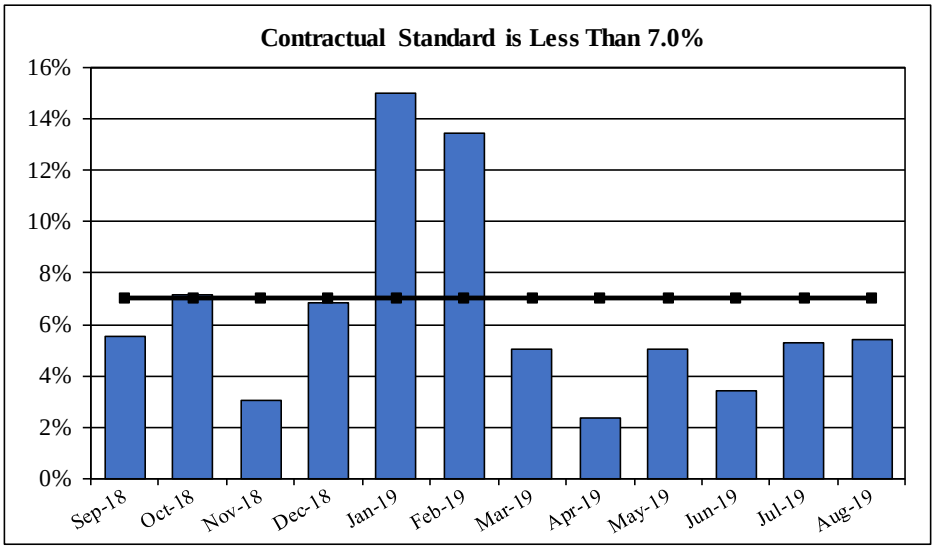
Exhibit III.1
Monthly Call Volume (bars) and Average Time to Answer Call in Seconds (line)
Sept 2018 - Aug 2019



Source: SET monthly reports to FSSA

In the same 12-month period of the study, the call abandonment rate (i.e., hang-ups) was an average just under five percent excluding January and February 2019. But this rate varied from a low of 2.4 percent in April 2019 to 7.1 percent in October 2019. The abandonment rate was much higher in January and February 2019. In nine of the 12 months, SET was below the contract standard of less than 7.0 percent of calls abandoned.

Exhibit III.2
Abandonment Rate of Calls in the Call Center, Sept 2018 - Aug 2019

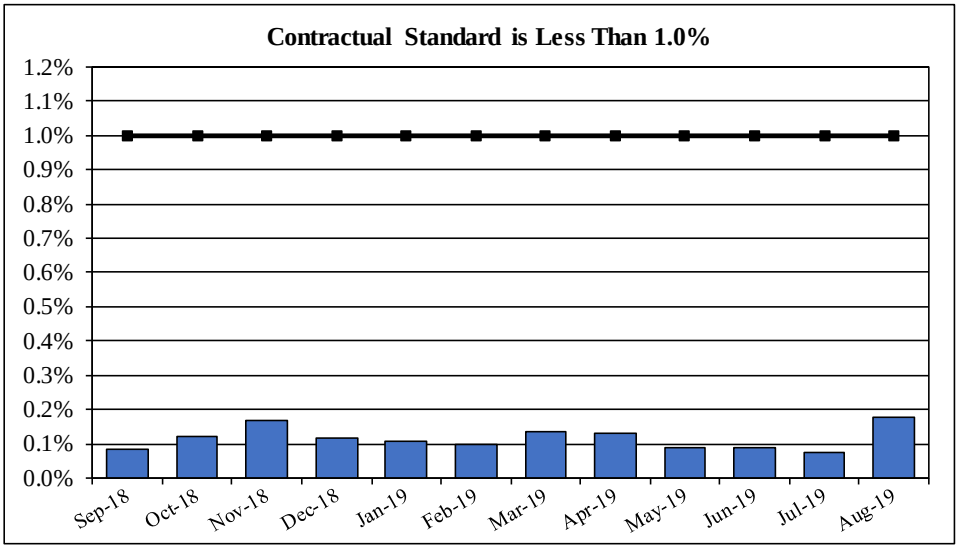


Source: SET monthly reports to FSSA

Client Complaints

The absolute number of client complaints received in the 12-month period September 2018 to August 2019 was from a low of 45 in September to a high of 102 in November. But, when computed as a percentage of all trips completed (50,000 – 65,000 per month), then the rate of complaints has been near 0.2 percent of all trips completed. This is below the contract standard of 1.0 percent of trips completed.

Exhibit III.3
Member Complaints as a Percent of All Completed Trips, Sept 2018 - Aug 2019



Source: SET source files, measure computed independently by B&A

Prior Authorization

SET must obtain prior authorization for any trips that:

- Exceed 20 one-way trips for a client on a 12-month rolling average (with some waivers)
- Any trip request in excess of 50 miles one-way
- Out-of-state travel
- Overnight travel
- Air travel or air ambulance

SET staff submit authorization requests to the FSSA's authorization vendor through a portal in electronic format. Upon receipt of approval, SET records the authorization number received to assign to the trip leg. In the September 2018 to August 2019 period, 1.4 percent of all trip requests required prior authorization.

NEMT Trip Dispatching

There are 18 staff members with responsibility for coordinating the scheduling to dispatch trips for community-based trips and another six staff members with responsibility for coordinating to and from facilities such as hospitals and nursing homes.

After a request is made, the dispatch staff determine if the trip is urgent or not and prioritizes accordingly. The search is conducted for potential public transportation as an alternative option. If not, then the vehicle type is determined. Other information such as if an escort or attendant is required or if children are accompanying the client are determined. If a stretcher vehicle is required, the verification of medical need through an authorized medical form is verified.

A team is dedicated to address the needs of High Risk Members and Member Care Advisory members. When calls come in from these member categories, there is an indicator in the call center system so that the agent is aware of how and where to direct the trip request.

Once a trip is scheduled with a provider, both the provider and client are notified. In the event that the trip request requires a quick turnaround, SET obtains verbal confirmation from the provider for any trip that will be completed within 48 hours of the request being made. Within the 12-month time period studied by B&A, it was found that 86.1 percent of trips did not need verbal acceptance from the provider, but 13.9 percent did need it because the trip was scheduled within 48 hours of being needed. SET states that they obtain verbal acceptance 100 percent of the time in this situation.

Provider Network Management

There are dedicated staff in the Indianapolis office that are responsible for day-to-day network management and growth of the network. This is supported by the SET corporate office. As a means to ensure the continuity of the network, when SET first onboarded, many providers were "fast-tracked", that is, they entered contracts without the full vetting of vehicle compliance. Effective June 2019, any new providers must go through the full credentialing process before onboarding and acceptance of trips is allowed. The "fast track" option has been suspended.

SET reports that a barrier to entry for providers nationally is the escalating cost of insurance. For wheelchair providers, this can be $5,000 to $6,000 per vehicle annually. Current rates may make new entrants prohibitive.

SET continues to recruit new providers into the network. They noted that there are many private pay carriers that could be courted, but SET reports that the feedback they often hear is that the Medicaid trip reimbursement rates are too low to entice these providers to become an IHCP provider.

Provider Compliance

Compliance related to providers more generally and vehicles and drivers specifically is shared between the local Indianapolis office and the corporate Atlanta office. Three inspectors are located in the field—one for the northern region, one for the central region, and one for the southern region of the state. The inspectors are responsible for doing the in-person vehicle inspections.

The initial onboarding documentation of new providers is completed manually, but ongoing documentation reviews are done electronically. The field inspectors upload information on their reviews to SET where it is stored in the compliance software.

