*Welcome to LLA Reports, a podcast produced by the Louisiana Legislative Auditor’s office. This podcast is intended to be an oral representation of the written report it highlights and is primarily for the use of the Louisiana Legislature.*

This is Lauren Pendas. I’m a Senior Auditor with LLA Performance Audit Services. This episode of LLA Reports focuses on a newly released report titled “Progress Report: Non-Emergency Medical Transportation – Louisiana Department of Health.”

In Performance Audit, we periodically go back to an agency to see if it has fixed issues that we found in a previous audit. We call these follow-up audits Progress Reports.

The purpose of this progress report was to evaluate whether the Louisiana Department of Health, or LDH, has improved its oversight of the Medicaid Non-Emergency Medical Transportation program, or NEMT, since our audit of the program in 2015.

The NEMT program provides Medicaid recipients with transportation to and from a Medicaid medical provider by non-ambulance providers – including public transportation, non-profit providers, for-profit providers, and friends and family providers.

The program also provides Medicaid recipients with non-emergency transportation by ambulance providers when it’s medically necessary.

In our 2015 report, we found that LDH did not always provide sufficient oversight of the NEMT program.

Specifically, we found LDH did not routinely analyze NEMT claims for improper payments. It also did not do onsite monitoring of non-ambulance providers, and it never monitored ambulance providers to ensure they had supporting documentation for their rides.

We made eight recommendations in our 2015 report, and LDH agreed with all of them.

When we conducted our audit in 2015, LDH ran the NEMT program under the department’s old fee-for-service health care model and enrolled transportation providers in the Medicaid program, paid the providers’ claims, and contracted with a transportation broker to schedule rides.

LDH stated that the issues cited in our 2015 report would be addressed by NEMT becoming part of the state’s managed care program in December 2015. Since then, LDH has contracted with the five managed care organizations, or MCOs, that oversee the state’s Medicaid program to administer the NEMT program. As a result, LDH’s role has shifted from running the NEMT program to monitoring how the MCOs run the program.

Between calendar years 2016 and 2018, there were more than 4.5 million NEMT encounters, which are basically claims, involving 150,673 recipients at a cost of about $151 million dollars.

In our newly released audit report, we found LDH is still not providing sufficient oversight of the NEMT program.

We had two findings in our report.

First, we found LDH has not given the MCOs enough guidance to run the NEMT program and has weakened or eliminated controls that previously existed. For example, LDH did not update the transportation provider manual before the MCOs began administering the NEMT program and did not ensure that the MCOs used consistent coding to identify NEMT services and providers in the data.

In addition, we found that LDH no longer requires documentation from the medical providers to support the occurrence and need for transportation, it does not ensure the MCOs store ride verification forms electronically as required by their contracts, and it does not require the MCOs to review NEMT documentation to make sure their transportation brokers are enforcing program rules.

In our second finding we found LDH is not routinely analyzing NEMT encounter data to ensure the MCOs are complying with their contracts and identifying potentially improper payments. As a result, we identified potential improper payments similar to those we found in our 2015 audit.

Specifically, we identified $4.3 million dollars in rides where there was no medical claim on the date of the service. We also identified $1.2 million dollars in rides that potentially should have been coded as value-added services and excluded from the calculation of per-member, per-month fees, and we identified more than $300,000 dollars in rides that should have been paid by nursing homes and hospice providers.

We developed six recommendations as a result of our audit.

Those recommendations included updating the Medical Transportation Provider Manual or the MCO Manual and establishing guidance for NEMT coding. We also recommended LDH consider requiring the MCOs to have medical professional signatures on ride verification forms for non-ambulance transportation and ensuring that transportation brokers store ride verification forms electronically.

In addition, we recommended that the MCOs be required to use a standard form documenting the medical necessity for ambulance transportation and that the MCOs audit NEMT documentation for both non-ambulance and ambulance transportation. We also recommended that LDH and the MCOs use data analytics to identify payments that potentially violate NEMT program rules and NEMT encounters that should be coded as value-added services.

In their response, which is detailed in the report, LDH officials agreed with all of our recommendations.

Ultimately, the goal of our audit was to determine whether LDH had improved its oversight of the NEMT program and to offer recommendations to strengthen that oversight.

*We hope you found this podcast informative, and that you’ll follow future episodes of LLA Reports.*

*This podcast was created as part of the audit report just discussed and is intended primarily for the use of the Louisiana Legislature. Both the full report and the podcast can be found on the LLA’s website at* [*www.lla.la.gov*](http://www.lla.la.gov)*.*

*Thank you for listening.*