

State Medicaid Non-Emergency Medical Transportation Contracts

Key Provisions, Standards, and Considerations

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ABOUT HMA

Health Management Associates, Inc. (HMA), is a leading independent national research and consulting firm specializing in publicly funded healthcare and human services policy, programs, financing, and evaluation. Founded in 1985, today we have over 700 consultants and still growing. We help clients stay ahead of the curve by providing skilled analysis, technical assistance, resources, decision support, and expertise.

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EXECUTIVE SUMMARY

Federal statute requires states to provide non-emergency medical transportation (NEMT) to Medicaid beneficiaries who have no other means of getting to medically necessary healthcare facilities. Most states either contract directly with NEMT brokers that manage the benefit or carve NEMT into their contracts with managed care organizations (MCOs), which generally subcontract with NEMT brokers. However, state Medicaid agencies are ultimately responsible for providing their members with safe, timely, and efficient transportation.

Though NEMT programs must meet certain federal requirements, states have considerable flexibility in the design and operation of their NEMT program. As a result, states vary widely in their NEMT procurement and contract standards, metrics, reporting, and enforcement of requirements for NEMT brokers, MCOs, and transportation providers. To better understand the range of NEMT contract provisions and stakeholders' experience with them, Health Management Associates, Inc. (HMA) examined NEMT-related requests for proposals (RFPs) and contracts for five states and interviewed state Medicaid officials, transportation brokers and providers, MCOs, advocates, and subject matter experts (SMEs). The goal was to synthesize the information gathered to help inform states and other stakeholders about key NEMT standards, challenges and successes, and considerations for developing RFPs and contracts and improving NEMT programs.

Across stakeholder types, the following are commonly cited “critical” elements and objectives of NEMT contracts:

- Rider safety and protection (e.g., driver vetting/credentialing, required rescue lines for members experiencing an unsafe ride)
- Robust network adequacy, using measures such as on-time pickup and arrival at appointments and missed trips
- “Reasonable” call center metrics to ensure appropriate customer service
- Positive rider experience, using quality indicators such as driver behavior, rider complaints, and driver ability to manage special needs populations
- Education and outreach to Medicaid beneficiaries and medical facilities to promote awareness of NEMT and how to access it

The following are recommendations for states that are developing NEMT RFPs and contracts, based on the experience and lessons stakeholders shared when interviewed:

- Leverage emerging standard contract provisions and metrics to reduce administrative burden and allow performance comparisons but also incorporate state and local needs and circumstances.
- Provide adequate rates that enable brokers to pay transportation providers sufficiently to address network gaps in rural areas and maintain a robust provider network; consider annual reevaluation of utilization and costs and potential rate adjustments.
- Use RFPs to elicit how brokers (or MCOs) will address evolving issues and challenges, such as how they will leverage technology to improve access and efficiency to allow greater investment in the network and services.

- Define clear requirements that specify how performance will be measured and enforced, prioritizing rider safety and on-time arrival to medical appointments.
- Avoid requiring 100 percent compliance on performance standards (with a few exceptions) that are impossible to meet, as well as requirements that are administratively burdensome and add little value, such as in-person trainings beyond the initial onboarding and requirements for livery plates or chauffeur licenses.
- Extend flexibility to brokers (and MCOs) to find solutions to transportation provider shortages, including incentives to take rides in rural areas, technologies that facilitate mileage reimbursement, and use of transportation network companies (TNCs) with appropriate guardrails.
- Strengthen stakeholder engagement among states, brokers, MCOs, transportation providers, medical facilities, and Medicaid beneficiaries with lived experience. When creating the RFP, invite feedback from stakeholders. During the contract term, establish regular meetings and lines of communication to identify, discuss, and address challenges.

NEMT is a critical Medicaid benefit. States need to set standards and provide oversight of this service regardless of the administrative model. In the future, it will be important that states, partnering with other stakeholders, monitor and both influence and adapt to the evolving market, using NEMT contracts as a strategic tool. Ongoing efforts are needed to foster communication across states and with other NEMT stakeholders, evaluate the impact of trends and strategies on NEMT access and quality, and disseminate best practices that emerge.



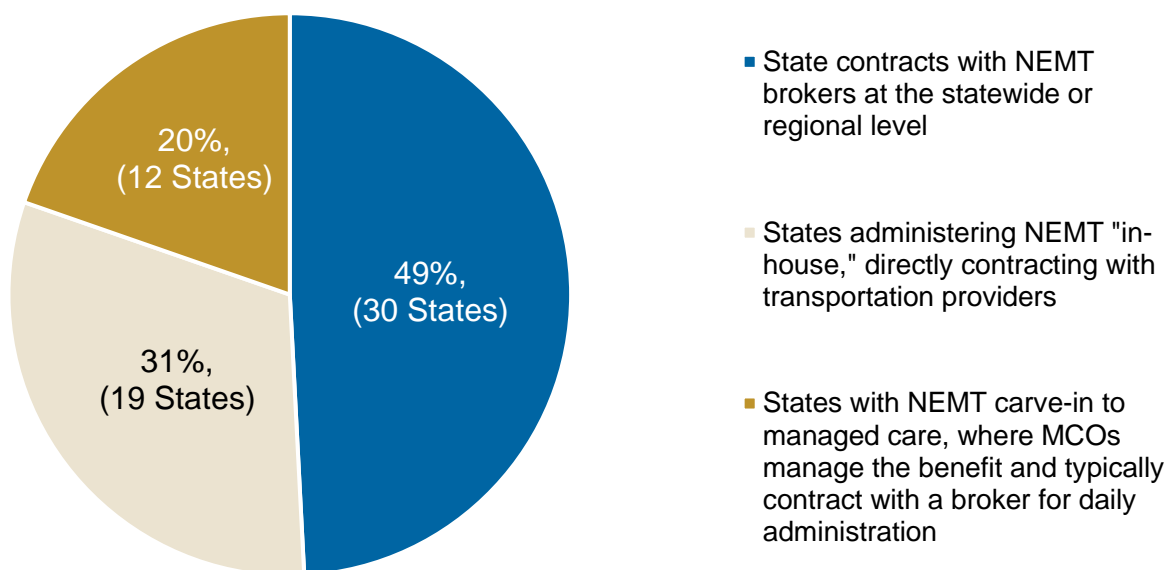
BACKGROUND AND STUDY GOALS

Transportation is a critical service that assists Medicaid enrollees with accessing covered Medicaid services and has a direct impact on health outcomes.¹ Federal statute requires states to provide non-emergency medical transportation (NEMT) to Medicaid beneficiaries who have no other means of transportation to medically necessary healthcare services.^{2,3,4,5} States must describe the methods they use to meet this requirement in their Centers for Medicare & Medicaid Services (CMS)-approved state plans.

Though NEMT programs must meet certain federal requirements⁶ (e.g., least costly mode appropriate for the rider's condition, nearest qualified provider, driver qualifications, and vehicle safety⁷), states have considerable flexibility in the design and operation of the NEMT program, as well as setting payment rates.

Figure 1 summarizes the models states use to administer NEMT.^{8,9} Most states either contract directly with NEMT brokers who manage the benefit or carve NEMT into their contracts with managed care organizations (MCOs) as part of the state's managed care benefit package. These MCOs typically subcontract with NEMT brokers to manage the benefit, but some may also contract directly with transportation providers. NEMT brokers build networks of local transportation providers and administer call centers, ride scheduling, quality controls, and myriad operational and oversight functions. Some states manage NEMT in house, and many states use a combination of approaches, varying the model for different subpopulations of Medicaid recipients, such as Tribal populations and fee-for-service (FFS) enrollees.^{10,11}

Figure 1. Models for Operating State Medicaid NEMT Programs



*The total number of states is greater than 50 states because 20 states use combination approaches; these may involve a carve-in for Medicaid beneficiaries in managed care plus state-operated in-house (9 states) or statewide broker arrangement (8 states) for those in fee-for-service or other special populations; or state-operated plus state contracts with regional brokers (3 states).

Source: Texas A&M Transportation Institute and RLS and Associates, Inc. Wheels to Care: Navigating NEMT Across America, December 2024.

States vary widely in their NEMT procurement and contract standards, metrics, reporting, and enforcement of requirements for NEMT brokers, MCOs, and transportation providers. Though minimal standards may result in poor quality and limited access to critical transportation services, overly prescriptive and burdensome requirements run the risk of brokers declining to bid on contracts because of concern about the administrative burden and potential negative impact on their (and transportation providers') financial stability.

To better understand these dynamics, Health Management Associates, Inc. (HMA) examined state contracts with brokers and MCOs and sought a range of perspectives from NEMT stakeholders to assess key contract requirements, strategies, and lessons. This report is intended to inform states, MCOs, and other stakeholders about NEMT standards, state challenges and successes, and considerations for developing requests for proposals (RFPs) and contracts while promoting safe, timely, and effective transportation services for Medicaid beneficiaries.

METHODOLOGY

This study included the following:

- A review of reports and materials on NEMT models, regulations, and CMS guidance
- Selection of five states for in-depth study based on criteria seeking variation in the NEMT administrative model, geographic location, and urban/rural/frontier mix
- Review of selected states' NEMT RFPs, contract(s), service manuals, and other relevant documents
- Semi-structured key informant interviews with Medicaid state officials in the five selected states, representatives of MCOs, NEMT brokers, transportation providers, beneficiary advocates, and national subject matter experts (SMEs)
- Analysis of information collected.

HMA selected and studied NEMT programs in Arizona, Connecticut, Maine, Nevada, and Tennessee. From October 2024 through March 2025, HMA conducted 15 interviews with a total of 34 individuals, in addition to obtaining verbal and written responses to HMA questions from additional stakeholders. Appendix A is the interview guide we used for state officials; for each discussion, we tailored the questions based on the interviewee's role and specific state considerations. Appendix B presents profiles of the NEMT contracts in the five states studied.

FINDINGS

The state Medicaid officials, NEMT brokers, MCOs, transportation providers, advocates, and national experts interviewed brought varied experiences to our discussions. In the following pages, we summarize their perspectives across several key aspects of NEMT procurement and contracting, including contract standardization and tailoring, specificity and flexibility, enforcement, and key issues related to transportation networks, technologies, program integrity, and other areas. We also present lessons for NEMT contracting and key considerations for states and other stakeholders for developing contracts for and improving NEMT services.

Contract Specificity and Enforcement Mechanisms

Standardizing Versus Tailoring Requirements

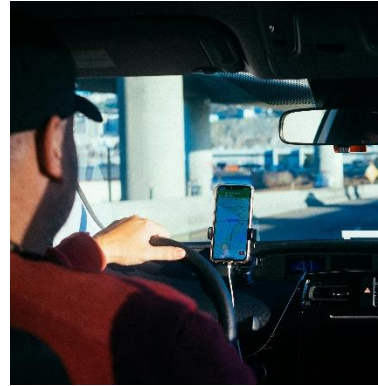
Most NEMT contract provisions can benefit from standardized requirements and metrics, but certain provisions should be tailored to state-specific circumstances and pain points.

State officials, advocates, and SMEs acknowledged that having national standards for NEMT requirements and metrics would be helpful as states develop RFPs and contracts.

- A state official reported examining other state contracts when developing the RFP to better understand common and best practices in NEMT contract requirements.
- An advocate noted that model laws and national standards could serve as a starting point for states, which states could adjust to meet their individual circumstances.
- Tools are emerging for states seeking NEMT standards. For example, the Non-Emergency Medical Transportation Accreditation Commission (NEMTAC), recognized by the American National Standards Institute (ANSI), is developing standards for transportation provider accreditation, transportation specialist education, performance measures, data definitions, and broker standards and accreditation. Intended for voluntary adoption, it is still unclear how widely the standards will be applied.

Interviewees across types agreed that clarity, standardization, and alignment of reporting requirements reduce administrative burden and facilitate quality oversight.

- An MCO called on states to provide clear guidance about how reports should be pulled to assess on-time performance. They noted that reporting data based on the date of the claim versus the date of service results in different outcomes and causes fluctuations in meeting state standards throughout the year.
- Tennessee Medicaid (TennCare) uses **standard report templates for MCOs and brokers, which are filtered down to comparable reporting requirements for transportation providers**. This approach reduces the administrative burden on providers that contract with multiple brokers and on brokers that work with multiple MCOs. It also enables the state to compare quality metrics across entities and recognize outliers.
- TennCare developed **a data dictionary to help stakeholders pull the data consistently**.



PETER HICKS
EXECUTIVE DIRECTOR
NEMTAC

“We are developing the ruler, not telling the industry how to use the ruler.”

CONSUMER ADVOCATE

“Some general national standards could be a helpful starting point. States can adjust from there.”

- In 2021, TennCare, MCOs, and brokers, with support from a technical vendor and NEMTAC, partnered to pilot shared digitization of driver, vehicle, and corporate credentials through a secure platform. The pilot enabled efficient analysis of credentials for drivers and vehicles and real-time auditing of network compliance, reducing administrative burdens and the risk of fraud, waste, and abuse (FWA).¹² This type of technology and collaboration could be a step toward standardization within a state as well as across states.

Interviewees also agreed that states should seek to tailor the contract in a way that addresses pain points.

The most cited NEMT challenges facing all stakeholder types are transportation workforce shortages, late rides and no-shows, insufficient rates, and rider complaints—all of which are interrelated. An advocate described consumer pain points around long wait times for rides and the need for call center staff to be more respectful, knowledgeable, and culturally responsive (including the ability to communicate in languages other than English).

Each state has specific circumstances—such as remote regions and public transit infrastructure—that should be addressed in the contract and program.

- For example, Arizona has made changes to its NEMT policy to accommodate access for Tribal communities in rural areas. One Tribe located in the Grand Canyon could be reached only by foot or horseback, so NEMT was expanded to cover helicopters into and out of the canyon.
- In Nevada, state Medicaid officials noted specific challenges for ride scheduling with facilities and created a separate community partners customer service helpline, using staff with specialized training on resources to support healthcare facilities, hospital discharge social workers, and dialysis centers that are scheduling transportation on behalf of their patients. To reduce barriers in rural areas, Nevada removed long distance verification requirements since they report that NEMT trips in 90 percent of rural counties met the minimum 100-mile distance requiring verification. They also removed the out-of-state notification requirements when a rider in a rural area is going to a provider in a bordering state catchment area.

Prescriptiveness Versus Flexibility in Contracts

Stakeholders agreed on the importance of balancing the prescriptiveness of NEMT contract requirements to promote quality, with flexibility for brokers (and MCOs in carve-in states) to effectively manage their networks and find creative solutions to challenges as they arise.

Opinions varied about where the appropriate balance lies.

- Maine's broker contract has numerous performance standards that address vehicle safety, customer satisfaction, call center abandonment rate and speed to answer, stranded members, missed trips and appointments, trip length, timeliness of scheduled pickup time, drop-off time, same-day, urgent care, will-call, and hospital discharge pickups.