Exhibit III.4 to the right shows the listing of items reviewed by inspectors in the field. The indication of pass/fail on all items is stored in SET's Eclipse software.

SET reported that there were significant compliance issues with vehicles at the start of their contract engagement. In fact, SET stated that 25 percent of providers were out of compliance at "go live" on June 1, 2018. With agreement from FSSA, SET "fast-tracked" providers to get them onboarded and then "chased" the compliance issues after-the-fact.

Exhibit III.4
Items Reviewed for Vehicle Compliance

General	**Interior**
Company name	Door locks power or manual
Vehicle Identification Number	Clearance and identification lamps
Vehicle make, model	Retractable step or step stool
Vehicle type, color	Handrails and stanchions
Vehicle mileage	Flooring, steps and thresholds
Vehicle tag number and expiration date	General cleanliness of interior
Passenger capacity	Air conditioning (front and rear)
Photos of vehicles from all sides	Heating (front and rear)
	Speedometer/odometer
Insurance Information	Two-way radio or cell phone
Insurance card present	Emergency brake
State permit/inspection present	Interior lights
Registration present	Ceiling covering
Accident form	Sidewall padding
Driver name	
Company ID badge	**Exterior**
	Company name, required information
Safety and General	Body damage
Fire extinguisher secured, inspect date	General cleanliness of exterior
First aid kit	Directional signals
Spill kit	Hazard warning signals
Portable triangular reflectors	Head lamps
Seatbelts functioning	Stop, park and reverse lamps
Seatbelt cutter above driver door	Tires and wheels
Seatbelt extensions available	Spare tire, jack and lug wrench
Service area maps or GPS	Windshield washers and wipers
Interior sign	Window glass
Provider and broker info	Mirrors inside and outside
Child safety seats available	Horn
Equipment for transporting wheelchairs (14 specific items reviewed)	Railroad crossings sticker

Source: SET source files, verified through sample review by B&A

B&A reviewed a sample of records of vehicle inspections onsite at SET by viewing records in the Eclipse software. It appears that there is both thorough review and documentation of compliance issues. Exhibit III.5 below provides examples of case files reviewed by B&A for two providers in the Eclipse database.

Exhibit III.5
Examples of SET Vehicle Inspection Records Reviewed by B&A

Vehicle Type	Compliance Issue?	Date Issued	If yes, Reason
Provider ABC			
Ambulatory Vehicle #1	yes	5/19/17	Odometer reading
	yes	10/27/18	Exterior signage removed
	yes	4/20/19	Odometer reading, fire extinguisher mounting, AC issue
	yes	4/29/19	AC and fire extinguisher still an issue
	no	4/30/19	AC working and fire extinguisher mounted
	yes	11/8/19	Fire extinguisher not mounted
Ambulatory Vehicle #2	yes	5/19/17	Exterior signage removed
	yes	11/28/18	signage removed, fire extinguisher, step stool missing
	yes	4/20/19	Fire extinguisher not mounted
Ambulatory Vehicle #3	yes	5/19/17	Exterior signage removed
	yes	10/27/18	Signage removed, fire extinguisher not mounted
	yes	4/20/19	AC and fire extinguisher still an issue
	yes	4/29/19	Exterior signage, AC issue, crack in windshield
	yes	4/30/19	AC working and fire extinguisher mounted, but windshield still problem, temporary lettering placed for signage
	yes	11/7/19	Tires out of compliance; all other issues resolved
Provider XYZ			
Ambulatory / Wheelchair Combo Vehicle #1	yes	2/9/19	No shoulder blades, need first aid kit, lift issue, fire extinguigher mount, many other issues
	yes	2/12/19	Fire extinguisher, first aid kit items still outstanding
	no	8/22/19	Passed
Ambulatory / Wheelchair Combo Vehicle #2	yes	2/11/19	Same issues as vehicle #1 on 2/9/19, plus missing floor mounts; no rear heat (35 degrees)
	no	2/20/19	Passed
	no	8/13/19	Passed

Source: B&A onsite review of SET case file records

Because of the volume of corrective action inspections needed and staff turnover of inspectors at SET, not all inspections were completed as timely as SET would have liked. SET did indicate, however, that compliance has “come full circle” and “we are now up-to-date on compliance reviews”.

A similar process is completed for vehicle drivers. Exhibit III.6 shows the itemized list of documentation required for driver compliance. B&A conducted a similar review of drivers as was completed for vehicles. Among the case files reviewed, B&A found that driver compliance documentation was complete and up-to-date.

Exhibit III.6
Items Reviewed for Driver Compliance

Driver Documentation	Training Documentation
Driver update form	First aid
Driver's license	CPR
Copy of social security card	Defensive driver
Motor vehicle registration	CTAA PASS
Criminal background check	Wheelchair securement training
5-panel drug screen test	iPad training
Checks against federal lists	
Sex offender check	
URAC/HIPAA compliance	
Copies of training certificates	

Source: SET source files, verified through sample review by B&A

Program Integrity

SET utilizes multiple methods to ensure the integrity of NEMT utilization and payments. When claims are submitted by providers, a series of edits are used to ensure the validity and completeness of claims submissions. This is an automated process and is considered the pre-payment review.

After claims are processed, SET conducts a manual review of a sample of 10 percent of claims in each check run to conduct what is considered a post-payment review. Items reviewed in the post-payment review include the check number, trip date, mileage verification, driver signature, member signature, and any special rates contractually agreed-upon with the provider. The claims specialist who conducts this review writes up any errors found. An internal scorecard is used to track errors for each provider.

When the internal review yields what appear to be obvious fixes that the provider can remediate for claims processing, then these are communicated to the SET provider relations team to conduct outreach to the provider. At times, an onsite inspection may occur at the provider's office.

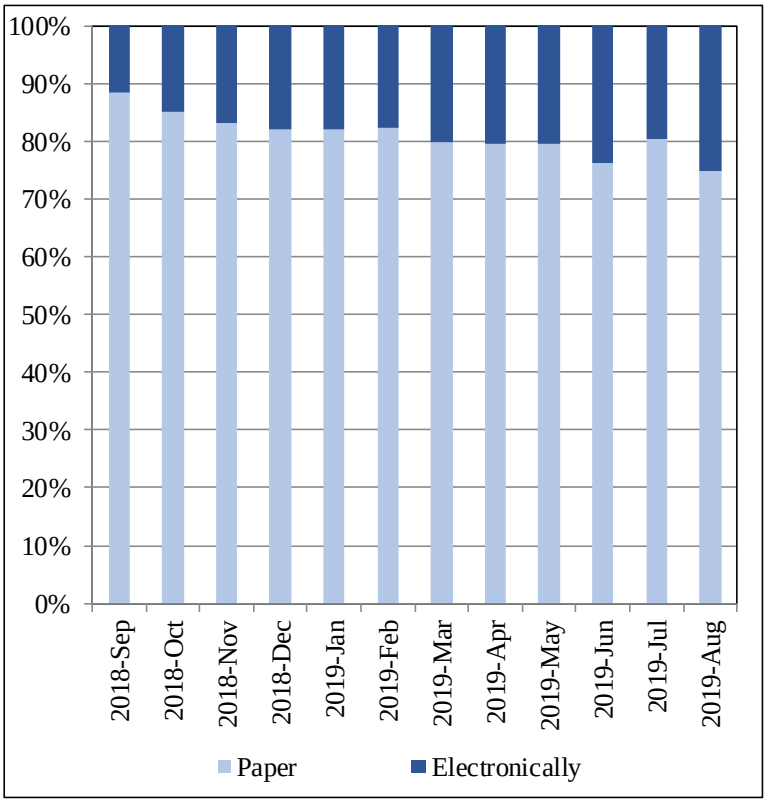
At the SET corporate office, there is also a team dedicated to program integrity. In addition to the claims specialist, this includes a manager and investigator. To date, SET reports that it has conducted 28 investigations related to the FSSA contract. Of these, three have been determined necessary to escalate to FSSA (which is the protocol required by FSSA). A case package, including a PowerPoint presentation, is given to FSSA related to the case. From here, FSSA takes over the case and SET provides technical assistance, as needed.

