

Minnesota saves \$5 million annually in Medicaid transportation costs

Challenge:

The Minnesota Department of Human Services (DHS) managed its non-emergency transportation (NEMT) program. Service levels included curbside-to-curb, known as Access Transportation Services (ATS) and door-to-door/door-through-door, known as Special Transportation Services (STS). The ratio of STS to ATS trips was 75% to 25%. Like most things, the higher level of services cost more. Transportation providers could elevate a Medicaid recipient's level of service without justification. Under this model, NEMT costs continued to rise and the program suffered rampant fraud and abuse. To improve the program, DHS sought a transportation manager to provide oversight, contain cost, and reduce fraud and abuse.

Solution:

In 2004, DHS awarded MTM the NEMT contract for seven counties surrounding the Minneapolis, St. Paul area. The transportation manager eliminated transportation providers' ability to elevate the level of service. Instead, MTM developed a nurse-supervised level-of-need (LON) screening process. The LON process requires input from medical practitioners to determine the most appropriate mode of transportation for the Medicaid recipient's medical and cognitive condition and abilities.



Results:

By instituting the LON process, MTM safely reduced the number of the more-costly STS trips and successfully transitioned qualified Medicaid recipients to ATS. This shifted the ratio of STS to ATS trips from 25% to 75%, inverting the ratio. As a result, DHS experienced a 25% savings on transportation costs, which equates to a savings of over \$5 million per year from 2004 to 2007. Through appropriate mode assignment achieved with medical practitioners input, fraud and abuse of the system was significantly reduced. Due to the success of the program, MTM received the award of an additional four counties. In 2006, DHS awarded MTM a contract for statewide LON screening of STS.

"Since MTM's management of our transportation program, costs as well as fraud, waste and abuse have decreased, all the while access to transportation has increased. We're quite satisfied with the way MTM has handled the transition to a managed program; it has promoted the appropriate mode of transport based on the individual recipient's needs while being sensitive and focused on customer satisfaction. That's why we chose to renew our contract with MTM and expand it to include full STS brokerage. We fully expect, after the transition period is over and all issues with the transition have been resolved, that we will see increased cost savings and coordination of services."

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