- Nonetheless, Maine brokers have flexibility to address their pain points, including **rider** behavior and no-shows. Brokers described how transportation providers sometimes refuse to pick up serial no-show riders or those with behavior issues or ask to be reimbursed for no-shows. One broker shared that the state supported implementation of a rider no-show policy that includes education and consequences for riders who miss up to three scheduled trips without good cause. This policy has reportedly resulted in significant cost savings for the broker and improved relationships with transportation providers. Brokers noted that in general, it would be **helpful if the state or MCO made clear that they will support or collaborate on broker processes to manage and report challenging behaviors.**
- The Nevada Medicaid Services Manual (MSM), Chapter 1900, describes a range of NEMT requirements but offers few specific performance metrics for the state broker. In March 2025, Nevada awarded contracts to expand managed care statewide and carve NEMT into a new managed care rural service area.¹³ The RFP established that the MCOs are responsible for NEMT according to the MSM, but the state anticipates that the MCOs will supplement the MSM guidelines and use their leverage and resources to address provider shortages and complaints in rural areas.
- Tennessee's MCO contract includes 15 performance metrics, including call center, timeliness, and vehicle and driver standards, and associated liquidated damages.¹⁴ The penalties are assessed at the agency's discretion, but, at a minimum, each time a member missed their appointment. A state official stressed the importance of including basic standards in the state MCO contract to ensure the program is administered consistently across MCOs statewide, and that MCOs prefer this approach because it allows them to enforce the standards more easily with their brokers and providers. Further, they reported that MCOs sometimes ask the state to add requirements in the managed care contract to support changes they would like to make but need the state's support to implement and enforce.
- In contrast, Arizona's MCO contract has few requirements specific to delivering most Medicaid benefits, including NEMT; an approach the state describes as allowing MCOs to act in the best interests of members and the plan. The contract's one NEMT-specific performance measure is for timely pickup and drop-off times, implemented within the past two years based on 10 years of average timely trip data. The state provides further details for NEMT in the AHCCCS Medical Policy Manual,¹⁵ which includes a policy with transportation requirements.¹⁶
- An expert suggested that **states should set minimum standards, giving brokers and MCOs (in carve-in states) flexibility on how they meet the guidelines (e.g., how they schedule the trips, whether and how they use TNCs) and that brokers/MCOs could be more stringent than states but not less.**



Monitoring, Reporting, and Enforcing Compliance

Stakeholders agreed that balance is needed between the volume of contractually required performance metrics and consideration of the administrative burden on brokers and transportation providers.

States ultimately are responsible for ensuring timely and safe transportation, and therefore oversight of contractors is essential. State monitoring of NEMT typically includes requiring reports or dashboards, state audits, and access to complaint information, though the frequency, type, and number of data points vary across states. Interviewees stressed the importance of **identifying and emphasizing priority measures and keeping the volume of metrics to be measured and reported manageable**. They said this approach will reduce the burden on the state, brokers, MCOs, and providers, while also allowing brokers and MCOs to address specific issues and challenges in their contracts with transportation providers.

- One broker suggested that eliminating certain reporting or metric requirements could be a cost saving to the state if a broker has proven to meet them consistently. Occasional audits could ensure continued compliance.
- An MCO in Arizona shared that recent consolidation has left only one registered broker in the market, making it harder to enforce performance metrics (such as the 95 percent timeliness standard) on the broker. They also noted that the timeliness metric does not address top rider complaints, such as rides being canceled and discourteous drivers. They raised concerns about the one-hour wait time standard for pick-up, which can be dangerous during hot summers. Due to the lack of competition, however, the state's contractual standards for timeliness do not allow the MCO to impose shorter wait times for higher risk patients, such as those returning from dialysis appointments. They suggested that the state should create enforceable metrics related to broker-canceled or incomplete trips and member complaints as long as only one broker continues to be available in the market.

Different stakeholder types agreed that holding NEMT services to a 100 percent performance standard threshold is unreasonable, particularly for completed and on-time trips and rider complaints, given the sheer number of trips.

Contractual standards call for meeting a certain performance threshold (e.g., X% of trips must meet on-time criteria). Thresholds often relate to call center metrics, claims turnaround time, wait times, missed trips, member complaints, vehicle and driver standards, late reports, and others. Notably, NEMT services face unique circumstances including factors outside of a broker's control, such as traffic, weather, and member no-shows, as well as workforce challenges that have worsened since the COVID-19 pandemic. Most interviewees thought that **standards of 95 percent to 99 percent are reasonable and attainable**.

- Timeliness was noted as a more difficult standard to meet than missed or completed trips due to variations in the way it is measured, as well as factors beyond a broker's control.
- Stakeholders noted the need for call center metrics that are "reasonable," though their definition of what is reasonable may vary.
- Some **exceptions were noted where 100 percent standards are enforceable**, such as responding promptly to complaints, reporting critical events, ensuring riders are not abandoned, and conducting driver background checks for safety-related issues (e.g., sexual abuse of a child).

- An advocate suggested that in addition to requiring member surveys to understand riders' experiences, ***states could require that brokers/MCOs develop solutions and make operational changes based on the results.***

Many states tie their performance standards to financial penalties, such as withholds, liquidated damages, and sanctions.

Most interviewees across stakeholder types agreed that financial penalties are effective mechanisms for enforcing contract standards and holding entities accountable to meeting specific requirements and behaviors. Some of the insights and recommendations they shared include:

- Penalties often, and should, focus on the most critical areas, including rider safety and ride availability.
- Excessive penalties run the risk of making a bid unattractive even to top performing brokers/providers.
- States should use some flexibility in enforcing penalties and sanctions depending on specific circumstances and outcomes.
- An advocate noted that penalties are assessed after the fact, and ***some circumstances, such as a very delayed pickup or no-show, or if a rider feels unsafe in a vehicle, require helping the member in the moment.*** States should explore requiring the broker or transportation provider to have an emergency line that the person can call if their ride fails to show up within a certain time, and a call center that can track the vehicle and tell them how far away the ride is or send a back-up vehicle. Another advocate similarly stressed the importance of addressing riders' uncertainty about how long the wait may be or whether they will make their appointment.

Sanctions and financial penalties are also used by MCOs in their arrangements with NEMT brokers, and by some brokers in their transportation provider agreements.

MCOs and brokers differ in how they pass state-defined performance standards through to their contracted broker or providers. One stakeholder noted that standards, liquidated damages, and corrective action plans (CAPs) generally trickle down from state to MCO to broker to provider; however, brokers may be more selective in imposing penalties on providers because many cannot afford them, and brokers want to maintain their networks.

Interviewed MCOs and brokers agreed that states should monitor access, timeliness, overall spending, and utilization, but MCOs and brokers should continue to have flexibility to implement stronger or different standards and penalties in their own contracts with brokers and providers, respectively, to manage network performance.

- In both Tennessee and Arizona, MCOs pass along state requirements to their brokers and providers. One MCO noted that any additional requirements they impose beyond state requirements are maintained in their provider manual as an extension of the contract.

- MCOs in Arizona also have included their own metrics, standards, and associated penalties in their broker and provider contracts, which they consider critical to incentivizing broker performance. One MCO's contract requires brokers to maintain network capacity in each county that exceeds state requirements and includes metrics and penalties related to call center, grievance resolution timeliness, and incomplete trips due to no-shows.
- Similarly, a Maine broker requires its contracted transportation providers to call if a member is a no-show and assesses liquidated damages for noncompliance. This communication enables the broker to learn about changes in the member's condition, such as a hospitalization, so the broker can adjust for any upcoming scheduled trips.

Some states use non-financial penalties such as performance improvement plans (PIPs), CAPs, threat of early procurement, and impact on scoring in next procurement.

Stakeholders reported that CAPs or PIPs are effective because brokers and MCOs take them seriously. In addition to taking time and effort, CAPs and PIPs must be reported on future proposals, even in other states (this practice applies broadly across Medicaid managed care and is not unique to NEMT). One broker recommended that PIPs and CAPs should include graduated phases including identifying issues when they first occur, establishing clear steps for addressing them, monitoring improvement, and completion.

- Although Maine includes many performance standards in its broker contract, the state does not tie any financial penalties to those metrics. Instead, Maine has a graduated CAP that begins with a root cause analysis of why brokers are unable to meet the metric(s) and a timeline with a completion date for compliance. If the broker fails to complete the CAP, the entity will receive a formal letter that continued poor performance will be factored into the state's assessment and scoring of the next scheduled RFP or that "the Department may issue an RFP earlier than scheduled if compliance is not achieved by a date established."¹⁷ The state reports that this process has been effective in enforcement of contract standards.
- Tennessee also has a progressive CAP process for all Medicaid benefits that begins with a request for information (RFI) to gather and assess pertinent data. If deficiencies are found, the state can escalate to an on-request report (ORR) with daily monetary penalties or a CAP with additional daily monetary penalties.
- Arizona's contract requires MCOs to initiate corrective action when an NEMT provider is out of compliance with state standards or laws.
- Some also mentioned that brokers have the authority to determine the number of trips they allocate to certain providers as rewards or penalties for performance.



Stakeholders expressed mixed opinions about the value of upside incentives or pay-for-performance provisions in NEMT contracts, which are less common than penalties at present.

Many interviewees suggested that investing in high performance through incentives is a better means of changing behavior than penalties because most brokers factor anticipated liquidated damages into their budget and pricing structure. However, some interviewees noted challenges in the administration and effectiveness of incentives in comparison with penalties.

- Connecticut is the only participating state that includes performance incentives in the broker contract. Brokers may earn up to 5 percent of the contract price if they meet certain metrics related to call center performance, on-time pickups, rate of unfilled trips, use of public transportation, and member satisfaction. The incentive framework uses a tiered approach in which brokers can earn higher incentives based on the performance measurement threshold they reach (e.g., 80%–85%, 85%–90%, etc.). The state expressed interest in expanding incentives and adding others related to trips for non-medical services such as those that satisfy health-related social needs. The broker reported that although they have never achieved the full 5 percent incentive, they have achieved about 3.5 percent. They meet monthly to discuss how to further improve and reach the next incentive tier.
- Nevada eliminated financial incentives during revisions to its contract in 2021, which they report was due to their broker consistently meeting requirements.
- Tennessee is considering incentives and suggested starting with a provider report card that gives providers insight into their performance and what they could achieve. The state is collaborating with MCOs and their brokers to implement a provider spotlight program to recognize high-performing providers.
- Maine has yet to consider upside incentives because the state maintains they add complexity to the administration of the program, though brokers may offer upside incentives to transportation providers that deliver better performance.
- One broker suggested that incentives should go to the providers or drivers that are transporting the riders rather than the broker because they provide the services that are being evaluated.
- Individual brokers and MCOs may implement their own incentives with their contracted brokers and providers; however, some interviewees noted it can be a complicated process.

Table 1 on the following page summarizes contract enforcement for the states studied.

Table 1. State Contract Enforcement Tools

State	Non-Financial Penalties (e.g. CAPs / PIPs)	Financial Penalties	Upside Incentives	Notes
State Broker NEMT Contracts				
CT	✓	✓	✓	<ul style="list-style-type: none"> • Exceptions to some standards allowed due to long distances in rural areas.
ME	✓	-	-	<ul style="list-style-type: none"> • If noncompliance continues after CAP, the state notifies broker that continued noncompliance may affect scoring in next RFP. • If noncompliance continues, the state communicates that the RFP may be issued earlier than scheduled.
NV	-	*	*	<ul style="list-style-type: none"> • Broker provides monthly performance checklists. • State monitors complaints, provides real-time feedback to facilitate improvements.
State MCO Contracts with NEMT Carve-in				
AZ	✓	-	-	<ul style="list-style-type: none"> • MCO must provide corrective action steps for any quarter where the timely completed trip rate falls below 95%, with a timeline for meeting the performance target.
TN	✓	✓	✓	<ul style="list-style-type: none"> • State holds monthly workgroups with MCOs and brokers to discuss contract requirements, challenges, and opportunities for improvement. • This group is collaborating on a spotlight program to recognize high-performing providers.
NV**	-	-	-	<ul style="list-style-type: none"> • Establishes that MCO is responsible for NEMT; MCO may subcontract to fulfill obligation.

*Nevada eliminated financial penalties and rewards (incentives) in 2021 contract revisions.

**Nevada is expanding managed care to its rural areas with NEMT carved in. (2024 RFP MCO Rural 40DHHS-S3037, Attachment E Scope of Work)

Transportation Network Standards and Considerations

Network capacity, especially in rural areas, is an ongoing challenge.

Stakeholders across types agreed that contract provisions related to monitoring and ensuring network adequacy are critical.

- Transportation provider shortages are **especially acute in rural areas**. In addition to fewer drivers, NEMT providers who accept rides in rural areas typically receive no payment for lengthy “unloaded” or “deadhead” trips; that is, on the way to pick-up or after drop-off when a rider is not in the vehicle. In its 2023 guidance, CMS offers states the option of incorporating these costs in their NEMT base rates if they obtain approval through a state plan amendment (SPA).¹⁸ Some interviewees noted that some brokers already offer higher rates in rural areas to account for these higher costs. Nonetheless, provider shortages remain a major challenge.
- Workforce challenges also arise when individuals need transportation to services multiple days a week (e.g., to methadone clinics), or outside normal business hours (e.g., 9:00 am–5:00 pm).
- Shortages often result in late pickups or driver no-shows, which fuel complaints from both riders and medical facilities. MCOs cite NEMT complaints as the most frequently received grievance across all services for which they are responsible.

Measuring Network Adequacy and Monitoring Capacity

Stakeholders widely agreed that performance-based proxies for network adequacy, such as on-time rides and missed trips, are more valuable than a required number or ratio of transportation providers to eligible beneficiaries.

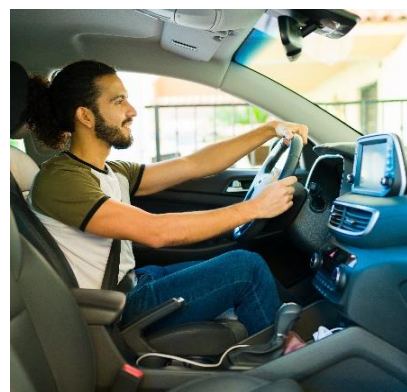
On-Time Performance and Missed Trips

While timeliness is considered one of the most important measures of NEMT performance, states vary on how they assess it. Metrics include on-time pickup (based on the scheduled time), and on-time drop off (arrival at the medical appointment).

Most interviewees prioritize on-time arrival for the medical appointment, noting that getting the rider to the appointment is the goal of the NEMT benefit. Similarly, missed trips, driver no-shows, or “abandonment” also are cited as important metrics, as they can have a serious impact on the rider and are indicators of insufficient network capacity.