To date, the FSSA has requested that SET recover overpayments in one case.

It should be noted that SET reported significant challenges with provider claims submissions at the start of the engagement with FSSA. This may, in part, be due to the fact that Indiana NEMT providers submit a disproportionate number of claims on paper rather than electronically. An electronic submission is more likely to prevent errors in claim submission than an electronic submission.

Exhibit III.7 below shows the distribution of claim submissions between paper and electronic for a recent 12-month period. Although the percentage of claims submitted electronically is increasing slightly, SET reports that the current rate of 75 percent paper submissions is still significantly higher than what SET finds in other Medicaid markets.

Exhibit III.7
Distribution of Clean Claims Submitted to SET by Method



Source: SET internal files

The current rate of denied claims is actually quite low in this contract. SET reports that is because they were directed by FSSA to "turn off" some of the pre-payment edits that they would normally run during claims adjudication. This was to allow for a time period to educate providers about claims billing requirements. From B&A's review of the list shown in Exhibit III.8 on the next page, the most important edits are "turned on". But it is surprising how many are still not activated. It is notable that one of the edits "turned off" is the untimely filing edit.

Exhibit III.8
Checklist of Pre-payment Review Typically Performed by SET on Claims
Items highlighted are currently waived as per agreement with FSSA

Code	Description
ALD	Altered Document
CD	Copy- original doc needs to be submitted
CFDE	Correction Fluid on SETI decal #
CFDS	Correction Fluid on driver name/signature
CFF	Correction Fluid Used
CFM	Correction Fluid on mileage
CFS	Correction Fluid on signatures
CFT	Correction Fluid on Times
CFV	Correction Fluid on VIN
DC	Duplicate Claim
HCPC	Missing/Incomplete/Invalid HCPC
ICS	Invalid initial claim submission
IDS	Incorrect date of service
IMT	Incorrect Mobility Type
IS	Invalid Signature
ITI	Incorrect Trip ID/Leg ID
MBP	Maximum Benefit Paid by Primary Carrier
MCF	Missing HCFA 1500 form
MCN	Missing Trip ID/Leg ID
MCV	Missing Correction Validation (no initials)
MDC	Missing Diagnosis Code
MDF	Missing Disclosure Form
MDI	Missing or invalid driver info
MDN	Missing Driver Name
MDNS	Missing Driver Signature
MEN	Missing Escort Name

Code	Description
MEOB	Missing EOB - Explanation of Benefits
MER	Missing Escort Relationship
MCO	Missing Complete Odometer Reading
MIC	Missing Incomplete/Invalid Charge
MIS	Missing Member Signature
MIT	Missing or Invalid Time
MIV	Missing VIN
MMEN	Missing Member Name
MLP	Missing License Plate Number
MMI	Missing or Invalid Mileage
MMN	Missing monitor name on stretcher trip
MMO	Missing Mobility
MNA	Member not authorized to receive service
MOR	Missing or Invalid Odometer Reading
MPN	Missing Provider Name
MSD	Missing/Invalid SETI Decal
RNR	Attachment ref on claim not received
RNT	Attachment ref on claim not timely
SDV	Space Distance Variance
SNPM	Service not provided to the member
SSD	TP needs to submit supporting documents
STV	Space Time Variance
UAD	Unauthorized Driver
UAV	Unauthorized Vehicle
UNS	Unauthorized No Show
UTF	Untimely Filing

Source: SET internal documentation

In addition to claims edits themselves, SET is performing the up-front verification that the trip request itself is valid—that is, that the trip is delivered to a covered Medicaid client, to a contracted Medicaid medical provider, and for a covered Medicaid service. This process is conducted prior to allowing a trip to be delivered. As was seen in Section II of this report, the denied trip rate in a 12-month study period was 0.5 percent of all trip requests (refer back to Exhibit II.16). This may not have been true in the time prior to SET's contract becoming effective because this check had not been occurring prior to SET's contract.

B&A reviewed the NEMT trips paid during the one-year period prior to the SET contract start (that is, June 1, 2017 – May 31, 2018). For each Medicaid client, we looked for a medical visit or pharmacy claim on the same day as the paid NEMT trip. In total, we could only find a match 72 percent of the time. This varied significantly, however by NEMT provider. For about 10 percent of the 288 NEMT providers reviewed, we found a match between trips and medical claims more than 90 percent of the time. On the opposite end, for 16 out of 299 providers, we found a medical claim match less than 50 percent of the time. Details at the provider level are shown in Exhibit III.9 on the next page.

Exhibit III.9
Percent of Clients Where a Medical Claim was Found to Match a Transporation Claim
For 12-Month Period June 2017 to May 2018
For Transportation Providers with Minimum 5 Clients and Paid More than $1,000 in the Year (n = 288)

	Ranges Reflect Percent of Provider's Clients with Matching Medical Claim					
Provider Paid in Yr	< 50%	50.1% - 60%	60.1% - 70%	70.1% - 80%	80.1% - 90%	> 90%
TOTAL	**16**	**29**	**79**	**82**	**55**	**27**
> $500,000	0	1	2	1	0	0
$250,001 - $500,000	0	2	5	4	1	0
$100,000 - $250,000	2	6	23	16	6	0
$50,001 - $100,000	2	5	7	16	3	1
$25,001 - $50,000	4	6	14	17	6	3
$10,001 - $25,000	2	2	13	17	14	4
$1,000 - $10,000	6	7	15	11	25	19

Average = 72%

There may be legitimate reasons why a medical claim match may not have occurred. It may be as simple as date reporting issues. B&A's scope did not include a thorough assessment of this topic. But the findings shown in Exhibit III.9 show why it is critical that SET is checking for the legitimacy of NEMT to medical visits at the time of request.

In addition to this, the verification of other factors on claims payment that SET conducts are also important. As further evidence where additional investigation may be warranted, B&A examined trips for one Medicaid client in the year prior to SET's contract. All five of the claims shown in Exhibit III.10 on the next page were billed by the same provider for the same client. The billing pattern is the same in all five cases with three lines per claim. It appears based on the trip dates that there may be more than one trip being billed on each claim. In fact, based on the payment for line 1 of each claim of $76.00, this appears to possibly be four unique trips billed at $19.00 per trip (a standard rate).

What makes these particular claims unique is what is billed on lines 2 and 3. The additional mileage payment, even if the claim was for four separate trips, is close to $300 per trip. Further, there is a charge for waiting time on line 3 of each claim. Under the current contract with SET, the SET claims specialist is checking for accurate mileage reporting on a sample of claims in the post-payment review process. When the iPads are used by providers, the coordinates of trips are automatically populated on each trip at the point in time when the trip is completed. The data is not written in by the provider.

Although the examples shown in Exhibit III.10 may be an exceptional case that is merited, it should be noted that among all payments made to this provider in the year before SET's contract began, 27 percent were made for flat trip rates, 69 percent for additional mileage, and four percent for other miscellaneous services (such as the wait time claim lines).

