

Position Statement

For 2023 Session

Rate Increase for Nonemergency Medical Transportation (NEMT)

Proposal

Issue:

Nonemergency Medical Transportation (NEMT) provides Medical Assistance (MA) enrollees with transportation to and from nonemergency medical service appointments. This program is essential for enrollees who have no other means of transportation to access health care services.

MN State Statute 9505.0445, Section R, sets the rates paid to NEMT providers. Providers have stated that these rates are no longer sufficient. In 2022, some providers discontinued service to fee-for-service Medical Assistance (MA) enrollees in response to the current rates, citing record fuel prices, insurance rate hikes and workforce issues, among others.

If NEMT rates are not increased, the State is at risk of seeing additional providers halt or discontinue services. It is critical that the rates are increased to a sufficient level to avoid a crisis.

MN State Statute 9505.0315, subpart 5c, reads that “no load” transportation (when part of that transportation occurs without the MA enrollee being transported in the vehicle) is an excluded cost and not eligible for payment as medical transportation. This Statute creates an access barrier for enrollees when medical needs require care outside of their local community.

When a provider travels to transport a MA enrollee to/from a medical service appointment and the enrollee is a “no show” for the ride, the provider receives no reimbursement yet incurs the cost of fuel, staff time, wear & tear on the vehicle, etc. Also, when appropriate the provider “waits” for the MA enrollee to attend the medical service appointment, the provider is not reimbursed yet pays the driver for that “wait time”.

Lastly, per 9505.0140, Subpart 1B. establishes direct mileage reimbursement to the MA enrollee or the enrollee’s driver. The low rate for this direct reimbursement is so low that it does not incentivize MA enrollees to drive themselves or independently find their own driver for medical service appointments. The low rate does not cover the high cost of fuel and possible vehicle maintenance as a result of traveling to medically necessary services. Given the workforce challenges for NEMT providers across the State of MN, investing in this payment methodology may provide relief for the NEMT provider shortage.

Implementation Strategy:

Implement rate increases for all NEMT providers. Implement a flat rate payment methodology for NEMT providers if their trip is in excess of TBD miles to cover their incurred costs (fuel/staff time/vehicle maintenance) when traveling to either pick up and/or after dropping off an enrollee at a medical service appointment. Implement a flat rate payment methodology for NEMT providers to cover the cost of “no show” rides. Implement a flat rate payment for “wait time” when the distance to the medical appointment is more than TBD hours. Implement a rate increase for direct mileage reimbursement to the MA enrollee or the enrollee’s driver.

Systemic Priority Alignment (highlight all that apply and explain why)

- **Equity**
- **Integrated Services**
- **Fiscal Framework**

From the GARE Toolkit (See www.racialequityalliance.org): What are the racial equity impacts of this particular decision? Who will benefit from or be burdened by it? Are there strategies to mitigate unintended consequences?

Comments:

Minnesota has some of the greatest health disparities in the country between white residents and people of color and American Indians. Public investment in transportation is one way of addressing these disparities. Research shows that communities of color and people from different cultures heavily rely on public transportation compared to white residents; for example, 27% of Latinos rely on public transit compared to 14% of the white population. Often, local NEMT providers represent their own communities or work in the communities that need help the most. Having a viable NEMT network improves health equity for low-income communities and communities of color/cultures by helping people from those communities get to essential health care services in a safe, convenient, accessible, and affordable way. The increase should be viewed as a direct financial investment into the communities that traditionally were displaced by the government. Increasing rates will aid in supporting those small, local providers to stay in business, which in turn ensures residents have choice of provider. The report on health equity and transportation calls for the government to measure the effectiveness of the transportation system by how well government connects people to jobs and other essential services (like medical) via transportation. Additional investments, including adequate direct enrollee mileage reimbursement, are necessary to achieve a positive outcome.

Relevant Committee (highlight all that apply and explain why)

- **Adult Services**
- **Behavioral Health**
- **Children's Services**
- **Equity**
- **Healthcare**
- **Modernization**
- **Policy**
- **Self-Sufficiency**

Why:

Rationale/Background:

NEMT is a federally mandated benefit that enables Medical Assistance enrollees to access covered healthcare (medical) services using the most cost-effective mode of transportation for nonemergency medical service appointments. The federal government requires States to provide NEMT assistance to the nearest qualified provider using the least expensive type of appropriate transportation. Types and levels of transport are determined by medical necessity. Eligible providers must meet specific criteria as defined by MnDOT vehicle and driver requirements, additional driver and attendant training for protected transportation services and Minnesota Health Care Program (MHCP) provider enrollment or local county or tribal agency criteria.

Before 2009, the State managed all components of NEMT services. Currently NEMT is administered in a variety of ways across the State, from the Medical Transportation Management (MTM) model to individual counties or regions contracting directly with transit providers/volunteers.

Per MN Rule 9505.0140, Subp. 2., since 1987 the local agency (county) must submit every two years a local agency procedure/plan that specifies in part the means the local agency will use to meet the requirements of transportation by volunteer driver, common carrier, or contract for service, or direct mileage reimbursement to the MN enrollee or enrollee's driver. The local agency must pay directly for these services and may charge them to the medical assistance program administrative account for reimbursement.



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