NEMT BROKER

“[During the RFP and proposal stage,] the state should work with the brokers to ensure that capacity is achieved even before Day One.”



NEMT BROKER

“Some contracts include an arbitrary ratio of providers that should be in the network that does not enhance quality. It should be up to the broker to manage the network to ensure a standard is delivered.”

- A broker complained that even when the rider arrives on time for the appointment, if the driver arrived after the scheduled pickup time, it is considered late and subject to penalty. A state official, however, noted that late (or very early) pickup can be upsetting to the rider and disruptive to the family's planned schedule.
- Assessing timeliness is further complicated when the rider does not have a set appointment time; for example, when they are going to a drug rehabilitation/methadone clinic that has drop-in hours during a certain window of time. In these instances, drivers are still considered late if they arrive after the scheduled pickup time.
- Other metrics often required relate to will-call pickups for unscheduled return trips after the appointment ("B leg"), as well as the amount of time in transit to ensure the driver uses an efficient route without unnecessary delays.

Many interviewees agreed that ***different On-Time Performance (OTP) Standards should apply to urban and rural areas***. For example, Maine requires scheduled same-day, urgent care, will-call, and hospital discharge pickups to occur within one hour of notification within urban areas and within two hours in rural areas given the longer travel distances and more limited providers.

Another consideration is whether there should be ***stricter OTP and missed trip standards for critical (life-sustaining) care and for special populations***, such as minors or individuals enrolled through home and community-based services (HCBS) waivers for individuals with intellectual and developmental disabilities (I/DD). One broker described setting a 95 percent OTP requirement for waiver members and 85 percent OTP for the general population, even though the state did not have separate standards.

All stakeholders stressed the importance of accurate data in determining performance standards for OTP and missed trips.

- Additionally, stakeholders across types agreed on the value of using historical data and trends to help brokers and MCOs determine the number and types of vehicles needed for each region. States may assist by providing historical data by level of care (e.g., wheelchair and stretcher vans).
- Arizona state officials noted the importance of sharing data files during beneficiary transitions between MCOs; they reported sending standing orders and utilization data between the former and new MCOs/brokers.

NEMT BROKER

"On Time Performance is a totality of what can be considered separate metrics. It isn't isolating late trips, missed trips, it's a comprehensive snapshot of performance and it works for almost every environment and region as there are challenges and nuances everywhere."

- Brokers reported using their own and any state data available on beneficiaries, historical utilization, late arrivals and no-shows, and other metrics. They use the data to determine the number of drivers needed and increase permanent assignments of drivers for standing order rides (which they estimate to be ~65% of trips) to minimize service impacts and improve continuity of care and rider satisfaction.
- States also use data from brokers to monitor trends. For example, Maine requires brokers to report the number of additions or subtractions of the number of their transporters to monitor trends and network adequacy.
- NEMTAC is developing a data repository to gather NEMT performance data contributed by brokers, state agencies, and payers for analysis. The results could inform states and other decision-makers in setting achievable metrics and standards.¹⁹ NEMTAC preliminarily recommends different standards for rural and urban areas, and measuring OTP based on the drop-off time (getting the member to the appointment on time), along with good communication between the driver and the passenger about estimated pickup arrival with updates (e.g., unexpected traffic delays.)

Adequate Payment and Incentives to Address Gaps and Maintain Network Adequacy

Brokers particularly emphasized the importance of sufficient NEMT payment rates from states and MCOs, whether capitated or a combination of administrative and per member per month (PMPM) payments. Brokers argued that ***only with sufficient payment can they offer rates to attract high quality transportation providers and ensure network adequacy.***²⁰

- An MCO representative similarly called for sufficient rates that allow brokers to ***incentivize drivers to take NEMT trips rather than food delivery or personal transportation requests, which may pay more.*** Many drivers with their own vehicles, they note, will work for multiple companies and take the ride with the highest reimbursement.
- Brokers are concerned about rates that are locked in for a full contract term (such as three or more years) during which there may be a significant increase in cost of living or utilization. Maine addresses this issue by ***commissioning an independent third-party reevaluation of rates each year.***
- One stakeholder suggested that ***brokers should be incentivized to pass any excess margins along to providers*** (e.g., pay more attractive rates or compensate for wait times or no-shows). They cited a Texas policy whereby brokers exceeding a certain profit margin had to return funds to the state.



Rate incentives such as enhanced payment for unloaded trips or wait times encourage drivers to take rural, long distance, and peak time rides.

- Some states are considering, but have yet to use, CMS flexibility to cover wait times and/or unloaded mileage expenses “when the rider is not in the vehicle, when travel distance and travel times make it economically infeasible to enlist an adequate network of transportation.”²¹ Nonetheless, brokers and MCOs reported using this strategy. One broker emphasized the need to have **flexibility to set rates based on regional provider and Medicaid beneficiary density and distance (rural vs. urban), as well as ability to provide incentives in shortage/rural areas.**
- One MCO contracts with a broker but also maintains a few direct contracts with transportation providers that receive enhanced rates for rides in rural areas and for specialty services (e.g., wheelchair vans). The provider contracts require that the provider **accept at least 75 percent of all referred trips** to sustain the enhanced rates.
- Nevada state officials reported that their decision to carve NEMT in to managed care contracts for the new rural service area²² will enable the MCO to use its greater resources and flexibility when working with brokers or transportation providers to address workforce shortages and improve NEMT capacity.

Additional Strategies to Alleviate Network Challenges

Though most interviewees acknowledged that they have yet to fully solve network capacity challenges, most reported that certain strategies help alleviate the shortages.

In addition to using transportation network companies (TNCs), discussed further below, all stakeholder types described using additional strategies to supplement their transportation network.

- **Mileage reimbursement.** Though stakeholders noted higher risk of fraud, they suggested that educating and encouraging mileage reimbursement to Medicaid beneficiaries and their families for driving to and from appointments can alleviate network shortages.
- **Healthcare facility transportation providers.** Maine interviewees described state and broker outreach to healthcare facilities in areas without bus routes to encourage and assist them to become NEMT providers.

STATE MEDICAID OFFICIAL

“We need further education on the mileage reimbursement program. Members don’t know it’s an option.”

- **Broker self-referrals.** To prevent kickbacks and conflicts of interest, federal regulations prohibit brokers from directly providing transportation, except when participating or qualified providers are unavailable.²³ Maine allows broker self-referral for up to 25 percent of NEMT trips. A broker reported using its drivers on long distance trips, allowing network providers to cover more trips. Another broker reported purchasing wheelchair accessible vehicles for self-referred trips because the cost of such vehicles is a barrier for many transportation providers.
- **Independent drivers.** The Connecticut broker supplements its network with Independent Driver Providers (IDPs) who offer a rideshare-like model using an expedited onboarding process in rural areas that have service gaps.
- **Community or volunteer drivers.** In rural areas, Nevada taps RSVP²⁴ volunteers—drivers who use their own cars and receive some training but are not required to have a business license. In Maine, each broker contracts with a nonprofit organization that has volunteer drivers, though the pool of these individuals has declined since the COVID-19 pandemic.

Leveraging Transportation Network Companies

Federal guidance indicates that if states include transportation network companies (TNCs) such as Lyft and Uber (also known as rideshare companies) for NEMT, “the state would need to account for the medical appropriateness of the ride and the financial efficiency of using a TNC... (e.g., including any economies of scale that might be realized through a contractual agreement with a TNC).”²⁵ TNC usage for NEMT is increasing and evolving. At present, states vary in their statutes, regulations, and contracts regarding whether, when, and how TNCs may be used for NEMT. In general, TNC drivers do not have the same level of training as traditional NEMT providers in assisting individuals with significant physical or behavioral needs, nor are their vehicles equipped for wheelchairs.

While a consensus on best practices for TNC use in NEMT programs has yet to be reached, stakeholders agree that states should give brokers flexibility to use TNCs to fulfill rides for ambulatory riders, at least as back-up or recovery rides.

- Some state officials and brokers indicated that TNC use has increased significantly, but this has not sufficiently resolved network issues due to the lack of rideshare drivers in rural areas, limitations on the types of members they can transport, higher costs than many NEMT providers or public transit, and TNC resistance to traditional NEMT driver training and vehicle standards. This resistance results in pushback from NEMT providers that are required to meet the standards.
- However, riders are increasingly seeking the real-time, self-service on-demand transportation that TNCs offer. Adding TNCs enhances beneficiary choice of NEMT options and enables traditional NEMT providers to focus on riders with special needs.

STATE MEDICAID OFFICIAL

“In areas without bus routes, the state and broker do outreach and site visits to healthcare providers to help them become NEMT providers if they have a vehicle.”



KATHY LIN
SENIOR STRATEGY
MANAGER
LYFT

“TNCs are one tool in the NEMT toolbox. Living with supply constraints, TNCs taking ambulatory riders enables traditional NEMT providers to be used more efficiently, working at the top of their license.”

- TNCs are well-positioned and increasingly used by brokers to fill gaps when traditional providers are unavailable or fail to show up, particularly for short rides in urban areas. Lyft reported providing NEMT trips in 27 states and the District of Columbia, covering 70 percent of the Medicaid population as of March 2025. One SME expressed that brokers rely on TNCs to get trips completed.
- Stakeholders generally agree that TNCs will continue to play an important role in NEMT, but guardrails are needed, such as limiting their use to ambulatory riders without I/DD or significant medical or behavioral health needs. This could also free up traditional providers to take higher need riders.
- NEMTAC has developed standards for levels of service²⁶ related to the degree of assistance required at pickup and drop-off locations, and limit TNCs to curb-to-curb NEMT service (i.e., riders require no assistance and enter and exit the vehicle at the curb) and recovery trips when other drivers are unavailable. They recommend that criteria should be clearly defined. In Tennessee, Human Resources Agencies (HRAs)²⁷ that provide NEMT get the first option for a trip, and TNCs are used only as a back-up and if the rider is ambulatory.
- With some TNCs expanding their capacity for specialty rides (e.g., Uber Wave has wheelchair accessible vehicles), states and brokers need to consider additional requirements around TNC driver training, credentialing, and vehicle standards to meet rider safety concerns and level the playing field with traditional NEMT providers.

Use of Public Transit for NEMT

Despite contract provisions encouraging public transit, experience and utilization of public transit varies widely across states.

Interviewees across all stakeholder types acknowledged that using public transit for NEMT is a lower cost option, thereby meeting the federal efficiency requirement and incentivizing brokers with capitated rates to promote it. Many interviewees, however, described the lack of a public transit infrastructure and other challenges, especially since the COVID-19 pandemic, which have led many states to allow brokers and MCOs to manage its use without strict state standards. Key challenges include:

- Limited public transit outside urban areas, restricting its use
- Weather-related health and safety risks to individuals, especially in winter and summer
- Difficulty coordinating with public transit agencies, in some cases
- Rider preference for curb-to-curb transit, increasing complaints (that are often escalated) when forced to use public transit
- Difficulty monitoring rider completion of public transit ride to appointment (especially methadone clinics that are wary of sharing information about patients with brokers)
- Relative ease of obtaining a medical deferment from a medical provider or social worker citing inappropriateness of public transit given an individual's physical, cognitive, or behavioral needs and abilities, and brokers and MCOs that find appealing such deferments not worth the administrative cost



Nevertheless, some states and MCOs are making efforts and developing best practices for increasing use of public transit for NEMT when appropriate.

- Nevada has the highest rate (more than 70%) of NEMT public transit use, including buses and paratransit, among the states studied. State officials attributed this success to the following:
 - Coordination between the NEMT broker and Regional Transportation Commissions (RTCs) that have a state contract to assess a rider’s appropriateness to use public transit and arrange the rides.
 - A large share of public transit rides to methadone clinics in major urban areas, with many riders experiencing homelessness.
 - Strong **broker education of Medicaid members about the availability and rules around public transit** for NEMT.
- Connecticut Medicaid included a **performance incentive** in its 2023 NEMT broker RFP tied to “ability of the Contractor [NEMT broker] to expeditiously connect members to public transportation, so that members do not miss appointments or require a higher level of service due to delays in delivery of public transportation.”²⁸ Furthermore, Connecticut sought **strategies to increase public transit utilization** in its 2023 NEMT broker RFP (see Figure 2).
- A broker cited its pilot in Rhode Island partnering with a methadone clinic, whereby the **clinic is accountable for distributing bus passes and monitoring their use**. If successful, this approach could promote public transit use and mitigate delays in accessing treatment when Medicaid beneficiaries seeking substance or methadone treatment are unhoused or without a reliable mailing address to receive bus passes.

Figure 2. The Connecticut Department of Social Services’ (DSS) 2023 RFP for NEMT broker services seeks methods to increase use of public transit.

The state RFP indicates the state’s interest in NEMT brokers’ expertise in the promotion of public transportation including...



Outreach and education, travel training, and feeder routes to increase the utilization of public transit



Specific milestones to showcase ability to serve members in accordance with the Department’s goals



A protocol to collaborate with the Connecticut Departments of Transportation and Motor Vehicles












Technology Requirements

States generally expressed a desire for brokers and MCOs to use technology to enhance rider experience, program integrity, and efficiency, but they use varying approaches for requiring or encouraging use of technology in their NEMT broker and MCO contracts.

Though most states included in the study do not require the use of specific technology solutions, some do include requirements or stronger language to encourage innovative solutions in their NEMT programs.

- Nevada encourages the use of technology, but state officials reported they did not want to have strict requirements that might discourage brokers from participating. Their broker does offer a public-facing mobile application (app), which allows riders to schedule rides and submit gas mileage reimbursement.
- Connecticut's NEMT Broker RFP issued in 2023 included language stating, "The Department seeks to utilize the most current and innovative means of transportation booking, scheduling, monitoring, and reporting to fulfill its NEMT goals," and encourages respondents to "include technology solutions or other approaches designed to do so." The stated goals are to "ensure high quality services for Members and Healthcare Providers, achieve administrative and operational efficiencies, and appropriately administer utilization."²⁹ (see Figure 3).
- Maine's contract requires the use of a global positioning system (GPS) navigation system in all vehicles; however, it offers flexibility for providers by allowing them to instead "have one (1) or more street maps for their Region, with sufficient detail to locate Members and medical providers."³⁰
- NEMTAC recommended that RFPs include technology requirements, including the use of cameras, GPS, and a technology platform that can track trips in real time and verify pickups.
- A broker highlighted the benefits of the organization's member app, which includes GPS permission for faster mileage reimbursement, removing the need for paper claims and serving as a method of trip verification to protect against FWA. It also launched a new facility portal in November 2024 that is designed to allow healthcare facilities to gain better insights into transportation for patients receiving treatment at their location.