Exhibit III.10
Examples of Claims Submitted by an NEMT Provider in Pre-SET Period for NEMT
Examples below are from one provider that was paid in the year prior to and currently by SET

Claim #	Line #	Medical Visit Claim Found?	Start Date of Trip Claim	End Date of Trip Claim	Billing Code	Description of Service	Amount	If Actually 4 Trips on 1 Claim
1	1	No	6/30/17	7/7/17	T2003	commercial vehicle	$76.00	$19.00
	2		6/30/17	7/7/17	A0425	additional mileage	$1,207.50	$301.88
	3		6/30/17	7/7/17	T2007	waiting time, 30 min incremnt	$123.25	$30.81
2	1	No	7/17/17	7/21/17	T2003	commercial vehicle	$76.00	$19.00
	2		7/17/17	7/21/17	A0425	additional mileage	$1,196.25	$299.06
	3		7/17/17	7/21/17	T2007	waiting time, 30 min incremnt	$191.25	$47.81
3	1	No	9/25/17	9/29/17	T2003	commercial vehicle	$76.00	$19.00
	2		9/25/17	9/29/17	A0425	additional mileage	$1,147.50	$286.88
	3		9/25/17	9/29/17	T2007	waiting time, 30 min incremnt	$187.00	$46.75
4	1	No	12/18/17	12/23/17	T2003	commercial vehicle	$76.00	$19.00
	2		12/18/17	12/23/17	A0425	additional mileage	$1,152.50	$288.13
	3		12/18/17	12/23/17	T2007	waiting time, 30 min incremnt	$165.75	$41.44
5	1	No	1/8/18	1/12/18	T2003	commercial vehicle	$76.00	$19.00
	2		1/8/18	1/12/18	A0425	additional mileage	$1,211.25	$302.81
	3		1/8/18	1/12/18	T2007	waiting time, 30 min incremnt	$131.75	$32.94

Source: B&A review of claims in FSSA's Enterprise Data Warehouse

Information Systems

B&A viewed the information systems that SET uses during the on-site interview sessions. This included a review of the screens in each module in their trip tracking software (Insight) and the vehicle and driver compliance software (Eclipse). B&A viewed the call center software to see how calls are tracked and reported on. B&A also viewed the online portal that providers can access to look up individual trips or lists of trips that are on their manifest.

The Insight database integrates individual client (Indiana FFS member), provider and trip information. For example, a history of all trips requested and/or delivered to an individual client can be viewed instantaneously. Drill-down capabilities are available to view information on specific trips as well. Communications with individual clients or providers are easy to retrieve.

The Eclipse database stores records for each transportation provider and associates the authorized vehicles and drivers to the provider. Information on the history of any compliance citations for a specific vehicle or driver can be retrieved instantaneously. There are both pre-defined and ad hoc reports (where the user can build a specific query) available to produce information on compliance issues such as open items overall, items coming due for inspection in the next week, or compliance issues related to a specific provider.

Claims that are processed are stored in a claims warehouse. It is from this warehouse that the information is used to create the files that are required by FSSA for SET to submit claims information into what is known as an encounter file. Encounter files are uploaded to FSSA on a monthly basis for the prior month's activity. Individual trip leg information is reported on the encounter file, including who received the trip, the provider that delivered the trip, and the amount paid by SET to the provider to deliver the trip.

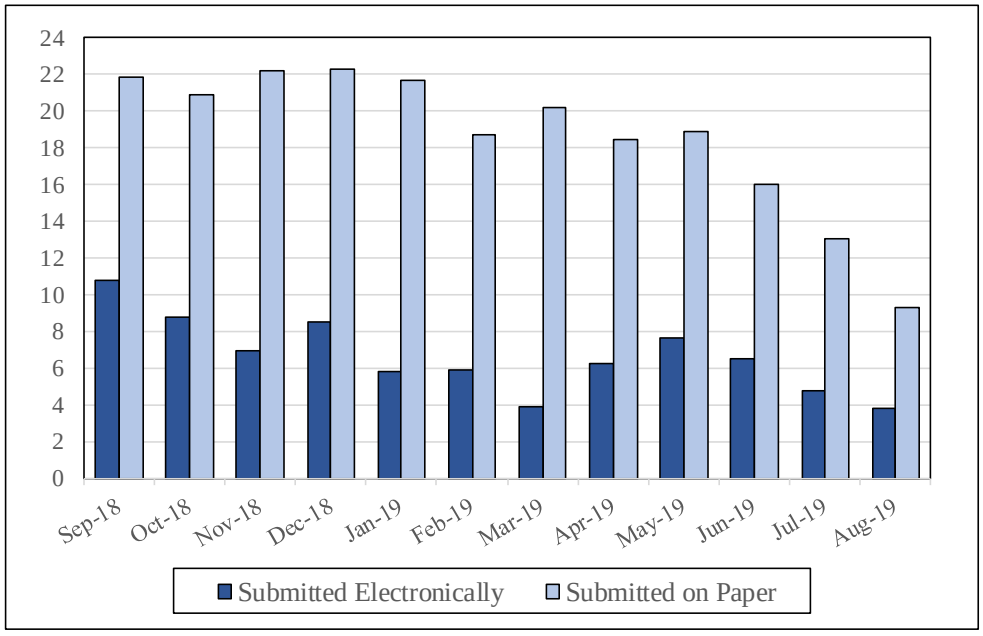
Claims Processing

Claim submissions by providers are processed from SET's Atlanta office on a weekly basis. Claims can be submitted to SET either electronically or by paper. Although the final processing steps are the same whether the claim is submitted electronically or by paper, SET must take the additional steps to key-enter information off the paper claim for the claim to be adjudicated through the electronic process.

For providers that use SET's iPad functionality, the electronic claim effectively creates itself when the data is uploaded to SET. The key information required for claim processing—including trip manifest information, client and driver signatures, and geographic coordinates to verify pickup and drop-off locations—are all stored in the iPad software. When submitted on paper, this information is either verified (signatures) or key-entered for claims processing. SET conducts claims processing on a weekly basis.

Claims are being submitted to SET more quickly now than in the early period of the SET contract. Exhibit III.11 shows that the average number of days to submit claims from the trip day has dropped for both paper submissions and electronic submissions. For paper submissions, it has fallen from 22 days in September 2018 to nine days in August 2019; for electronic submissions, from 11 days to four days during this same time period.

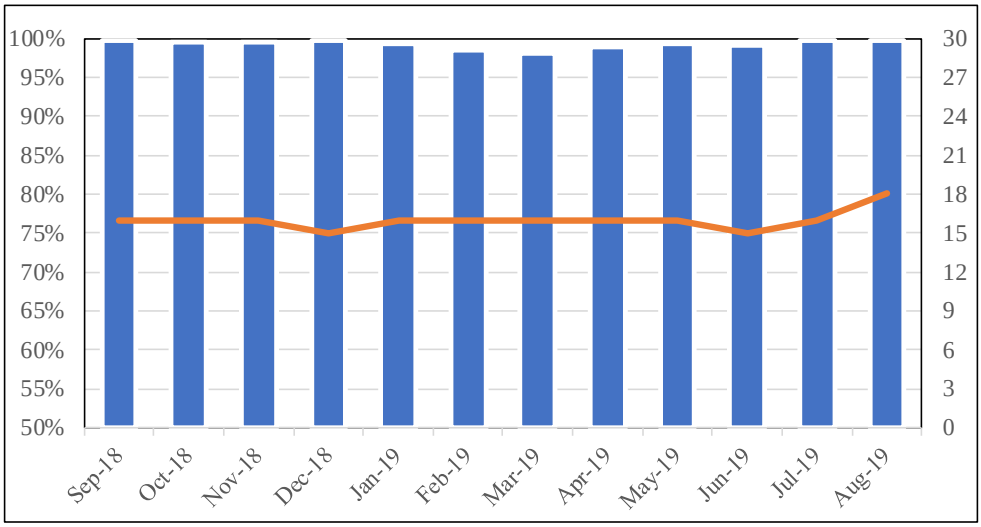
Exhibit III.11
Average Number of Days for Providers to Submit Claims to SET from Trip Delivery



Source: SET source files, measure computed independently by B&A

The average number of days to adjudicate claims has remained steady at 16 days throughout the 12-month period studied. The FSSA requires that claims must be adjudicated within 30 days of receipt. As a result, SET has met this target for 99 percent or more of the claims received each month.

