January 10, 2018

Medical Policy Unit
Department of Social Services
55 Farmington Avenue, 9th Floor
Hartford, CT 06105

Comments to SPA 18-A: “Changes to Non-Emergency Medical Transportation (NEMT) Program”

Dear Sir or Madam:

We write to comment on the proposed SPA concerning a change in the reimbursement methodology for the Department’s Non-Emergency Medical Transportation (NEMT) program from a fee-for-service model to an “at-risk model, using a per member per month (PMPM) rate.” The SPA introduction states that the move to an at-risk contract covering all Medicaid enrollees in the state is expected to be “cost-neutral” and declares that the goal of the change in payment methodology “is to engage high quality local transportation providers and use publicly available transportation to enable members who need assistance getting to Medicaid services in the most appropriate, timely manner.” But it could well reduce quality, as explained below, while imposing higher costs on the Medicaid program resulting from unprovided, but needed, transportation services.

Under the new capitated model, Veyo receives a lump sum per Medicaid patient per month and payment for all approved transportation services (except for non-emergency ambulance service) come out of its corporate pocket. The concern is that this creates an incentive to the vendor to provide less service so as to generate higher profits. While the department has asserted that this model will allow for greater “flexibility,” that is also what the department insisted for many years would occur under the capitated Medicaid managed care organization model it used for Medicaid until 2012. At that point, the department had finally acknowledged that the capitated model was a failure, with very high administrative costs, poor quality and lack of accountability. The reality with the MCOs was that “flexibility” for the MCOs meant flexibility to deny services and pocket the spread between the PMPM payments and what it paid out each month.

There is every reason to believe that what happened with the MCOs will repeat itself with the new capitated NEMT broker, and there are two additional reasons not present with the MCOs why the Department needs to be concerned about this. First, with the MCOs, there were several risk-based contractors such that DSS could compare performance among them and, theoretically at least, move patients out of a particularly poorly performing one. Here, there will be no basis for comparison, with one broker being paid a capitated rate for all Medicaid enrollees statewide.

Second, the introduction states that a goal of the new contract and model is the “addition of Independent-Driver Providers.” In fact, the intention of the new broker, Veyo, is to rely extensively on an Uber-style transportation mode -- using drivers who are not required to meet the rigorous requirements for drivers employed by livery companies – untried and untested in Connecticut. This model has caused a series of problems in other states. And it is particularly problematic to use such a scheme with a capitated, for-profit broker, which, freed of the mandate to pay any minimum rate, can and likely will cut corners as much as possible so as to keep more of the capitated payments for itself. Such a model is very likely to result in a deteriorated quality of service whereby low-income individuals
forego needed, preventative medical treatment because the service is simply not reliable or safe, resulting in higher costs to the state for the treatment of avoidable medical complications.

Conclusion

On April 21 2016, two dozen advocacy groups wrote to Commissioner Bremby urging that he not adopt a capitated model for the new NEMT broker, as such a payment methodology is unwise policy for ensuring access to quality services. The concerns expressed then are now heightened because the Department has also chosen to tie that payment methodology to an essentially unregulated independent driver model where the at-risk broker will have every incentive to pay such drivers as little as possible. At a bare minimum, if the Department is going to implement this risky model, meaningful, independent oversight of the program involving the full range of stakeholders is necessary. The Department should retain and reinvigorate the NEMT Quality Assurance Committee to make this possible.

Thank you for your attention to these comments.

Sincerely,

Sheldon Toubman  
Staff Attorney  
New Haven Legal Assistance Ass’n

Jamey Bell  
Executive Director  
Greater Hartford Legal Aid

Kristen Noelle Hatcher  
Managing Attorney, Benefits Unit  
Conn. Legal Services

Kathy Flaherty  
Executive Director  
Conn. Legal Rights Project

cc: Commissioner Roderick Bremby  
Kate McEvoy, Esq.  
Rep. Catherine Abercrombie  
Senator Terry Gerratana  
Senator Joseph Markley  
Rep. Michelle Cook  
Rep. Hilda Santiago  
Sen. Marilyn Moore  
Rep. Jonathan Steinberg