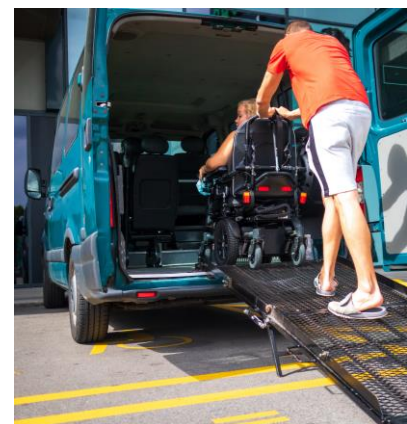
Figure 3. Connecticut DSS' 2023 RFP Indicates the State's Interest in NEMT Brokers' Plans to Use Technology to:

	Achieve and maintain on-time performance
	Improve hospital discharge pickup process
	Efficiently schedule NEMT trips to and from high utilization providers including but not limited to federally qualified health centers (FQHCs) and providers of methadone maintenance services
	Effectively address the needs of other healthcare providers in supporting members in utilizing NEMT
	Ensure reliability, responsiveness, and accountability
	Track NEMT providers in real-time using GPS technology which also alerts Members the driver's location and estimated time of pickup
	Solicit, track and report on Member experience
	Address social determinants of health (e.g. food delivery)
	Establish a designated fleet to transport Members from homeless shelters, residential care homes, and those engaged in supportive housing
	Identify and address service gaps in geographic areas identified as transportation deserts
	Continuously track and analyze data to improve the provision of services

Though interviewees agreed that new technologies like GPS have improved performance, they also recognize challenges in their implementation.

Member-facing mobile apps and portals are available in many states, but stakeholders cited a range of limitations in their reach related to lack of technical knowledge among some riders and internet connectivity issues for rural members.

- Connecticut emphasized the importance of technology in its NEMT program but also noted that not all Medicaid members are technologically savvy. The state highlighted its robust outreach and engagement program with healthcare providers and members, including brochures in both English and Spanish, that actively promotes the broker's member and provider app.
- Maine's contract acknowledges the challenges of GPS in remote areas with the following requirement: *"For Transporters providing services to Rural areas, all vehicles must contain paper/hard copy street maps for use in the event that any GPS or other electronic navigation system does not function due to coverage issues."* Both state and broker stakeholders in Maine also reported member challenges navigating the broker's call center software, resulting in frequent complaints at NEMT advisory committee meetings.
- A broker in Nevada reported promoting self-service for members to schedule their trips online because it is more cost-effective and offers members increased flexibility to manage their trips and pickup times. The broker also cited challenges in remote areas of the state, particularly with Tribal providers due to the lack of service signal, which prevents the use of GPS. In those cases, providers must submit a paper claim.
- Arizona does not require MCOs to use certain technologies for NEMT; however, MCO interviewees said they use the same broker, which they said leverages technology to electronically document on-time performance and offers portals for both facilities and members so they can book trips directly. One MCO requires members to call the broker to schedule outbound trips ("A leg") to allow for verification of member eligibility and drop-off location. Members then may use the app to schedule return trips ("B leg"). Another MCO reported that although technology may be used to enhance member experience, it has little effect on overhead.
- An advocate suggested that states encourage use of a rideshare-type app for more tech savvy members with a hotline as an alternative, both of which would give riders access to immediate information about the vehicle's location and wait time to reduce uncertainty.
- NEMTAC recommended that brokers that offer an app be required by the state to have software platforms that are interoperable both with the state's and with other brokers' systems so that information can flow freely in real-time (e.g., via open application programming interfaces [APIs]).



PETER HICKS
EXECUTIVE DIRECTOR
NEMTAC

"The NEMT industry is headed in the right direction. It's a matter of continuing to digitize the industry to fight fraud, provide real-time data, and interconnect vehicles, providers, brokers, and states to allow data capture of the actual performance of the system."

States, brokers, and NEMT SMEs highlighted several innovations that can be encouraged or required in NEMT contracts.

States are exploring the use of technology solutions including in-vehicle cameras, reloadable debit cards, artificial intelligence (AI), and credentialing systems.

- **In-Vehicle Cameras:** Stakeholders identified cameras as the newest technology trend in NEMT, while noting benefits, such as reduced insurance premiums and increased safety, and challenges such as privacy and rider consent concerns and associated costs and maintenance.
 - A broker noted that many providers have cameras in the vehicles to reduce insurance premiums. They also cited industry research that shows providers who have cameras in their cars are safer, suggesting that these devices will increasingly become the norm.
 - Some interviewees reported that some state programs have privacy concerns about having cameras in vehicles when transporting Medicaid members and provided examples of states that are prohibiting the use of cameras because of particular incidents or complaints that were escalated to the state legislature and the media.
 - In 2021, Maine began requiring NEMT brokers to require all professional drivers³¹ to install cameras with both audio and visual capacity in their vehicles³² to resolve rider and driver accusations about inappropriate behavior, particularly when it involved minors riding alone. The state noted they have faced some pushback, but it has not escalated to lawsuits or threats, pointing to the widespread presence of cameras in public spaces. A broker in Maine reported that it added an amendment to provider contracts that levies liquidated damages against providers who cannot provide camera footage following an incident and recommended that the state add these penalties to their contracts as well.
 - NEMTAC advocates for the use of cameras in NEMT vehicles, and in particular highlighted the installation of a third camera (in addition to front and rear cameras) that can capture wheelchair loading and unloading for riders with functional needs, which they cite as the part of an NEMT trip that presents the most risk; however, NEMTAC also noted the added expense for providers operating on already-thin margins.
- **Reloadable Debit Card:** Maine's NEMT program is piloting a reloadable debit card for mileage reimbursement, which enables the driver (whether the beneficiary, friend, or family member) to be paid within 48 hours of completing the trip as documented on a phone app.
- **AI:** One broker has a pilot in Florida that uses AI software to provide real-time interpretation for call centers for members that speak a language other than English. They suggested that states should require the use of AI-assisted language translation and prompts, while still allowing members to choose to speak to a representative. Maine, which has a large refugee population, would like to leverage this technology to enhance its NEMT call center's ability to communicate with non-English speaking populations. One advocate suggested that AI might be useful in identifying the shortest, most efficient routes.
- **Credentialing and Compliance Software:** As described earlier in this report, in 2021, Tennessee piloted a shared credentialing and compliance software platform, which resulted in efficiencies and faster, more reliable provider credentialing.³³ The state is interested in getting funding to continue use of this technology and expand it to member complaints in an effort to eliminate the need for on-site audits of call center records and reduce administrative burden through electronic auditing.



Program Integrity

Program integrity remains a concern for NEMT programs, particularly regarding mileage reimbursement and high utilization services.

State, MCO, and broker representatives cited mileage reimbursement and high utilization services such as drug rehabilitation or methadone clinics as particularly vulnerable to FWA. State contracts with brokers often require pre- or post-verification for a certain percentage of trips. This typically involves real-time GPS tracking, electronic trip verification, and/or contacting beneficiaries and healthcare providers. State contracts with MCOs also often have FWA provisions that apply broadly across all Medicaid services.

- In 2023, because of a large Medicaid fraudulent billing case related to substance use rehabilitation facilities, Arizona implemented a moratorium³⁴ on new registrations of several provider types that included NEMT providers. This moratorium expired on December 9, 2024, but contributed to NEMT network challenges.
- Maine's NEMT contract requires trip verification for at least 10 percent of trips. The state reported it plans to increase trip verification requirements to a minimum of 20 percent of trips to further protect against fraud in the NEMT program; this change is expected to go into effect in 2026.
- One broker suggested that focusing trip verification efforts on standing orders is a valuable strategy since they comprise the largest share of trips and are often vulnerable to fraud.
- Some states and brokers agreed that medical facilities are critical partners in preventing FWA by confirming appointment attendance either via phone or signature on the trip log, but some facilities are not performing this function due to concerns about sharing protected health information (PHI), even with a business associate agreement (BAA) in place. **Brokers recommended the state provide education and training to medical providers in their network to ensure they understand that verification is required for NEMT brokers providing transportation to their patients**, stating that this burden falls on the broker and is sometimes ineffective.
- Member mobile apps that enable riders to schedule and track their trips and submit claims for mileage reimbursement offer protection against FWA by enabling brokers to verify the mileage using GPS while also allowing riders to get faster reimbursement.
- An advocate suggested that states could encourage mileage reimbursement while preventing FWA by making it relatively easy to get reimbursement up to a certain amount and then requiring additional documentation.
- One broker also suggested that states should intervene for fraudulent trips to assist brokers when it is identified to hold members and providers accountable since they cannot recoup any fraudulent mileage reimbursement funds.



TECHNOLOGY TO SIMPLIFY TRIP VERIFICATION

NEMTAC is developing passenger verification in lieu of signature technology standard for confirming rider pickups and drop offs. The COVID-19 pandemic highlighted the challenges of collecting and verifying physical signatures, leading to widespread use of alternative signature collection methods and more precise verification of passenger identity during transportation services.



MCO REPRESENTATIVE

“Having [authorization] protocols and mileage restrictions where applicable allows the plan to meet the obligations of being a good steward of managing Medicaid funds.”

Prior Authorization

States limit their use of prior authorization for NEMT; however, all interviewees agreed that oversight is critical.

CMS allows for prior authorization as warranted,³⁵ and most interviewees found prior authorization to be a useful tool in the management of NEMT services in unique circumstances (e.g., to verify eligibility for out-of-state or long-distance trips).

- Most states included in the study focused on verification of rider or trip eligibility, rather than using prior authorization as a resource management tool (i.e., there is no need to authorize the medical necessity of the ride itself when the underlying appointment is for a Medicaid-covered service as determined by relevant utilization management requirements for the medical service).
- Nevada requires its broker to give prior authorization for all NEMT services, including out-of-state and long-distance transport, with the exception of NEMT services provided by Indian Health Programs. The NEMT broker also must verify the existence of an appointment and that the appointment is a Medicaid-covered service, which may require contacting the healthcare provider, the Division of Health Care Financing and Policy's fiscal agent, or the contracted MCO, before authorizing transportation.
- Tennessee requires MCOs to screen all requests for NEMT services within 24 hours to confirm that the rider is a TennCare MCO enrollee, the service to which the rider is requesting NEMT is covered by TennCare, and the enrollee is eligible in accordance with by the Office of Contract Compliance's policies and procedures regarding no-shows.
- One MCO noted it is critical to have valid trip reasons and/or mileage restrictions for certain services, otherwise members would be able to book trips for non-contracted services or book trips for extended mileage.

Business Requirements

State NEMT contracts include a number of other requirements related to the location of broker offices or staff, performance bonds or letters of credit, and provider insurance.

NEMT Broker Location Requirements

There was general agreement across stakeholder types that an in-state presence for certain NEMT functions, such as call center representatives, adds value.

Interviewees noted that local call center staff understand of area's geography, cultural preferences, logistics, and unique challenges (e.g., climate). Hiring local staff also creates in-state jobs and reduces member complaints. Some MCO and broker interviewees also recommended retaining local mid-level dispatchers and logistics staff to supervise the transportation provider network and monitor vehicles and drivers.

- Connecticut requires 51 percent of monthly total call volume to be answered by in-state call center representatives. A broker in the state explained that it is essential to have staff who understand the local area and said the 51 percent standard was reasonable. In addition, the broker further requires that logistics staff who oversee the transportation provider network live in the state, so they can physically monitor vehicles and drivers.
- Nevada also requires an in-state call center staff because they have a better understanding of the local nuances, especially of rural areas; however, their after-hours call center is out-of-state, making it more efficient for a national broker. The state reported that hiring knowledgeable customer service representatives is a challenge.
- Maine requires brokers to have an NEMT call center in-state to improve responsiveness and decrease the number of complaints. The broker we interviewed agreed that there is value geographically and culturally to having locals staff the call center, which also creates in-state jobs.
- Arizona state officials acknowledged that it may be more efficient for brokers to have the call center consolidated out of state but recommended that, at a minimum, there should be dedicated call center representatives for each state because knowledge of the state and its requirements is more important than where the staff are located. Arizona's MCO contract requires that "all transportation, prior authorization, and member services representatives shall be trained in the geography" of the MCOs' service areas, which they report would pass down to NEMT brokers that MCOs contract with.
- An NEMT expert raised concerns that some of these local presence requirements may be creating inefficiencies but agreed that local mid-level dispatchers have better awareness of challenges on the roads.

Stakeholders of all types agreed that most other functions, such as claims, compliance, billing, and leadership positions, can be located out-of-state to promote efficiency and staff retention.

Though local staffing requirements are often included in NEMT contracts, brokers said they prefer the flexibility to present proposed staffing structures to avoid being held to stringent requirements that create complexity and variation in their operations from state to state.

- One broker commented that leadership positions do not need to be locally staffed because they can maintain authority or manage quality as well from other locations. This individual believes that local office requirements limit brokers from hiring the best people for leadership positions.
- The broker also noted that staff turnover is a challenge in the industry, and it is difficult to retain good employees without a flexible work environment (e.g., remote work).
- One state official, however, noted that the state previously allowed some corporate and fiscal services to be managed out-of-state but found this led to delays in financial reimbursement.

Performance Bonds or Letters of Credit

States vary in requiring bonds and/or letters of credit in the NEMT contracts (See Table 2).

- Some state and broker representatives saw performance bonds as important protection for the state in case of broker failure, citing a previous instance of a broker leaving the market because of performance issues with no recourse for the state.
- Stakeholders reported that, on average, states require about \$1 million to \$1.5 million annually.
- Others reported that bond requirements can be prohibitive if too high (e.g., if the bond amount exceeds the cost of the contract).
- NEMT experts explained that bonds are more expensive than letters of credit, which counts against the availability of the broker's credit.

Table 2. Bond and Letter of Credit Requirements in States Studied

State (broker model)	Bond/Letter of Credit Requirement
CT	None.
ME	<p>Bidders must provide letter(s) demonstrating the bidders' ability to obtain and maintain payment and performance bonds, issued by a surety company listed in the Federal Registry of Surety Companies and licensed to conduct business in the state.</p> <ul style="list-style-type: none"> • The payment bond shall be equal to or greater than 10 percent of the estimated annual amount the awarded Bidder will pay to all transporters. • The performance bond shall be equal to or greater than 10 percent of the estimated cost of the initial period of performance.
NV	<p>The vendor is required to provide a performance security deposit in the form of a bond furnished by a surety company authorized to do business in the State of Nevada in order to guarantee payment of the vendor's obligations under the contract. The state may use the performance security deposit to remedy any breach of contract or sanctions imposed on the vendor...The amount of the performance security deposit shall be \$1,500,000.</p>

Sources: CT NEMT RFP 2023; State of Maine RFP# 202303047; NV NEMT RFP 2020.

Provider Insurance Requirements

Stakeholders reported a national average of \$500,000 to \$1 million in provider insurance requirements. However, they also noted that a few states require \$1.5 million, which make it challenging to find enough providers that can carry that level of insurance.