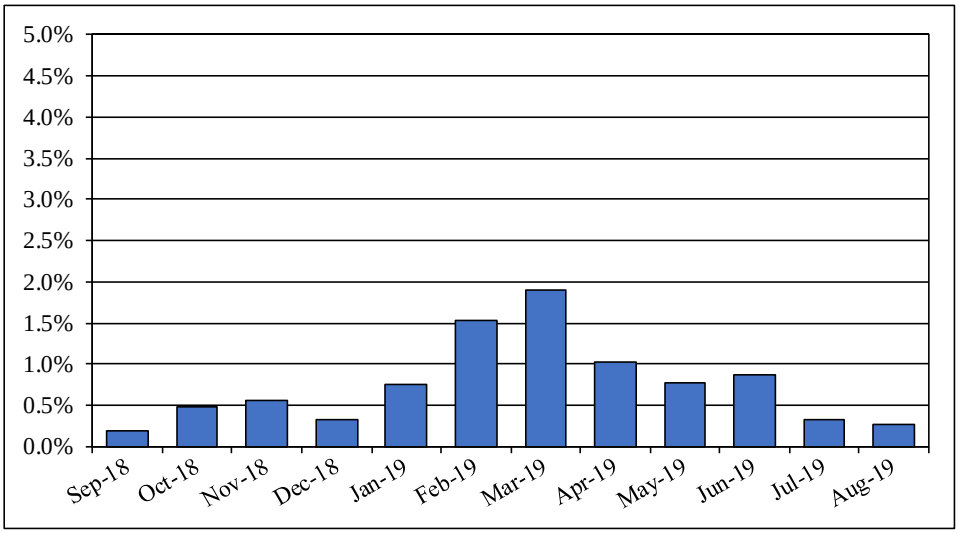
Exhibit III.12
Percent of Clean Claims Adjudicated on Time (bars) and Average Days to Adjudicate (line), Sept 2018 - Aug 2019



Source: SET monthly reports to FSSA, with independent validation by B&A

The denial rate of claims remains low in the program. In most months, it was less than one percent of all clean claims submitted. This is partially due to the fact that some of the typical edits that SET would use to adjudicate claims have been "turned off".

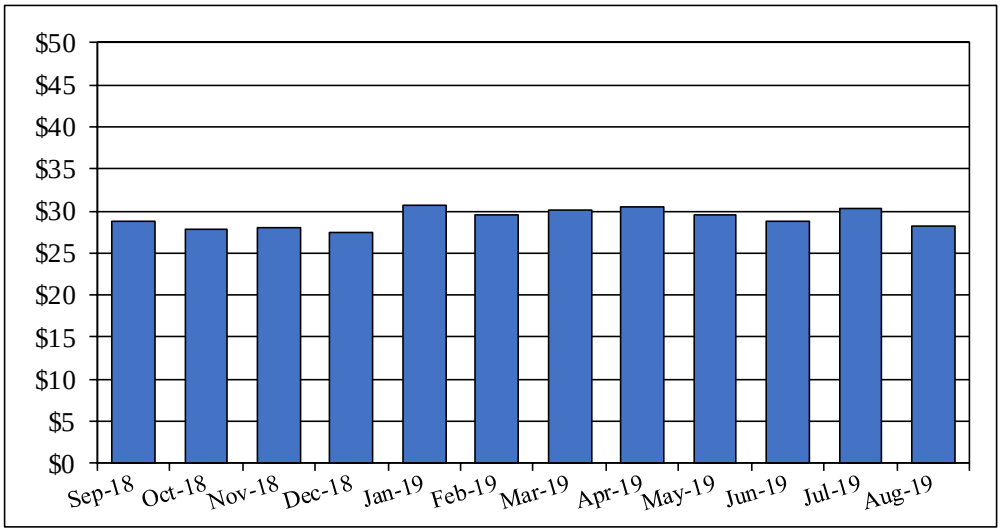
Exhibit III.13
Percent of All Clean Claims Denied, Sept 2018 - Aug 2019



Source: SET monthly reports to FSSA, with independent validation by B&A

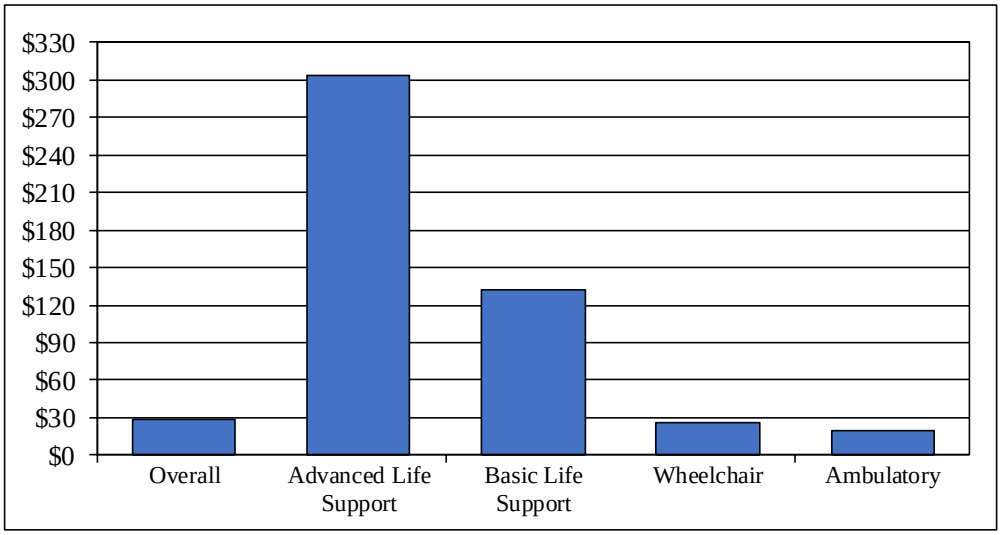
The average payment per trip leg overall has remained steady near $28.79 (see Exhibit III.14). This varies, however, by modality (see Exhibit III.15). For advanced life support trips, the average is $303.64; for basic life support, $132.68; for wheelchair vehicles, $26.70; and for non-wheelchair vehicles, $19.48. This average would include any additional mileage paid for long-distance trips.

Exhibit III.14
Average Payment Per Trip Leg, Sept 2018 - Aug 2019



Source: SET source files, measure computed independently by B&A

Exhibit III.15
Average Payment Per Trip Leg by Modality, Sept 2018 - Aug 2019



Source: SET source files, measure computed independently by B&A

Because different transportation providers may focus on specific transportation modalities, the average payment per trip made to each provider also varies. Exhibit III.16 on the next page shows the distribution of average payments and the number of providers paid at each threshold. There is a fairly equal distribution of providers paid in the $10 to $15, $15 to $20, and $20 to $25 range. Another significant group of providers are paid, on average, in the $100 to $150 range.

