



## State of Louisiana

Department of Health and Hospitals  
Bureau of Health Services Financing

February 28, 2014

The Honorable Scott M. Simon, Chairman  
House Health and Welfare Committee  
Louisiana House of Representatives  
P.O. Box 4486, Capitol Station  
Baton Rouge, LA 70804-4486

Re: DHH Response to HR 211 of the 2013 Legislative Session

Dear Honorable Chair:

The Department of Health and Hospitals (DHH) has reviewed HR 211 from the 2013 Regular Legislative Session and, as requested in the Resolution, have completed a study for improving access and reliability to nonemergency medical transportation (NEMT) services for Medicaid recipients.

The Louisiana Medicaid NEMT program is dedicated to providing NEMT services to Medicaid enrollees consistently, reliably, and in a cost effective manner. In response to the Resolution, we have researched the Medicaid NEMT program management models used in several surrounding states and the evidence supporting them. Medicaid NEMT staff conducted a comparative analysis of the NEMT programs in Alabama, Arkansas, Georgia and Mississippi.

Of the four states we surveyed, three have moved to a "brokerage" model for NEMT program management. The brokerage models in these states involve contracting with one or more companies ("brokers") who would then be paid by the state to provide NEMT services to the Medicaid population. The contracted company (or companies) would then subcontract out as needed with local non-profit or for-profit transportation providers. That is, instead of DHH enrolling, monitoring, and paying 139 individual transportation companies as we do now, we would pay a single brokerage company to manage all Medicaid NEMT services. The contracted company would then be accountable for delivering consistent, timely transportation services to the covered Medicaid population.

The three states we surveyed who use brokerage contracts assert that this method is a less expensive and more effective delivery system for NEMT services for them. However, the

data they provided reveals that these states spend considerably more for NEMT services than Louisiana. The Louisiana Medicaid NEMT program spends approximately \$12 million per year to provide services to approximately 700,000 Medicaid recipients. This calculates to about \$14 per person per year, which is the lowest per person rate of any state we surveyed (see attached table).

Reliability of the services is much more difficult to compare among states. While we were able to obtain the number of providers and the number of clients served from each of the states surveyed, more extensive data would be necessary from each of these states to compare things such as timeliness of pick-ups and drop-offs, number of appointments missed by NEMT providers, number of doctor appointments missed due to lack of access to transportation providers, and number of complaints received from Medicaid recipients. Unfortunately, reliable data at this level of detail was unavailable at the time of our study. We will continue to study the policies and practices of other states to find supporting evidence for initiatives that differ from our own.

It should be noted that the Louisiana Medicaid NEMT program has worked to significantly improve the monitoring of our providers over the last several years and we are working to make additional improvements to ensure effective and efficient delivery of these much needed services to Medicaid enrollees.

As always, thank you for your continued commitment to Louisiana residents and your leadership on these critical issues. Please let us know if we can be of further assistance.

Sincerely,



J. Ruth Kennedy  
Medicaid Director

JRK/jmb

cc: The Honorable Members of the House Health and Welfare Committee  
David R. Poynter Legislative Research Library