- Small providers need to be adequately insured but cannot always afford the same level of coverage as larger providers. Some state and broker strategies for addressing this include:
 - Arizona's minimum subcontract provisions allow for differences in subcontracts valued at less than \$50,000 to those at \$50,000 and more.
 - One broker suggested they should be allowed to absorb some risk by onboarding providers at lower insurance rates because they ultimately are responsible for the contract and carry umbrella insurance.
 - A broker in another state confirmed the organization underwrites the \$1.5 million insurance requirements for providers.
- One national SME shared that knowing NEMT insurance requirements is important for brokers and MCOs during the bid process.

Additional Considerations

Stakeholders raised other important areas for consideration as NEMT contracting continues to evolve, such as rides for non-medical trips to meet health-related social needs (HRSNs) and incorporating stakeholder input into RFP and contract development.

Rides for Health-Related Social Needs Services

There is significant interest among states and brokers to expand NEMT to non-medical transportation to address HRSNs, particularly in rural areas.

However, concerns included greater demand on an already stressed network, the potential to take rides away from (or increase wait times for) individuals with medically critical trips, a lack of funding for either state-level or MCO-level benefit expansion, and monitoring or oversight challenges.

- One state official expressed interest in expanding benefits within the broker contract to provide trips to and from job interviews, the grocery store, pharmacy, housing, and wheelchair repair services.
- A broker conveyed the need for guidelines and mileage and trip limitations for non-medical rides. The interviewee explained that one of the organization's biggest challenges is transporting HCBS waiver members to supported employment services due to variable schedules, including having to pay providers extra to complete late-night pickups. This individual recommended that the state should establish a viable employment schedule that allows those members to receive transportation during normal business hours.
- An MCO expressed concerns about FWA and limited capacity to expand transportation to non-medical services given current network shortages, explaining that life-sustaining medical trips, such as rides to dialysis, should be prioritized.

- Arizona state officials noted that they were looking to expand transportation services to non-medical HRSN appointments, but that funding was a concern. In December 2024, Arizona received approval of its 1115 Demonstration waiver, which includes expenditure authority for non-medical transportation (NMT) to and from HRSN services and HCBS for Arizona Long-Term Care System (ALTCS)-eligible enrollees. Arizona is currently working through the implementation process for these services.³⁶

Stakeholder Input

All stakeholder types highlighted the importance of involving key stakeholders in RFP and program development.

- Since 2010, Tennessee has had a strong relationship with contracted MCOs and their brokers and has been meeting monthly with them for the past three years. The state reported that these meetings give everyone an opportunity to discuss contract requirements and ways to improve the program. As a group they are developing a strategy to recognize providers for their performance in a meaningful way.
- Maine's NEMT contract requires brokers in each region to convene a non-emergency transportation (NET) advisory committee at least every six months, including requirements about the number and types of participants. The state expressed that the meetings allow them to hear from Medicaid beneficiaries and medical providers about challenges they are facing and identify solutions to address them as well as keep brokers accountable.
- Some brokers and others asserted that meetings with consumers become focused on complaints and are counterproductive.
- Nevada solicits feedback from a range of stakeholders, including hospital case managers, discharge social workers, and medical providers, before finalizing their RFPs to ensure they reflect and address their needs. For example, Nevada updated its NEMT Manual in 2021 to include the following provisions based on stakeholder feedback:
 - Transportation requests related to a hospital discharge must be provided within three hours of the request, reduced from eight hours.
 - The public transportation assessment process can be bypassed for recipients who are considered to have a high-risk pregnancy or are past their eighth month of pregnancy.
 - Certain Medicaid populations, such as those with I/DD, may select their preferred provider within the authorized mode of transportation.

STATE OFFICIAL

“To help avoid sanctions, we established regular meetings with major hospitals and nursing facilities to communicate what’s working, whether incidents were member- or system-based. Providers welcome the fact that the state wants to work with them.”

STATE OFFICIAL

“When building an RFP, it’s important to have the right stakeholders at the table, communication with members with lived experience, and a sound financial basis. You need a global, comprehensive framework with access, customer service, safety, technology, and data, and then narrow down to specific state population needs.”

LESSONS FOR STATES WHEN CONTRACTING FOR NEMT SERVICES

Based on experience and lessons expressed by the range of stakeholders, HMA offers the following recommendations to states when developing NEMT RFPs and contracts:

- **Standardize where possible, but tailor requirements to state and local needs.** Use standard contract provisions and metrics to reduce administrative burden and allow comparisons across and within states but incorporate state and local needs and circumstances (including different standards for rural and urban regions).
- **Provide adequate rates** that enable brokers to pay transportation providers sufficiently to address gaps and maintain a robust provider network, including higher rates or payment for unloaded miles in rural areas. States should consider annual reevaluation of utilization and costs by an independent evaluator and potential rate adjustments.
- **Use RFPs to inquire how brokers (or MCOs) would address evolving issues and challenges and how they will leverage technology to improve access and efficiency,** such as AI and reloadable debit cards, to allow greater investment in the network and services.
- **Define clear requirements that specify how performance will be measured and enforced, prioritizing rider safety and on-time arrival at medical appointments.**
- **Avoid requiring 100 percent compliance on performance standards** (with a few exceptions) that are impossible to meet, and **requirements that are administratively burdensome and do not add value**, such as in-person trainings beyond the initial onboarding, livery plates, or chauffer licenses.
- **Strengthen stakeholder engagement** among states, brokers, MCOs, transportation providers, medical facilities, and Medicaid beneficiaries with lived experience. When creating the RFP, invite feedback from these key stakeholders. During the contract term, establish regular meetings and lines of communication to identify, discuss, and address challenges.
- Extend **flexibility to brokers (and MCOs) to find solutions to transportation provider shortages**, including incentives to take rides in rural areas, technologies that facilitate mileage reimbursement, and use of TNCs with appropriate guardrails.



CONCLUSION AND LOOKING FORWARD

NEMT is a critical Medicaid benefit. States need to set standards and provide oversight of this service, regardless of the administrative model. Partnering with other stakeholders, states should monitor and shape the evolving market, using NEMT contracts as a strategic tool. Key questions and considerations include:

- **What are the most effective enforcement strategies to promote safe and timely NEMT?** Assessment of the effects of both penalties and incentives can help guide their use and maximize their impact.
- **How can technology be used to improve rider experience, access to services, and efficiencies?** For example, efficiency in scheduling trips to and from high utilization health services (e.g., methadone clinics, health centers) can be improved through new technologies, combined with partnering with healthcare providers to schedule rides and educate patients about NEMT. States could encourage consumer apps that allow riders to schedule trips, track drivers, and provide feedback. AI is evolving rapidly; this area is ripe for developing national standards and ongoing monitoring and assessment of AI's impact and value.
- **How should states and brokers leverage TNCs for filling NEMT workforce gaps while ensuring safety protections and efficiency?** Development of standards for rider and level of care criteria, with appropriate driver training and credentialing, could assist states and other stakeholders in the effective use of TNCs. Considerations must include rider safety and experience, and the potential impact on traditional NEMT providers facing stricter requirements.
- **How can NEMT contract provisions and strategies address program integrity, which continues to be a challenge for NEMT programs?** There is an opportunity for states to leverage technology, better educate medical facilities on verification processes, and encourage new strategies to address FWA going forward. States can use contracting to ensure robust rider complaint and appeals processes and incentivize program integrity and quality.³⁷
- **How can states best leverage CMS flexibility and broker/MCO creativity to meet NEMT needs in driver shortage areas?** For example, there are opportunities to incorporate deadhead miles and wait times into payments and use other incentives to support transportation providers in rural areas.
- **What are the benefits and costs of states adding non-medical trips to meet HRSNs to the Medicaid benefit package?** Evidence of benefits of providing transportation to address HRSNs on health outcomes is emerging.³⁸ Stakeholders must consider how to address challenges related to funding, transportation provider capacity, and program integrity.
- **As new models for NEMT emerge, how should states and other stakeholders adjust their approach to contracting?** The NEMT space continues to evolve; states, MCOs, brokers, and providers will need to consider new approaches to contracting for and improving NEMT services.

While recent reports on NEMT focused on administrative models and certain aspects of the programs,^{39,40} additional research is needed to provide more a comprehensive review of innovations within NEMT contracts and programs across all 50 states and US territories. Going forward, there is a need to foster communication among states and with other NEMT stakeholders, to evaluate the impact of trends and strategies on NEMT access and quality, and to disseminate emerging best practices.

APPENDIX A. NEMT INTERVIEW GUIDE

Following is a generic guide developed for HMA interviews with state officials. Prior to each interview, HMA tailored the guide based on the state's NEMT or MCO contract and the interviewee's specific role (state Medicaid official, NEMT broker, MCO representative, subject matter expert, or other type of stakeholder). Depending on the number of individuals participating in each interview and the level of detail provided, not all questions were covered in each 60-to-75-minute interview.

NEMT Interview Guide for State Officials-Broker Model

Section 1. Most Critical Provisions/Requirements

We reviewed the [Recent RFP/Contract]. Are there other key policies or documents related to NEMT that we should be aware of?

We understand the state's contract with your NEMT broker(s) has a wide range of sections and requirements.

1. In your opinion, what specific contract areas and requirements are most **important** to ensure access to NEMT services and the health and safety of Medicaid beneficiaries?
2. Your contract has a number of performance standards related to [FILL IN]. Are there specific **metrics, performance standards, or service level agreements** you believe all contracts should have? Describe.
 - a. Does your state also tie those metrics/standards to **withholds or penalties** like liquidated damages?
 - i. Do you find that effective?
 - ii. How does your state determine performance standard thresholds and associated penalties or liquidated damages?
 - iii. Are there contract requirements for which it is reasonable to require a performance standard of 100%?
 - iv. Are there any performance metrics that have been imposed or eliminated for areas that may be out of brokers' control?
 - v. Has your state considered using 'upside' incentives, like **bonuses, value-based payment, or pay-for-performance** to reach certain thresholds? Describe. Why or why not?
3. In terms of contract provisions for a broker's **Transportation Network**...
 - a. How do you require and measure network adequacy – e.g., ratio of provider to members, or through proxies related to ride performance metrics (on-time pickups, wait time for returns, no-shows), or another way? Do you find your method effective?
 - b. In your state, do network standards **vary by urban vs. rural region**? Should they be different, and how?

- i. **Unloaded or ‘deadhead’ miles** - In CMS’ September 2023 guidance related to NEMT, they stated that states have the flexibility to set higher base rates or establish supplemental payments for transportation providers to recognize the higher cost of doing business in rural areas, such as payment for long wait times and/or unloaded mileage expenses while the beneficiary is not in the vehicle.
 - 1. Does your state allow for reimbursement of unloaded mileage or longer wait times, or is this being considered given CMS flexibility? Why or why not?
 - 2. What impact do you expect that to have on NEMT brokers/providers and access?
 - c. Have you included or considered including any contract provisions designed to help **alleviate provider shortages, especially in rural areas**?
 - i. Probe re: volunteer drivers, independent drivers, etc.
 - ii. Under what circumstances does the contract permit self-referrals (use of broker vehicles)? How often is it used, and are there limits? Has this been successful in addressing shortages or access issues, while also preventing misuse of this option by brokers?
 - d. What are your contract requirements around brokers’ use of **TNCs** like Uber and Lyft?
 - i. E.g., what was your rationale? Has your state had success, or challenges?
 - e. We understand that **public transportation** is one of the modes required in the contract; Are there any provisions that encourage the broker to use public transit over other types? To what extent is public transit used?
 - i. E.g., what was your rationale? Has your state had success, or challenges?
- 4. Are there contract requirements around use of **technologies**, like a member-facing app?
 - i. What are your goals with these?
 - ii. Have you received any pushback from brokers? Describe.
 - iii. Have you experienced any challenges in implementation? Are there any issues related lack of internet in certain parts of the state? How does your state address this? How are brokers addressing this (e.g., work arounds like satellite tracking?)
 - iv. Do you require live demonstrations during readiness review of member-facing view to see what the member experiences?
 - v. Are there ways the state does or could encourage brokers, through the contract, to leverage technology to reduce overhead and have more funds for the network and services?

Section 2. State Pain Points

- 5. From your state’s perspective, are there “pain points” that have resulted in more restrictive contract requirements or oversight of NEMT programs in specific areas (e.g. member complaints, provider no-shows/late pickups, etc.)?
 - a. Has adding those requirements been effective in reducing those pain points, why or why not?
- 6. What contract provisions, if any, relate to preventing and detecting **fraud, waste, and abuse**? Is fraud/abuse a major issue in your state?

- a. Are there any requirements or strategies you've found to be most effective, or that you would like to implement? Describe.
- b. Have you considered/what are your thoughts about credentialing transportation providers, and standardizing this process (e.g., using national standards)?
- c. Are there any provisions around fraud, waste, and abuse that are not effective and possibly unnecessary?

Section 3. State Perspective on Broker Pain Points and Other Provisions

7. Have you received **push back** from brokers on any specific contract provisions (other than technology if discussed above)? Describe.
 - a. In your opinion, was it a fair objection?
 - b. How did the state respond?
8. **Bond or Letter of Credit.** We hear different preferences from brokers related to requirements for performance bonds or letters of credit (LOC). Some have expressed LOCs can limit the availability of their credit facility while others feel performance bonds are more expensive and difficult for a multi-state broker to maintain. Does your state require a bond, LOC, or neither?
 - a. What was your state's rationale to determine the mechanism (e.g. performance bond, LOC, other) and amount?
 - b. What is a reasonable bond or LOC requirement?
9. **Medical Loss Ratio (MLR)** – Does your state have an MLR requirement (*e.g., a minimum % of funds go to rides, versus administration/overhead/profit*) for NEMT?
 - a. If not, why not/unnecessary? If yes, what is it, and what was the rationale for choosing that number?
10. Other than ensuring the rider is eligible for Medicaid and NEMT, does your state require **Prior Authorization** for all or some NEMT services?
 - a. Can you describe your state's rationale or thinking behind its contractual PA standards?
 - b. How would you weigh extra overhead for brokers against the actual impact of PA on program integrity? Do you think PA can be “mis-used” by brokers to deny services unnecessarily?
11. **Insurance Requirements** —What minimum insurance is required for NEMT vehicles? Do you also have requirements for the broker themselves or other insurance requirements?
 - a. Should the state contract allow differences for large providers vs. “mom and pop” providers that may not be able to afford the same level of insurance?
12. **Local Office Staffing** – What are contract requirements around location (in-state/region, out of state, virtual) of the NEMT broker business office and Member Call Center? What was the state's rationale for those requirements?
 - a. When is it appropriate for the contract to allow NEMT brokers to provide some services out of state if it is more efficient to do so?
 - i. What services might that include – e.g., call center, claims, oversight?
 - b. What services or staff positions do you think are important to keep in state/local?