Exhibit III.16
Average Paid Amount by Southeastrans to Providers
Sept 2018 - Aug 2019

Average Payment Per Trip Leg	# Providers
$10.00 - $15.00	45
$15.01 - $20.00	46
$20.01 - $25.00	45
$25.01 - $30.00	25
$30.01 - $50.00	26
$50.01 - $100.00	8
$100.01 - $150.00	42
$150.01 - $200.00	28
More than $200.00	10

Source: SET source files, measure computed by B&A

Financial Management

SET confirmed to B&A that it is tracking inflows and outflows of cash, but there was not strong evidence of potential cash outflows. For inflows, SET is reconciling the monthly capitation payments received from FSSA for accuracy and completeness. For outflows, the claims adjudication process as described above is thorough to track cash going out.

SET indicated that they do maintain an aging report to track claims that have not yet been submitted for trips that were delivered. In particular, claims for trips more than 90 days out are reviewed. What was not clear was how completed trips are confirmed to know what the full cash impact of incurred-but-not-received could be. Also, the level of claims submitted but rejected (but may ultimately come back clear to pay) does not appear to be tracked.

SECTION IV: OVERSIGHT OF SOUTHEASTRANS BY FSSA AND KEY PERFORMANCE MEASURES

Introduction

Burns & Associates (B&A) met with FSSA personnel to learn about the evolution of oversight conducted by FSSA of the Southeastrans (SET) contract and communication with external stakeholders about the NEMT benefit. B&A was provided all reports submitted by SET to FSSA on a monthly basis since reporting requirements were established. B&A was also given additional ad hoc reports provided to FSSA by SET at FSSA's request to answer more specific questions about NEMT activity. B&A reviewed the FSSA contract with SET in its original format as well as modifications that were made for the second year of the contract period.

Oversight of Southeastrans Conducted by FSSA

FSSA has assigned a dedicated point-of-contact to conduct oversight of the SET contract and to address FFS client and external stakeholder issues with either SET or the NEMT benefit more broadly. FSSA's point-of-contact is supported by two additional staff and the Office of Medicaid Policy and Planning's data analytics unit as needed. Updates on activities related to the NEMT benefit are simultaneously reported to the Medicaid Director and the FSSA Secretary's Office.

FSSA uses a multi-layer approach to conduct oversight:

- Touch base conference calls with SET leadership three times per week to address current issues or concerns;
- Review of monthly reports submitted by SET to FSSA, as prescribed in an Excel-based reporting package developed by the FSSA team;
- Requests for, and review of, ad hoc reports from SET that address specific requests outside of the monthly reporting package or that provide information at a more detailed level than what is shown in the reporting package; and
- Meetings with external stakeholders to obtain feedback about ongoing concerns or to develop options for improving the delivery and payment of the NEMT benefit.

The SET contract became effective June 1, 2018. The monthly reporting package did not begin, however, until September 2018. Information has been reported on a go-forward basis since that time. There was no requirement to retrospectively submit reports for the months of June, July and August 2018. In this review, B&A obtained data directly from SET to complete the picture of data since contract inception.

The suite of monthly reports was updated effective with August 2019 reporting to account for information that is required to be reported as per Senate Enrolled Act (SEA) 480. The FSSA has started to publicly release the reports that are submitted monthly by SET for the data elements required to be reported as per SEA 480.

Based on the shared experience between SET and FSSA, a number of changes were made to the SET contract in year two. These include, but are not limited to:

- Additional clarification related to High Risk Members (HRM) and Member Care Advisory (MCA) members
- Strengthening language related to the key staff from SET responsible for the FSSA contract

- Strengthening language related to options for fee-for-service member's right to appeal
- Changes to performance standards in the contract

B&A used the revised contract language, not the initial contract, as the basis to inform some of the recommendations made in Section V of this report.

Assessment of FSSA's Performance Measures Compared to Industry Standards

B&A conducted a thorough review of four other NEMT broker contracts for services rendered to Medicaid beneficiaries. The contracts themselves were with three different broker entities. Although all contracts were to broker NEMT services for Medicaid enrollees, the other contracts were not specific to fee-for-service programs. Therefore, some language in each contract could be specific to the Medicaid populations being served.

The functional requirements in each broker contract, however, were found to be similar. For example, all contracts had requirements of the broker to complete the following functions:

- Maintain a call center to intake NEMT requests
- Assess client eligibility to receive the NEMT benefit
- Coordinate and schedule trip requests to the provider network
- Triage urgent from non-urgent NEMT requests
- Intake and address member complaints and appeals
- Maintain a provider network to deliver NEMT trips (ambulatory, wheelchair, and stretcher)
- Credential/inspect transportation provider vehicles and drivers
- Intake, adjudicate and pay provider claims
- Submit timely encounter data to the entity contracting with the broker
- Maintain a program integrity function
- Maintain an internal policies and procedures manual

From the information available, it appeared that each broker is being paid a monthly pre-determined, pre-paid amount per client.

In light of these similar responsibilities in each contract reviewed, B&A examined specific performance measures in each contract. A side-by-side comparison was developed and is summarized in Exhibit IV.1 on the next page. Although all of the contracts contained performance measures, B&A found that there were fewer requirements than what might be expected. That said, the FSSA contract had measures that typically were on par with than the other contracts reviewed.

Exhibit IV.1
Comparison of Performance Between the FSSA NEMT Broker Contract and Four Other Broker Contracts

Performance Area	Measure	In FSSA Contract?	If Yes, FSSA Compared to Other Contracts
Call Center	Time to answer calls	Yes	Other contracts stricter
Call Center	Abandonment (% of hang-up calls)	Yes	Other contracts stricter
Call Center	How quickly to respond to callers questions/issues	Yes	FSSA stricter
Call Center	Directing 911 calls to emergency responders	Yes	Not seen in other contracts
Call Center	Answering calls just to clear queue, take a message	Yes	Not seen in other contracts
Processing Requests	Turnaround time to process/schedule trip requests	No	Not seen in other contracts
Processing Requests	Threshold rate of percent of requested trips scheduled	No	Not seen in other contracts
Member Education	Educate members when they no-show	No	Seen in some contracts
Member Complaints	Time to respond to member complaints	Yes	FSSA stricter
Member Complaints	Complaints as a percent of all trips provided	Yes	Seen in some contracts
Trip Times- Pickup	Threshold for making on-time medical appointments	Yes	Seen in some contracts
Trip Times- Return	Threshold on wait time for members to be picked up	Yes	Seen in some contracts
Provider Network	Thresholds or measurements to assess adequacy	No	Not seen in other contracts
Vehicle Inspections	Timeliness/quota for vehicle inspections	Yes	FSSA stricter
Driver Requirements	Timeliness/quota for driver inspections	Yes	FSSA stricter
Claims Payment	Timeliness to pay claims	Yes	Other contracts stricter
Claims Payment	Notification of "unclean" claim submission	No	Seen in some contracts
Encounter Submissions	Timeliness to submit encounters	Yes	Similar in other contracts
Report Submissions	Volume of reports/timeliness of submission	Yes	FSSA stricter, more reports

Validation of Selected Reports Submitted by Southeastrans to FSSA

Exhibit IV.2 on the next page lists out 15 measures that B&A attempted to validate as a part of this assessment. Among the 15 measures, data was available for B&A to perform validations on 12 measures. B&A used internal detail source files (e.g., individual trip records, individual claim records, individual vehicle or driver files) to validate summary results reported by SET to the FSSA in the monthly reporting package.