Section 4. Evolution and Lessons

13. Are there any NEMT contract requirements with brokers your state has dropped, plan to remove, or could be removed in future NEMT contracts because they are unnecessary or overly burdensome for the state or brokers? Probe.
14. Are you planning other major changes to your NEMT model, like shifting from regional to a statewide broker, or carving NEMT into managed care contracts? Why?
 - a. Are you considering expanding NEMT to non-medical services related to health-related social needs (e.g., nutrition, employment, housing supports)? Why or why not?
 - b. How do you expect this will change the state's NEMT contract requirements, if at all?
15. Finally, do you have lessons or advice for other states when they're preparing NEMT broker RFPs and contracts?

APPENDIX B. STUDY STATE CONTRACT PROVISION SUMMARIES

Connecticut NEMT Contract Provisions	Administrative Model: Statewide Broker
Performance Standards	
<ul style="list-style-type: none">Performance standards related to pick-up and return trip wait time, drop-off time, travel time for multi-passenger rides, and higher center standards, such as hold time, abandonment rate, and time-to-answer.<ul style="list-style-type: none">Pick-Up Wait Time: No more than 15 minutes prior to or after the scheduled pick-up time; NEMT provider required to be onsite for at least 10 minutes after the scheduled pick-up time and cannot leave prior to the actual pick-up time.Drop-Off Time: Member must arrive prior to the appointment time.Return Trip Wait Time: Not to exceed 30 minutes after an appointment and no more than three hours from time of request for members being discharged from hospitals or emergency departments.Will-Call Trip: Members choosing will-call services shall be informed by the Contractor of the possibility of longer wait times; up to an hour from the time the Contractor is notified the member is ready.Multi-Passenger: Members should remain in the vehicle for more than 30 minutes longer than the average travel time required to transport an individual using that mode, from the point of pick-up to the destination.Time-to-Answer: Within three minutes for 80 percent of all incoming calls during business hours.Abandonment rate: Less than 5 percent during business hours.Average Hold Time: Not to exceed three minutes for calls placed on hold.Incident Reporting: Notify the department within one working day of discovery of missed or late-pick-up or Medicaid Fraud Unit critical incident; within 1 hour for incidents where member is a victim or perpetrator during a trip (Exhibit A.9)See <u>CT NEMT RFP 2023</u>, Exhibit A-5 for Transportation Performance Standards and Exhibit A-1.3 for Customer Service Center Performance Standards.	

Financial and Non-Financial Penalties
<ul style="list-style-type: none">Sanctions related to failure to meet performance standards include: customer service standards (\$500); late pickups (\$1000), failure to report incident or accident (\$1000), missed life-sustaining appointments (\$5000), late reports (\$100), failure to respond to a complaint (\$500), failure to respond to documented medical need for non-shared ride (\$1000), use of excluded provider (\$5000), etc.See <u>CT NEMT RFP 2023</u>, Exhibit A-5 and A-11 for full list of standards and sanctions (pages 63-64 and 76-77).

Rewards/Incentives

- The total incentive available to earn is up to 5 percent of the approved annual administrative budget and the actual NEMT expenditures incurred by the Contractor.
- Examples of performance measures include, but are not limited to: Meeting member satisfaction rates; On time performance for all trips provided by subcontracted providers; Ability of the Contractor to expeditiously connect Members to public transportation, so that Members do not miss appointments or require a higher level of service due to delays in delivery of public transportation; Unfulfilled trips by mode shall not exceed .25 percent of total trips by livery, invalid coach, wheelchair accessible livery, and ambulance; the development, implementation and maintenance of a comprehensive member outreach education and engagement program.
- See [CT NEMT RFP 2023](#), Exhibit A-12 for list of performance incentives (page 78).

Transportation Network Standards

- Network adequacy measured by proxies related to on-time performance, missed trips, etc. (See above performance standards, penalties, and incentives.)
- TNC requirements not addressed in contract.

Urban/Rural Distinctions

- The Contractor shall only authorize trips to providers outside of a Member's local community (more than 10 miles if the Member resides in a non-rural town or city and more than 20 miles if the Member resides in a rural town) if the trip is medically necessary and the medically necessary healthcare service is not available within the Member's local community. In determining which towns and cities are rural, the Contractor shall use the Connecticut Office of Rural Health's designation of rural towns dated November 2014.
- See [CT NEMT RFP 2023](#), Exhibit A.3.B (page 47).

Distinctions for Special Member Populations

- The Contractor shall develop a “shared ride” policy for multi-passenger grouped trips which clearly excludes a member from multi-passenger trips when it is medically inappropriate including, but not limited to, situations in which a member is immunocompromised.
- A sanction of \$5,000 per occurrence will be imposed when a member identified as Special Population is waiting over one (1) hour or a pickup or three (3) hours in the case of a hospital discharge.
- See CT NEMT RFP 2023, Exhibit A-1.2.m.4 (page 54) and Exhibit A-11.7.h (page 77).

Local Staffing or Office Requirements

- The Contractor shall establish a physical business office, which includes the local customer service center, within the State of CT with business hours of 7:00 AM to 6:00 PM local time, Monday through Friday. The office must be located within a twenty (20) mile radius from the Department’s Central office on Farmington Avenue in Hartford, CT. The Contractor’s office shall include dedicated office space and associated equipment for one (1) Department staff person.
- The CT call center must be sufficiently staffed to handle no less than 51 percent of total calls answered in each month with the secondary call center taking no more than 49 percent.
- See CT NEMT RFP 2023, Exhibit A.4 Administration (page 47) and Section III.C.1.b (pages 30-31).

Prior Authorizations/Utilization Management

- All non-emergency transportation must be preauthorized by the Department’s contracted transportation Contractor.
- There must be a Quality Control Check of 100 percent of Notices of Action or Denials.
- See CT NEMT RFP 2023, Exhibit A-7.4 (page 68) and Exhibit B.J.1 (page 83).

Quality and Program Integrity

- **Pre-Trip Verification:** The Contractor shall perform and document a pre-trip review by verifying the healthcare appointment for a minimum of 10 percent of scheduled trips prior to transportation services being provided.
- **Post-Trip Verification:** The Contractor shall perform and document a post trip verification review on a minimum of 10 percent of trips that includes each of the modes of transportation as well as purpose of transportation.
- **Vehicle Inspection:** The contract shall, prior to their initial use, inspect all vehicles used and perform random annual inspections on 10 percent of the vehicles of each provider.
- See CT NEMT RFP 2023, Exhibit A-2 Member and Trip Eligibility Verification (page 56) and Exhibit A-3 Transportation Vehicle Standards (page 57).

Notable or Innovative Requirements

- The Contractor shall coordinate with local programs and stakeholders. The Contractor shall establish linkage with community programs to coordinate activities with existing programs serving the Medicaid population. Actions to minimize and avoid duplicate effort and fragmentation of services shall be taken. Actions may include referral protocols or formal written coordination agreements with other entities.
- See CT NEMT RFP 2023, Exhibit A, 5.i Contractor Requirements (page 48).

Source Documents: State of Connecticut Department of Social Services Nonemergency Medical Transportation Request for Proposals 2023 (NEMT RFP 10162023).

Performance Standards

- Performance standards related to pick-up and return trip wait time, drop-off time, travel time for multi-passenger rides, and customer service center standards, such as hold time, abandonment rate, and time-to-answer.
 - **Transporter Vehicle Safety:** 100 percent of Transporter and volunteer driver vehicles have a valid State motor vehicle sticker at all times.
 - **Customer Satisfaction:** The monthly member complaint rate shall not exceed one complaint per 100 trips delivered.
 - **Call Center Abandonment Rate:** The call center shall have a monthly abandonment rate of no more than 5 percent.
 - **Call Center Speed to Answer:** 90 percent of calls will be directed to a live representative within a 60-second wait.
 - **No Stranded Members:** No member shall be left stranded without a way to get to their point of origin.
 - **Minimize Missed Trips:** No more than 1 percent of trips to be delivered shall be missed.
 - **Track Missed Appointments:** Track numbers and percentage of missed appointments caused by late or missed trips.
 - **Minimize Ride Trip Length:** Trip length for rides share with other members shall not exceed the estimated trip length for direct transportation of the Member by more than 30 minutes in an urban area of one hour in a rural area.
 - **Timeliness Schedule Pickup Times:** Arrival at member's point of origin is to occur no more than 30 minutes before or 15 minutes after the scheduled time.
 - **Timeliness Scheduled Appointment Drop-Off Time at Service Location:** Arrival at member's service location is to occur no more than 30 minutes before or five minutes after the scheduled time.
 - **Timeliness Scheduled Pick-Up Time After Service:** To occur no more than 30 minutes after the scheduled time.
 - **Timeliness Scheduled Same-Day, Urgent Care, Will-Call, and Hospital Discharge Pick-Ups:** 1) Urban (origin and destination are both within the same designated urban area): to occur no later than one hour after notification, and 2) Rural (origin and/or destination are within a rural area, or origin and destination are in non-contiguous designated Urban areas): to occur no later than two hours after notification.
 - **Overall Timeliness Standards:** 1) Broker shall maintain a monthly timeliness (on time) standard 85 percent of trips to be delivered, and 2) for children 16 and under and all HCBS waiver members, the timeliness standards shall be 95 percent of trips delivered.
- See State of Maine RFP# 202303047, Table 1: Mandatory Performance Measures for Transportation Performance Standards and Customer Service Center Performance Standards (pages 37-38).

Financial and Non-Financial Penalties

- Failure to achieve the required performance measures for two consecutive months may result in corrective actions by the State. Broker will be required to develop a corrective action plan to correct performance failures. The corrective action plan must be reviewed and approved by the Department. The corrective action plan must include a root cause analysis of why the metric(s) is not being met and a timeline with a completion date of when metric(s) will be compliant.
- Additionally, if the Broker fails to meet the performance metrics after the date of completion for its corrective action plan, the Department can issue a letter noting that the Broker's scoring and performance in the next RFP could be affected as well as issuing an RFP earlier for the Broker's noncompliance region(s).
- Maine does not use financial penalties in their NEMT contract.
- See State of Maine RFP# 202303047, Contract Section H. Performance Measures (page 36).

Rewards/Incentives

- Maine does not use bonuses or incentives in their NEMT Program.

Transportation Network Standards

- Brokers must recruit and maintain a "sufficient" network of transporters to deliver NEMT services to eligible Members who live in the awarded Bidder's Region (e.g., numbers and types of vehicles, drivers, and attendants, including requirements for wheelchair accessibility) to provide adequate access to all MaineCare services covered under the contract, including by subcontracting, public transportation where the most cost-effective, and building broker's own network of vehicles and drivers.
- Network adequacy measured by proxies related to on-time performance, missed trips, etc. – see above performance standards, penalties, and incentives.
- TNC requirements not addressed in contract.
- See Maine RFP# 202303047, G.7 Transportation Network (page 14).

Urban/Rural Distinctions

- See *Performance Standards*.
- In Maine, “urban” is defined by the Maine Department of Transportation as an area that exceeds 7,500 inhabitants (or 2,499–7,500 inhabitants) and the ratio of people whose place of employment is in a given municipality to employed people residing in that same municipality is 1.0 or greater, and where the municipality has not exercised the opt-out provision.
- “Rural” is defined as areas not defined as Urban.
- See State of Maine RFP# 202303047, RFP Terms/Acronyms with Definitions (page 6).

Distinctions for Special Member Populations

- Requirements for brokers to enter into a subcontract with any Federally Recognized Native Tribe that resides within their region, who would like to be a Transporter, and meets the driver and vehicle requirements, and all other applicable requirements in the RFP. Also includes requirements around adequate payment to Tribal Transporters.
- Requirements related to the transport of members under the age of 12 and 16 (e.g. consent forms, minors are never left alone with an unknown adult other than the driver).
- Ensure the training program minimally includes sensitivity components addressing interacting with aged individuals, children and persons with disabilities, and children and persons with mental illness; people with complex healthcare needs; people with Substance Use Disorder (SUD); people experiencing poverty and people who have challenges accessing social services; people with diverse cultural, racial, ethnic, and language backgrounds, including the use of interpreter services; people for whom English is not a first language; people who have recently arrived in the United States; hearing and/or speech-impaired individuals through interpreting services.
- See State of Maine RFP# 202303047, Section G Broker Requirements (pages 18, 23, and 29).

Local Staffing or Office Requirements

- Maine requires brokers to establish and maintain a non-residential central business office within the Region. If the awarded bidder services more than one region, the awarded bidder is required to designate one central business office and may establish a business office within other regions.
- Maine requires brokers to establish and maintain a member call center in the region with adequate capacity for members to conveniently schedule NET services to MaineCare Covered Services and to contact the Broker with potential problems, complaints, and questions as necessary. Brokers may utilize a single call center to serve multiple regions.
- See State of Maine RFP# 202303047, 10. Central Business Office (page 15) and 11. Member Call Center (page 16).

Prior Authorizations/Utilization Management

- The Broker shall not reimburse for related travel expenses when non-emergency transportation services are required to transport a member to a medical service that requires written prior authorization by the Department, and for which prior authorization was either not obtained or denied.
- See State of Maine RFP# 202303047, Section B.4.a. (page 10).

Quality and Program Integrity

- **Trip Verification:** Broker requirements include developing a methodology for verifying Member trips to ensure that no fraudulent activity has taken place, including: The percentage of trips to be verified (minimum of 10 percent per month. Interviewees reported a planned increase to 20 percent in 2026.
- See State of Maine RFP# 202303047, Section G.31.ii (page 32).

Notable or Innovative Requirements

- Require transporters under a subcontract to have cameras installed in vehicles.
 - Cameras must have audio and visual capacity and have a minimum of three days storage capacity.
 - Data from cameras must be stored in a secure manner for no less than 30 days.
 - Signage must be posted in the vehicle advising passengers that a camera is in use to enhance the safety of all passengers.
- See State of Maine RFP# 202303047, Section G.26.xvii (page 28).

Source Documents: State of Maine RFP# 202303047. Note: this RFP is currently under appeal as of March 2025.

Performance Standards

- Performance standards related to hospital discharge pick-up, grievance responsiveness, and call center standards.
 - Transportation services for a Medicaid eligible recipient as a result of a hospital discharge must be provided as soon as possible and in any event is not to exceed a three-hour time span.
 - The NEMT broker shall attempt to respond verbally to the recipient, authorized representative, Nevada Division of Health Care Financing and Policy (DHCFP) or provider grievances and disputes within 24 hours of receipt of the grievance or dispute. The NEMT broker shall issue an initial response or acknowledgement to written grievances and disputes in writing within 72 hours.
 - Call Center Standards:
 - 90 percent of telephone calls shall be answered within five rings during live voice answering times.
 - Blocked call rate (busy signal received) of 5 percent or less on an average daily basis.
 - 90 percent of calls in the queue shall be answered by a live operator.
- See NV NEMT RFP 40DHHS-S1272, 2.3.4.5 (page 26).