Among the 12 measures reviewed specifically, B&A was able to validate (within a small level of acceptable tolerance) on nine measures. For three measures, B&A found more records than what has been reported at times to the FSSA. This includes for member no-shows, provider no-shows, and number of active vehicles.

Exhibit IV.2
Burns & Associates, Inc.'s Validation of Selected Performance Measures

Measure Category	Measure	Results of B&A Validation (where data is available)
Call Center	How quickly to respond to callers questions/issues	Data not readily available to validate.
Processing Requests	Number of trips authorized	B&A reviewed SET's internal files of individual trip leg requests and matched totals reported to FSSA monthly within a level of tolerance.
Processing Requests	Turnaround time to process/schedule trip requests	Data not readily available to validate.
Processing Requests	Threshold rate of percent of requested trips scheduled	B&A computed by region, modality and point of origin (refer to Section II exhibits); generally tied to monthly reports submitted by SET to FSSA.
No Shows	Number of member no shows by month	B&A found more no shows in SET's internal files than what was reported to FSSA monthly for both member and provider.
No Shows	Number of provider no shows by month	
Member Education	Educate members when they no-show	Data not tracked by SET to validate.
Member Complaints	Time to respond to member complaints	B&A reviewed detailed logs that matched the count of complaints reported to FSSA.
Member Complaints	Complaints as a percent of all trips provided	B&A reviewed detailed logs that matched the rate of complaints reported to FSSA.
Vehicle Inspections	Timeliness/quota for vehicle inspections	B&A reviewed a sample of vehicle inspection files onsite at SET. Inspections were complete and fully documented.
Driver Requirements	Timeliness/quota for driver inspections	B&A reviewed a sample of driver compliance files onsite at SET. Files were complete and fully documented.
Vehicles	Number of active vehicles	B&A found a higher number on internal SET reports than what was reported monthly to FSSA.
Claims Payment	Timeliness to process and pay clean claims	B&A reviewed SET's internal files of individual claims paid and matched totals reported to FSSA monthly within a level of tolerance on number of claims, timeliness to process, and dollars paid out.
Claims Payment	Number of claims adjudicated	
Claims Payment	Dollars paid out on claims	

SECTION V: FINDINGS AND RECOMMENDATIONS TO CONSIDER IN THE DELIVERY OF NEMT IN THE FSSA'S FEE-FOR-SERVICE PROGRAM

Introduction

Burns & Associates (B&A) provides this summary of our key findings from the review of Southeastrans (SET) operations, the review of data collected and reported, the policies created by FSSA for the NEMT benefit, and the FSSA's oversight of SET. B&A offers recommendations for the FSSA and the NEMT Commission to consider as a means to ensure accessibility of the NEMT benefit to Medicaid fee-for-service members while also preserving the highest level of quality services and integrity of program expenditures.

Findings and Recommendations Related to Southeastrans Processes

1. There is not a formalized mechanism in which SET assesses trip demand by modality or region. Although this may have been difficult to quantify upon initial implementation due to an incomplete picture of the demand, there is now a sufficient amount of data for which a more formal methodology to assess demand can be developed.

   Recommendations to SET:

   1.1 SET should develop a proposed methodology to assess gaps in supply at the regional level, modality level and regional/modality level for approval by FSSA.

   1.2 SET should propose a method to report gaps on a monthly basis.

   Recommendations to FSSA:

   1.3 The FSSA should develop a contractual requirement threshold which must be met for timely and successful trip dispatching. The threshold may vary by modality and/or region.

   1.4 Once the threshold(s) are set, the FSSA should establish a financial penalty when thresholds are not met. Example: *All trips in [aaa] region during [bbb] time period will be examined for timely and successful dispatching. The threshold to define timely and successful dispatching is 95% of trips requested are dispatched to a transportation provider within three days of the request. If the Contractor does not meet the 95% threshold, then an amount of $[zzz] per trip will be assessed for all trips not dispatched below the 95% threshold number.*

2. SET assigns a status to each trip leg, but the current status indicators do not fully capture all of the situations that exist. The current status values assigned include
   - "Denied" = trip not authorized,
   - "Cancelled" = cancelled in advance of intended trip date,
   - "Dispatched" = scheduled but unknown if trip completed,
   - "Paid" = trip scheduled and completed, provider paid,
   - "Pay/Denied" = trip scheduled and completed, but provider's claim denied, and
   - "Pay/Pended" = trip scheduled and completed, the provider's claim has been submitted, but it is held up for some reason.

   Recommendations to SET:

   2.1 The "dispatched" status can be used as a temporary status, but upon any final reconciliation (e.g., when the timely filing deadline for claims submission has expired),

the trips in dispatched status should be reclassified into one of the categories mentioned above or one of the new categories listed below:

- "Not Scheduled" = the trip was requested but could not be scheduled because a provider could not be found to deliver the trip
- "Not Scheduled-Send Back" = a variation on status above. In this situation, the trip had been scheduled, but the assigned provider sent it back. In some cases, the trip gets reassigned to a new provider by SET. In other cases, a new provider could not be found. B&A assumes that when this occurs today, the trip is classified as "Cancelled". As a result, it cannot be assumed today that all trips classified as "Cancelled" are by client choice. The trip may have been cancelled because there was no choice since no provider was found. This new status separately tracks when this occurs compared to cancelled-by-choice.
- "Attempted" = the trip was scheduled, the provider appeared but the client either no-showed or refused on the spot, and
- "Fulfilled" = the trip was scheduled and completed, but the provider has yet to submit a claim to be paid.

2.2 The status "Pay/Pended" is rarely utilized. If a provider has submitted a claim, but it is not deemed a "clean claim" for some reason, then SET should reclassify the trip record associated with the trip to the "Pay/Pended" status.

2.3 SET should track and trend all of the new status codes. The "Fulfilled" status trips should also be tracked to better account for dollars incurred and owed to providers.

Recommendations to FSSA:

2.4 Require SET to report on the trips requested within each calendar month into one of the status codes shown above. Trend results on monthly basis and compute/trend a 12-month rolling average.

2.5 During a year-end reconciliation process, ensure that SET has reclassified all trips in "dispatched" status prior to the reconciliation.

2.6 Require SET to educate providers about these status codes so that communication on claims reconciliation can be understood better if these status codes are shared with providers or in public-facing reports.

3. There is no formal mechanism to track and assess the volume nor determine the root cause of "unclean" claims submitted by transportation providers, that is, claims that contain either incomplete or inaccurate information. Claims deemed to be "unclean" are rejected and sent back to the provider with an indication of why the claim was rejected. There is no evidence that this is happening today, so it is unknown if this is a significant issue or not.

Recommendation to SET:

3.1 SET should track the volume of "unclean" claims submitted by providers.

3.2 SET should conduct targeted outreach to providers who continually submit unclean claims to resolve submission issues. This includes explanation of the root cause(s) that make the claims unclean and the benefits of submitting claims electronically to mitigate the likelihood of future unclean claims.

Recommendation to FSSA:

3.3 The FSSA should require SET to report the volume of rejected claims in the monthly claims adjudication report that it submits. Further, information on provider education should be given on an exception basis if providers hit an unacceptable threshold rate of rejected claims.

4. The rate of paper claims (vs. electronic claims) submitted from providers is high. SET reports that it is higher among Indiana transportation providers than providers in any other state where they work.

The use of iPads to record trip information is low. Paper claims require data entry by SET staff. There is a greater potential for lost claims, duplicate submissions, and incorrect data entry. It also adds administrative costs to the contract.

Recommendation to SET:

4.1 SET should consider an incentive payment to providers who take-up the use of iPads.

Recommendation to FSSA:

4.2 FSSA may want to consider mandating an incentive payment be given to providers who take-up the use of iPads and then promote this incentive. This will save the State on SET administrative costs later.

Findings and Recommendations Related to FSSA Policies and its Relationship to the Contract with Southeastrans

5. Provider supply and capacity continues to be a challenge at least in some portions of the state, particularly for transportation requiring wheelchair vehicles. In B&A's review, stakeholders cited a number of factors that make the expansion of the provider base challenging:
    - The standard rates paid for transportation trips may deter additional provider entrants.
    - The enhanced oversight of vehicles and drivers which, rightfully so, that ensures patient safety can also add additional costs to providers.
    - The cost of insurance to transportation providers has grown nationally and poses as a barrier to entry for potential parties interested in entering the market.
    - Scheduled trips where the client unexpectedly no-shows are not paid to providers even if the provider presented to conduct the trip. SET verifies driver and client signatures before paying claims. This is to ensure integrity of claim payments. It is unknown to what degree this may have been occurring prior to SET imposing this requirement. Some providers may be counting on a specific trip load for cash flow. When members spontaneously no-show, this is an unexpected loss of revenue to the provider.

    Recommendations to FSSA:

    5.1 The FSSA is encouraged to work with SET to find ways to either grow the provider base or expand the capacity of the existing provider base by strategically placing resources where they are most needed. Some examples to consider include the following:
        - Pay a modified rate for spontaneous no-shows since the provider made the attempt to pick up the client. These trips should be tracked separately so that the rate of no-shows can be trended over time and by client.
        - Define "underserved" areas and make an incentive payment (e.g., 110% of the standard rate) to providers who accept trips in these areas.
        - Make an incentive payment on a per-trip basis to providers who agree in advance to expand their bandwidth of Medicaid fee-for-service trips by a certain percentage.
        - Create a bonus pool for providers who report a rate of send back trips much lower than their peers.
        - Pilot test with providers in specific underserved regions a global payment (like a retainer) to accept a targeted number of trips in a geographic area or to certain locations. The global payment can be made to the provider in advance with a true-up later to ensure that the agreed-upon number of trips were delivered.

6. Client no-shows can disrupt both SET's and the transportation provider's schedules when they are not known in advance. Presently, there is no incentive for either the client or the provider to report

spontaneous no-shows. Therefore, the true rate of no-shows is not known. Further, B&A was informed that confirmation notifications (either by phone, text or email) to remind clients of upcoming trips is the responsibility of the transportation provider, not SET. It is not known if every transportation provider is conducting reminder notifications. Lastly, FSSA's contract with SET requires SET to educate members who are chronic no-shows or are abusive; however, the current language is "*to the extent the broker has knowledge [of no-shows]*" and "*[SET] shall attempt to contact and educate members…*".

Recommendations to FSSA:

6.1 The FSSA should develop a policy that results in consequences to clients who chronically no-show.

6.2 The FSSA should strengthen the language in the SET contract regarding its requirements about educating clients and reporting the rate of client no-shows.

6.3 The FSSA should consider adding to SET's scope of work (with appropriate administrative payment) the task of sending reminder notifications to clients (e.g., robo calls or texts) of upcoming trips 48 hours in advance of the trip. If confirmation is not received by the client 24 hours prior to the trip, then SET can send a note to the provider to ensure that they verbally call the client prior to initiating the trip to avoid unwanted no-shows.

7. Similarly, provider no-shows are disruptive to the client and to SET's scheduling efforts.

Recommendation to FSSA:

7.1 The FSSA should allow SET to put in provider contracts the notification of a penalty on payments for trips delivered if a provider's no-show rate exceeds an established threshold.

8. SET is required to seek prior authorization for clients requesting in excess of 20 trips per year and trips over 50 files. There are exceptions to this including for dialysis and chemotherapy treatment. Physical therapy visits, however, are not an exception. SET reports that they are seeking the prior authorization, as required, but it is always approved for physical therapy when the client's trip count exceeds 20 trips per year.

Recommendation to FSSA:

8.1 The FSSA should add physical therapy to the list of services waived from the 20 trip per year limit.

Findings and Recommendations Related to FSSA's Oversight of Southeastrans Including Performance Measures

9. Many of the monthly reports required by FSSA are not fully informative without additional context. B&A did see reports delivered by SET to FSSA upon request for additional oversight outside of the standard monthly reporting system. B&A found many of these ad hoc reports to be more useful for ongoing oversight and compliance. Additionally, B&A observed in some instances where information on the ad hoc report did not tie out to the standard monthly report for the same reporting period.

Recommendation to SET:

9.1 SET needs to ensure that the compilers of FSSA monthly reports are using the most relevant and complete data sources and should validate results prior to submission.

Recommendations to FSSA:

9.2 The FSSA should re-examine the suite of monthly reports required to be submitted by SET and work with SET to submit reports that provide more context on measures.

9.3 Information from the revised monthly reporting package should be summarized in dashboard reports to show trends for internal review (FSSA Leadership) and external review (compliance with SEA 480, reporting to the NEMT Commission). Specifically, B&A recommends three one-page dashboards:

- A dashboard that is client-focused (e.g., trips requested and delivered, client complaints)
- A dashboard that is provider-focused (e.g., vehicle/driver inventory, coverage areas, status of vehicle/driver compliance)
- A dashboard that is SET operations-focused (e.g., claims adjudication and payment, call center statistics)

10. The FSSA has given SET the authority to negotiate rates with each provider individually as a means to expand the network. Further, SET is not limited to the State's published rate schedule for trips. B&A does not recommend that this authority be removed, but more oversight by the FSSA of rates of payment across providers may be warranted. This is particularly true if future risk-based payments to SET are predicated on historical actual payments to individual providers.

Recommendation to FSSA:

10.1 As part of a year-end reconciliation, the FSSA should review the average payment per trip made to each transportation provider to understand the variation in the market-based rate by modality. This information may be used to inform future standard fee schedule rates and risk-based payments to SET.

11. SET has a robust system to track and report on vehicle and driver inspections. At present, there is no reporting to FSSA on transportation providers who are out of compliance.

Recommendation to FSSA:

11.1 As part of the suite of reports delivered by SET each month, the FSSA should add a report related to vehicle and driver compliance. Metrics to measure could include:

- Number of vehicles out of compliance- first offence
- Number of vehicles out of compliance- continued offence
- Number of drivers out of compliance- first offence
- Number of drivers out of compliance- continued offence
- Number of vehicle inspections conducted
- Number of driver inspections conducted
- Number of vehicles suspended from participation
- Number of drivers terminated for non-compliance

12. Responsiveness to client inquiries is an important component to the broker contract. B&A's review of FSSA's contract with SET showed some areas where there are stronger requirements and other areas where there are weaker requirements compared to other broker contracts reviewed.

Recommendation to FSSA:

12.1 Considering strengthening some of the call center performance measures such as:

- Change the abandonment rate threshold from 7% to 5%.
- Provide a better definition to what is meant by "resolved" for the performance measure "*85% of all issues from callers should be resolved on the first phone call*".

13. The claims denial rate is low versus industry standards. SET is conducting appropriate review of claims but 'overriding' some denials per FSSA instructions.

    Recommendation to FSSA:

    13.1 The FSSA should allow SET to lift some of the claim denial overrides that were put in during the transition period and allow the claims to deny. This additional upfront rigor on claims adjudication would be in line with—but not more onerous—than what is currently conducted for other Medicaid-contracted providers, such as physicians and hospitals. Related to this, however, is the responsibility of SET to educate providers on the reasons for claims being suspended or denied (refer back to Recommendation 3.2).