Financial and Non-Financial Penalties

- Nevada does not include corrective action plans, penalties, or sanctions/liquidated damages within their NEMT contract. However, Nevada reserves the right to negotiate final contract terms with any vendor selected per NAC 333.170.
- See NV NEMT RFP 40DHHS-S1272, 10.4.2 (page 58).

Rewards/Incentives

- Nevada does not include rewards or incentives within their NEMT contract. However, Nevada reserves the right to negotiate final contract terms with any vendor selected per NAC 333.170.
- See NV NEMT RFP 40DHHS-S1272, 10.4.2 (page 58).

Transportation Network Standards

- The vendor shall schedule rides for paratransit certified recipients directly with the RTC. When the paratransit ride is unable to be scheduled due to a capacity issue with the RTC, the vendor must utilize an alternate mode of transportation that is appropriate.
- When appropriate for the recipient, community non-professional drivers may be utilized to provide cost-efficient NEMT services and will be paid a mileage reimbursement.
- TNCs are an approved mode of transport under NEMT services. TNCs should allow for and accommodate advanced reservations requests and same-day or urgent requests. TNCs are only available to ambulatory recipients.
- See NV NEMT RFP 40DHHS-S1272, 2.2.5.2.C (page 21), 2.2.5.2.E (page 22), and 2.2.5.2.G (page 22).

Urban/Rural Distinctions

- Authorization/scheduling requirements for trips originating in certain rural counties will follow the standard process for scheduling and will not be considered an out-of-area trip.
- See NV MSM Chapter 1900, Section 1903.3A(4)(f) (page 14).

Distinctions for Special Member Populations

- NEMT services may not be authorized for minor children unless a parent (regardless of the parent's age) or another adult accompanies the child (some exceptions apply).
- For Individuals with Developmental Disabilities (IDD), members can select preferred provider within authorized mode.
- The NEMT vendor may bypass the public transportation assessment process for recipients who are considered to have a high-risk pregnancy or are past their eighth month of pregnancy and should be authorized a higher mode of transport.
- Several tribes and/or Indian Health Programs offer ambulance and/or van services for both emergency and NEMT.
- See NV MSM Chapter 1900, Section 1903.3A(4)(b, d, g) (page 12, 13, and 15).

Nevada NEMT Contract Provisions

Administrative Model: Regional Broker [with upcoming MCO carve-in for rural service areas]

Local Staffing or Office Requirements

- A Business Manager must be designated for this contract who has day-to-day authority to manage the program. The Business Manager shall be on-site during regular working hours in the Nevada business office. The purpose of the business office is for the vendor to have a physical presence within the State for conducting business with Medicaid recipients and transportation providers.
- See NV NEMT RFP 40DHHS-S1272, 2.3.3.2 (page 25).

Prior Authorizations/Utilization Management

- All NEMT services, including out-of-state and long-distance transport, require prior authorization by DHCFP's NEMT broker with the exception of NEMT services provided by the Indian Health Programs.
- The NEMT broker must also verify the existence of an appointment and that it is a Medicaid-covered service, which may require contacting the healthcare provider, DHCFP's fiscal agent, or the contracted MCO, before authorizing transportation.
- Recipients wishing to use NEMT services will be assessed for the proper level of transportation prior to being authorized access to NEMT. If the recipient does not believe the lower-level transport is appropriate or acceptable, then they will be referred to the public paratransit services agency for a level of service needs evaluation.
- See NV MSM Chapter 1900, Section 1903.3B (page 17).

Quality and Program Integrity

- Fraud and Abuse Reporting – Pursuant to 42 CFR 455.1(a)(1), the vendor must report fraud and abuse information to the Division according to minimum reporting contracts cited in the contract.
- See NV NEMT RFP 40DHHS-S1272, 2.5.9 (pages 40-41).

Notable or Innovative Requirements

- N/A

Source Documents: NV NEMT RFP 2020; NV Medicaid Services Manual (MSM) Chapter 1900 – Transportation Services.

Performance Standards

- Performance standard related to timeliness.
 - Timeliness Standards: The Contractor shall ensure that a member arrives on time for an appointment, but no sooner than one hour before the appointment; nor have to wait more than one hour after the conclusion of the treatment for transportation home; nor be picked up prior to the completion of treatment.
 - The Contractor shall ensure 95 percent of all combined completed pick-up and drop-off trips in a quarter are completed timely, in accordance with timeliness requirements outlined above.
- See AHCCCS ACOM Section 417, Subsection H. Transportation Timeliness Review (pages 4–5).

Financial and Non-Financial Penalties

- The Contractor shall provide corrective action steps for any reporting quarter where the average percentage of all timely completed trips for that quarter fall below the performance target of 95 percent. These corrective action steps shall include a timeline to meet the performance target.
- See AHCCCS ACOM Section 417, Subsection H. Transportation Timeliness Review (page 4).

Rewards/Incentives

- Arizona does not use rewards or incentives in their NEMT contract.

Transportation Network Standards

- TNCs can only provide services to members, and bill, through an NEMT Broker pursuant to the Broker's contract with a Contractor. A TNC can only receive scheduled member rides from an NEMT Broker. The TNC is not allowed to take member calls or schedule members rides directly.
- See AHCCCS ACOM Section 310-BB, Subsection F. Transportation Network Company (pages 7-8).

Urban/Rural Distinctions

- Arizona does not have Urban/Rural distinctions within the State's NEMT program.

Distinctions for Special Member Populations

- Arizona covers the cost of medically necessary non-emergency transportation furnished by a non-ambulance air or equine NEMT provider only when the service is exclusively used to transport the member to ground accessible transportation, the member's point of pick-up or return is inaccessible by ground transportation, and the ground transportation is not accessible because of the nature and extent of the surrounding Grand Canyon terrain.
- The Maternal Transport Program (MTP) and the Newborn Intensive Care Program (NICP) administered by Arizona Department of Health Services (ADHS) provides special training and education to designated staff responsible for the care of maternity and newborn emergencies during transport to a perinatal center. The high-risk transport team is dispatched after consultation with the MTP or NICP perinatologist or neonatologist. Only contracted MTP or NICP providers may provide air transport.
- See AHCCCS ACOM Section 310-BB, Subsection E. Medically Necessary Non-Emergency Transportation for Physical and Behavioral Health Services (pages 4–7) and Subsection H. Maternal and Newborn Transportation (page 9).

Local Staffing or Office Requirements

- Arizona does not have local staffing or office requirements specific to NEMT under the State's MCO contract.

Prior Authorizations/Utilization Management

- Arizona does not stipulate any prior authorization requirements for NEMT under their MCO contract.

Quality and Program Integrity

- The Contractor shall ensure that 95 percent of all combined completed pick-up and drop off trips in a quarter are completed timely, in accordance with the timeliness requirements above.
- See AHCCCS ACOM Section 417, Subsection H. Transportation Timeliness Review (page 4).

Notable or Innovative Requirements

- N/A.

Source Documents: AHCCCS ACOM Section 310-BB, AHCCCS ACOM Section 417.

Performance Standards

- Performance standards related to pick-up and return trip wait time, drop-off time, travel time for multi-passenger rides, and customer service center standards, such as hold time, abandonment rate, and time-to-answer.
 - **Timeliness Standards:**
 - For urgent trips, the contractor shall contact an appropriate NEMT provider so that pick-up occurs within three hours after the contractor was notified when the pick-up address is in an urban area and four hours after the contractor was notified when the pick-up address is in a non-urban area.
 - For multi-passenger trips, the contractor shall schedule each trip leg so that a member does not remain in the vehicle for more than 1 hour longer than the average travel time for direct transportation of that member. Members shall not be required to arrive at their scheduled appointment more than 1 hour before their appointment time. Members shall not be dropped off for their appointment before the provider's office or facility has opened their doors.
 - The contractor shall ensure that drivers make their presence known to the member and wait until at least five minutes after the scheduled pick-up time.
 - If there is no pre-arranged time for the return leg of the trip, the contractor shall ensure that members are picked up within one hour after notification.
 - The contractor shall ensure that the waiting time for members for pick-up does not exceed 10 minutes past the scheduled pick-up time.
 - Members shall be dropped off for their appointment no less than 15 minutes prior to their appointment time to prevent the drop-off time from being considered a late drop-off.
 - **Call Center Standards:**
 - **Answer rate:** At least 85 percent of all calls are answered by a live voice within 30 seconds.
 - **Abandoned calls:** No more than 5 percent of calls are abandoned.
 - **Hold time:** Average hold time, including transfers to other contractor staff, is no more than three minutes.
 - If the message requests the contractor to return the call, the contractor shall promptly return the call within three hours and continue the effort until the member is reached provided that the message left by the enrollee is discernible and includes a valid phone number in which the enrollee can be contacted.
 - The contractor shall monitor and audit at least 1 percent of calls of each NEMT Call Center staff member on a monthly basis.
 - **Claims Standards:**
 - The contractor shall ensure that 90 percent of clean claims for payment for NEMT services delivered to a member are processed within 30 calendar days of the receipt of such claims.
 - The contractor shall process, and if appropriate pay, within 60 calendar days 99.5 percent of all NEMT provider claims for covered NEMT services delivered to a member.
 - The contractor shall pay 97 percent of NEMT claims accurately upon initial submission.
- See TN MCO Contract, Attachment XI, A.5.7 (page 656), A.5.2.2 (page 652), A.6 (page 658), A.9.7-8 (page 664), A.9.17 (page 665), A.15.3-5 (page 670).

Financial and Non-Financial Penalties

- The contractor shall have policies and procedures for ensuring that an appropriate corrective action is taken when a NEMT provider furnishes inappropriate or substandard services, when a NEMT provider does not furnish services that should have been furnished, or when a NEMT provider is out of compliance with federal, state, or local law.
- See TN MCO Contract, Attachment XI, A.17.4.1 (page 672).

Rewards/Incentives

- Tennessee does not use rewards or incentives in their NEMT contract.

Transportation Network Standards

- The contractor shall ensure that its NEMT providers have a sufficient number of vehicles and drivers available to meet the timeliness requirements of the contract.
- The contractor shall provide Human Resource Agencies (HRAs) the opportunity to become a NEMT provider if the HRA is qualified to provide the service and agrees to the terms of the contractor's NEMT provider agreement, which shall be no more restrictive than for other NEMT providers.
- The contractor shall provide Department of Intellectual and Developmental Disabilities (DIDD) residential and day service waiver providers the opportunity to become a NEMT provider if the provider is qualified...These providers shall only provide covered NEMT services to members receiving HCBS DIDD waiver services from the provider.
- **Contingency and Back-Up Plans:** The contractor shall have policies and procedures that describe contingency plans for unexpected peak transportation demands and back-up plans for instances when a vehicle is excessively late (more than 20 minutes late) or is otherwise unavailable for service.
- The contractor shall distribute and/or arrange for the distribution of fixed route tickets, tokens or passes to members for whom fixed route transportation is available and appropriate. The contractor shall have controls in place to track the distribution of tickets/tokens/passess. The contractor shall use best efforts that tickets/tokens/passess are used appropriately.
- See TN MCO Contract, Attachment XI, A.12.3-5 (page 666) and A.5.9 (page 656).

Urban/Rural Distinctions

- The contractor shall accommodate requests for NEMT services that are made within three hours before the NEMT service is needed when the pick-up address is in an urban area, and within four hours before the NEMT service is needed when the pick-up address is in a non-urban area.
 - **Non-Urban Trip:** Covered NEMT service not within a city and considered less populated, (rural as described by the US Census Bureau).
 - **Urban Trip:** Covered NEMT service within a city or a more populated areas (not rural as described by the U.S. Census).
- See TN MCO Contract, Attachment XI, A.3.2 (pages 649-650) and Exhibit A (page 679).

Distinctions for Special Member Populations

- Transportation for a minor child shall not be denied pursuant to any policy that poses a blanket restriction due to member's age or lack of accompanying adult. Any decisions to deny transportation of a minor child due to a member's age or lack of an accompanying adult shall be made on a case-by-case basis and shall be based on the individual facts surround the request and State of Tennessee law. Tennessee recognizes the "mature minor exception" to permission for medical treatment.
- Transportation shall not be denied for a member with minor children with whom daycare could not be arranged when a member established the need for them to be included in order to reserve space and child restraint upon scheduling of the trip.
- See TN MCO Contract, Attachment XI, A.4.1.1 and A.4.1.2.5 (page 650).

Local Staffing or Office Requirements

- Tennessee's MCO contract requires a full-time staff person dedicated to and responsible for oversight of the NEMT program but does not include local office or staffing requirements.
- See TN MCO Contract, Personnel Requirements, 2.29.1.3.40 (page 461).

Prior Authorizations/Utilization Management

- The contractor shall screen all requests for NEMT services to confirm each of the following items:
 - That the person for whom the transportation is being requested is a TennCare enrollee and enrolled in the contractor's MCO.
 - That the service for which NEMT service is requested is a TennCare covered service.
 - That the enrollee is eligible in accordance with policies and procedures approved by the Office of Contract Compliance regarding No-Shows; and
 - That the transportation is a covered NEMT service.
- In order to approve a Standing Order, the contractor shall, at a minimum, call the provider to verify the series of appointments. The contractor may, at its discretion, require that the member's provider certify the series of appointments in writing...the contractor shall verify the member's eligibility prior to each pick-up.
- See TN MCO Contract, Attachment XI, A.4.2 (pages 650-651) and A.4.5.2 (page 653).

Quality and Program Integrity

- **Random Pre-Transportation Validation Checks:** Validate 2 percent of NEMT scheduled trips per month, focusing on members who utilize NEMT services frequently but do not have standing orders as well as members who routinely do not adhere to the 72-hour notice requirement.
- **Post-validation checks:** Validate 2 percent of NEMT claims received in a month by matching NEMT billed claims to healthcare provider billed claims; perform post-transportation validation checks for fixed route transportation. If the contractor determines that transportation for a particular member was not to a TennCare covered service, the contractor validates the next three requests for that member before approving the requested trip.
- **NEMT Claims Audit:** The contractor shall conduct an audit of NEMT claims that complies with the requirements in the Contract regarding a claims payment accuracy audit.
- **NEMT Provider Monitoring:** Activities shall include, but are not limited to on-street observations, random audits of NEMT providers, accident and incident reporting, statistical reporting of trips, analysis of complaints, enrollee safety and assistance, completed driver trip logs, etc.
- **Member Satisfaction Survey:** The contractor shall conduct a member satisfaction survey regarding NEMT services for the first six months after the start date of operations or as otherwise specified by TennCare and annually thereafter. One percent of trips provided should be surveyed and responded to during each calendar quarter. Results are reported annually using a quarterly breakdown.
- See TN MCO Contract, Attachment XI, A.4.6 (page 653), A.14.3 (page 669), A.15.6 (page 670), A.17.3 (pages 671-672), A.17.5 (page 673).

Notable or Innovative Requirements

- N/A

Source Documents: Tennessee Managed Care Organization (MCO) Statewide Contract.

ENDNOTES

- ¹ Solomon EM, Wing H, Steiner JF, Gottlieb LM. Impact of Transportation Interventions on Health Care Outcomes: A Systematic Review. *Med Care*. 2020;58(4):384–391. doi: 10.1097/MLR.0000000000001292. PMID: 31985588.
- ² Center for Medicaid and CHIP Services. CMCS Informational Bulletin: Medicaid Coverage of Certain Medical Transportation under the Consolidated Appropriations Act, 2021. (Public Law 116-260). July 12, 2021. Available at: <https://www.medicaid.gov/federal-policy-guidance/downloads/cib071221.pdf>
- ³ Based on the principles identified in section 1902(a)(4)(A) of the Social Security Act (the Act), the Consolidated Appropriations Act (CAA), 2021, Division CC, Title II, Section 2097 (section 209), codified in statute at section 1902(a)(4) of the Act the longstanding regulatory interpretation of transportation assurance as a state plan requirement. The Act added a statutory requirement that state plans must include “a specification that the single State agency...will ensure necessary transportation for beneficiaries under the State plan to and from providers and a description of the method that such agency will use to ensure such transportation. Source: Centers for Medicare & Medicaid Services. Assurance of Transportation: A Medicaid Transportation Coverage Guide (SMD 23-006). September 28, 2023. Available at: <https://www.medicaid.gov/sites/default/files/2023-09/smd23006.pdf>.
- ⁴ Transportation must be assured for both mandatory benefits and optional benefits that the state has chosen to cover. For instance, the prescribed drug benefit is an optional state plan benefit, but if the state chooses to cover prescribed drugs, it must also ensure that beneficiaries have necessary transportation to access covered prescriptions, per SMD#23-006, cited above.
- ⁵ Transportation may be covered as an administrative activity under the state plan (matched at the standard 50% federal financial participation (FFP) rate provided in section 1903(a)(7) of the Act for administrative expenditures), or as an optional medical service under 42 C.F.R. § 440.170(a), matched at the state's applicable Federal Medical Assistance Percentage (FMAP). As an optional medical service, the NEMT and/or emergency medical transportation provider must meet the definitions outlined in Medicaid regulations at 42 C.F.R. § 440.170(a) and all other requirements relating to Medicaid medical services, including freedom of choice of provider, comparability, and statewide availability, and direct vendor payment (i.e., states cannot pay beneficiaries directly for transportation). As an administrative activity, states have more flexibility. They are not obligated to meet the above requirements; thus, direct payment to beneficiaries must be claimed as an administrative activity, per SMD#23-006.
- ⁶ States are responsible for ensuring general Medicaid program requirements are met, such as clear steps for filing grievances and appeals, language assistance, and cultural competency. Furthermore, states must use the least costly mode of transportation that is appropriate for the physical and emotional condition of the beneficiary must ensure the availability of necessary transportation to the nearest qualified provider (with exceptions related to freedom of choice and preserving relationship with provider), per SMD#23-006.
- ⁷ Federal policy requires that transportation providers (including traditional NEMT providers and TNCs, but not public transit authorities) ensure at a minimum: (A) each such provider and individual driver can participate in any federal healthcare program (as defined in section 1128B(f) of the Act) and is not listed on the exclusion list of the HHS Inspector General; (B) each such individual driver has a valid driver's license; (C) each such provider has in place a process to address any violation of a state drug law; and (D) each such provider has in place a process to disclose to the State Medicaid program the driving history, including any traffic violations, of each driver employed by such provider, including any traffic violations, per the CMCS Informational Bulletin cited in endnote 2.
- ⁸ Texas A&M Transportation Institute and RLS and Associates, Inc. Wheels to Care: Navigating NEMT Across America. December 2024. Available at: <https://hlthmgt.sharepoint.com/211179/Shared%20Documents/Forms/AllItems.aspx?id=%2F211179%2FShared%20Documents%2FTask%201%20Lit%20Scan%2DNEMT%20Reports%20and%20Fed%20Requirements%2FNEMT%20State%20by%20State%20Profiles%20December%202024%20Final%20%281%29%2Epdf&parent=%2F211179%2FShared%20Documents%2FTask%201%20Lit%20Scan%2DNEMT%20Reports%20and%20Fed%20Requirements>
- ⁹ Silow-Carroll S, Gifford K, Rosenzweig C, Ryland K, Pham A. Medicaid's Non-Emergency Medical Transportation Benefit: Stakeholder Perspectives on Trends, Challenges, and Innovations. Health Management Associates. August 2021. Available at: https://www.healthmanagement.com/wp-content/uploads/HMA_NEMT_Report_MACPAC_Aug-21.pdf
- ¹⁰ Section 1902(a)(70) of the Social Security Act, further defined in 42 CFR § 440.170(a)(4), provides state plan authority to establish an NEMT brokerage program and receive the state's regular FMAP rate for medical assistance. This authority allows states to amend their Medicaid state plans to include an NEMT brokerage program without regard to the statutory requirements for comparability, statewide availability, and freedom of choice of provider, without the need for waivers under section 1915(b) or section 1115 of the Act. Expenditures for broker-arranged NEMT can also be claimed as an administrative activity, per SMD#23-006.

- ¹¹ States may cover transportation as an optional medical service under managed care authorities, such as a section 1932(a) State Plan Amendment (SPA), section 1915(b) waiver, or section 1115 demonstration authority under the Social Security Act. If the service is covered under the state plan as a medical service, this service can be included in the Medicaid managed care capitation rates per 42 CFR § 438.3(c)(1)(ii). If a state only covers transportation as an administrative activity, it can enter into a separate arrangement with a managed care plan to provide it as an administrative activity, per SMD#23-006.
- ¹² Non-Emergency Medical Transportation Accreditation Commission. Tennessee Medicaid NEMT Credentialing Pilot. Fall 2022 White Paper. Available at: <https://www.tn.gov/content/dam/tn/tenncare/documents/TNMedicaidNEMTCredentialingPilotResults.pdf>.
- ¹³ NEMT will remain carved out in the urban service areas of Washoe and Clark counties.
- ¹⁴ TN MCO Statewide Contract, Exhibit F of Att. XI, January 1, 2021.
- ¹⁵ Arizona Health Care Cost Containment System. AHCCCS Medical Policy Manual. Available at: <https://azahcccs.gov/shared/MedicalPolicyManual/>.
- ¹⁶ Arizona Health Care Cost Containment System. AHCCCS Medical Policy Manual, Chapter 300, Section 310 Covered Services, Policy 310-BB Transportation. Available at: <https://azahcccs.gov/shared/Downloads/MedicalPolicyManual/300/310-BB.pdf>.
- ¹⁷ State of Maine RFP# 202303047.
- ¹⁸ Centers for Medicare & Medicaid Services. SMD# 23-006 RE: Assurance of Transportation: A Medicaid Transportation Coverage Guide. September 28, 2023. Available at: <https://www.medicare.gov/federal-policy-guidance/downloads/smd23006.pdf>.
- ¹⁹ NEMTAC's Technology Advisory Committee is leading this project with the goal of establishing a centralized, anonymized data set for fact-based analysis of the NEMT industry. The data will come from a coordinated call for contributions from NEMT brokers, state agencies, and payers, with all data fully anonymized before submission and subject to strict privacy and security protocols. A major university will serve as the host institution for the repository, in cooperation with the International Association of Transportation Regulators (IATR), who will help guide the types of research and host events to engage stakeholders on how to best utilize the findings. Source: written communication from Peter Hicks, Executive Director, NEMTAC. March 26, 2025.
- ²⁰ For transportation provided as an optional medical service, section 1902(a)(30)(A) of the Social Security Act generally requires that state plan provide methods and procedures as may be necessary to ensure that "payments are consistent with efficiency, economy, and quality of care and are sufficient to enlist enough providers so that care and services are available under the plan at least to the extent that such care and services are available to the general population in the geographic area[.]" Under section 1903(a)(7) of the Act, transportation provided as an administrative activity must be provided in a manner consistent with "the proper and efficient administration of the State plan." CMS guidance specifies that "states should evaluate and set the rates so that beneficiaries will have access to transportation at least consistent with the availability of transportation services to non-Medicaid individuals in geographic areas of the state" and for transportation carved into managed care, "states should carefully analyze their contracts and capitation rates to ensure that they provide for adequate access and availability of services and require compliance with all applicable provisions in 42 C.F.R. part 438." See SMD#23-006.
- ²¹ Centers for Medicare & Medicaid Services. SMD# 23-006 RE: Assurance of Transportation: A Medicaid Transportation Coverage Guide. September 28, 2023. Available at: <https://www.medicare.gov/federal-policy-guidance/downloads/smd23006.pdf>.
- ²² In March 2025, Nevada awarded contracts to expand managed care statewide, adding a new rural service area. NEMT will continue to be managed through a broker in the urban service areas of Washoe and Clark counties, whereas NEMT will be carved in to managed care for the rural service area.
- ²³ "If a state wishes to implement one of the exceptions to the broker conflict of interest rules, the state must submit a SPA proposal to implement the exception, which must include documentation to support that the criteria for the exception are met," According to SMD#23-006. Exceptions to anti-kickback restrictions are provided in 42 CFR 440.170(a)(4)(ii)(B).
- ²⁴ Nevada Rural Counties Retired & Senior Volunteer Program (RSVP): Volunteers provide rides that would otherwise be unavailable in their area using their personal vehicles. Volunteer drivers receive ongoing training, mileage reimbursements at \$0.60 per mile. RSVP partners with the American Association of Retired Persons (AARP) and the Nevada Department of Transportation (NDOT) to offer volunteers specialized drivers' training. Source: Nevada Rural Counties RSVP Program. Transportation. 2021. Available at: <https://www.nevadaruralrsvp.org/transportation>.
- ²⁵ Centers for Medicare & Medicaid Services. SMD# 23-006 RE: Assurance of Transportation: A Medicaid Transportation Coverage Guide. September 28, 2023. Available at: <https://www.medicare.gov/federal-policy-guidance/downloads/smd23006.pdf>.

- ²⁶ Non-Emergency Medical Transportation Accreditation Commission. Non-Emergency Medical Transportation Levels Of Service Standard. Approved October 2024. Available at: <https://nemtac.co/wp-content/uploads/2024/10/BSR-NEMTAC-1001-202X-Levels-of-Service-Standard-Approved-10.11.2024.pdf>.
- ²⁷ These agencies are the delivery system for human services, including transportation to rural residents, throughout the State of Tennessee. The nine HRAs are: Delta HRA, East Tennessee HRA, First Tennessee HRA, Mid-Cumberland HRA, Northwest HRA, South Central Development District, South West HRA, Upper Cumberland HRA, and South East HRA.
- ²⁸ Procurement Notice State of Connecticut Department of Social Services Non-Emergency Medical Transportation Request for Proposals NEMT _RFP_ 10162023. Available at: https://portal.ct.gov/-/media/departments-and-agencies/dss/dss-rfps/nemt-rfp_10162023.pdf?rev=4392cf0bb277405bbce487edd448763a&hash=3B9C30E2AD4BD662A9A4910780D23EE6.
- ²⁹ Procurement Notice State of Connecticut Department of Social Services Non-Emergency Medical Transportation Request for Proposals NEMT _RFP_ 10162023. Available at: https://portal.ct.gov/-/media/departments-and-agencies/dss/dss-rfps/nemt-rfp_10162023.pdf?rev=4392cf0bb277405bbce487edd448763a&hash=3B9C30E2AD4BD662A9A4910780D23EE6.
- ³⁰ State of Maine RFP# 202303047, II.G.26.b.xi, p. 28.
- ³¹ Volunteer drivers are exempted from the requirements to install cameras in their personal vehicles.
- ³² State of Maine RFP# 202303047, p. 28.
- ³³ Non-Emergency Medical Transportation Accreditation Commission. Tennessee Medicaid NEMT Credentialing Pilot. Fall 2022 Whitepaper. Available at: <https://www.tn.gov/content/dam/tn/tenncare/documents/TNMedicaidNEMTCredentialingPilotResults.pdf>
- ³⁴ Arizona Health Care Cost Containment System. Behavioral Health Outpatient Clinic, Integrated Clinic, Non-Emergency Medical Transportation, Community Service Agency and Behavioral Health Residential Facility Provider Moratorium. June 9, 2024. Available at: <https://www.azahcccs.gov/Resources/Downloads/GovernmentalOversight/AHCCCSBehavioralHealthProviderMoratorium.pdf>.
- ³⁵ Centers for Medicare & Medicaid Services. SMD# 23-006 RE: Assurance of Transportation: A Medicaid Transportation Coverage Guide. September 28, 2023. Available at: <https://www.medicare.gov/federal-policy-guidance/downloads/smd23006.pdf>.
- ³⁶ Centers for Medicare & Medicaid Services. CMS Approves Amendment to the Arizona Health Care Cost Containment System Section 1115 Demonstration. December 27, 2024. Available at: <https://content.govdelivery.com/accounts/USCMSMEDICAID/bulletins/3c95d7b>.
- ³⁷ Trent J Frizzera C. Moving Forward Together: Opportunities to Improve Program Integrity in Medicaid Non-Emergency Medical Transportation. Leavitt Partners. July 2019. Available at: https://www.advancingstates.org/sites/default/files/Moving-Forward-Together_FINAL.pdf.
- ³⁸ Medical Transportation Access Coalition. Considering the Ideal Role for Non-Emergency Transportation in Addressing Social Determinants of Health in Medicaid and Medicare Populations. December 21, 2021. Available at: https://mtaccoalition.org/wp-content/uploads/2022/02/Considering-the-Ideal-Role-for-Transportation_2021.12.21_final.pdf.
- ³⁹ Texas A&M Transportation Institute and RLS & Associates, Inc. Wheels to Care: Navigating NEMT Across America: An NEMT Profile for Each of the 50 States and D.C. December 2024. Available at: <https://hlthmgt.sharepoint.com/211179/Shared%20Documents/Forms/AllItems.aspx?id=%2F211179%2FShared%20Documents%2FTask%201%20Lit%20Scan%2DNEMT%20Reports%20and%20Fed%20Requirements%2FNEMT%20State%20by%20State%20Profiles%20December%202024%20Final%20%281%29%2Epdf&parent=%2F211179%2FShared%20Documents%2FTask%201%20Lit%20Scan%2DNEMT%20Reports%20and%20Fed%20Requirements>
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