

TEXAS HEALTH AND HUMAN SERVICES COMMISSION
OFFICE OF INSPECTOR GENERAL
AUDIT REPORT

**MEDICAL TRANSPORTATION
MANAGEMENT, INC.**

*A Texas Medicaid Medical Transportation
Organization*



July 17, 2019

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INTRODUCTION

The Texas Health and Human Services Commission (HHSC) Office of Inspector General (OIG) Audit Division conducted an audit of Medical Transportation Management, Inc. (MTM), a Texas Medicaid managed transportation organization (MTO).

During the audit period of September 1, 2016, through August 31, 2017, MTM received \$49.2 million in capitation payments for providing non-emergency medical transportation (NEMT) services, defined in Appendix A and required by contract with HHSC,¹ to an average of 436,699 Medicaid recipients per month.

MTM had operating expenses of \$32.8 million and administrative expenses of \$12.2 million. Net income was \$4.2 million.²

Demand Response (\$27.6 million) and Individual Transportation Participant (ITP) (\$3.6 million) represented the largest portion of MTM's operating expenses during the audit period. After removing about \$3.1 million paid for transporting dual-eligibles,³ there remained \$28.1 million in operating expenses for Demand Response and ITP. Non-dual-eligible transportation encounters,⁴ representing payments MTM made to Demand Response providers and ITPs during the audit period, included encounters totaling \$462,271 associated with beneficiaries for whom there was no corresponding Medicaid medical claim or encounter within a range of 7 days before and 7 days after the transportation encounter.⁵ These transportation encounters are referred to in this audit as unmatched encounters.

Unless otherwise described, any year referenced is the state fiscal year, which covers the period from September 1 through August 31.

Objective and Scope

The audit objective was to determine whether MTM's performance in selected areas was in accordance with contract requirements.

¹ Managed Transportation Organization Contracts, Exhibit G, Region 5, § 2.3 (Aug. 1, 2014) and Region 9, § 2.3 (Aug. 1, 2014); and Full Risk Broker Services Contract, Attachment A, Service Delivery Area 2, § 1 (Mar. 15, 2012, amended Sept. 1, 2016).

² These amounts were compiled from the fiscal year 2017 financial statistical report (FSR).

³ "Dual-eligibles" is a term used to describe enrollees who are covered by both Medicaid and Medicare.

⁴ A "transportation encounter" is a detailed record an MTO submits to HHSC about a service delivered to a recipient by a transportation provider and represents key information about an adjudicated claim and the resulting payment from the MTO to the transportation provider.

⁵ A paid transportation encounter without a corresponding medical encounter may occur if the medical encounter was paid by an individual or entity other than Medicaid.

The audit scope included unmatched Demand Response and ITP encounters for the period from September 1, 2016, through August 31, 2017, activities related to complaint, accident, and incident management, and relevant activities and internal controls in place through the end of fieldwork in October 2018.

Methodology

The OIG Audit Division collected information for this audit through discussions and interviews with responsible staff at MTM and by reviewing:

- Demand Response and ITP encounters
- Demand Response driver logs and ITP mileage reimbursement forms
- AS400⁶ transportation authorization screen shots
- Policies and procedures
- AS400 system-generated reports of complaints, accidents, and incidents
- HHSC Medical Transportation Program (MTP) accident and incident reports
- Health and Human Services Enterprise Administrative Report and Tracking (HEART)⁷ complaints

The OIG Audit Division selected a random⁸ sample of 96 Demand Response encounters⁹ from the population of unmatched encounters and judgmentally¹⁰ selected 20 Demand Response encounters. All 20 of the judgmentally-selected encounters were selected because the recipients did not have any medical events in 2017.

The 116 total Demand Response encounters were associated with 65 driver logs. The OIG Audit Division conducted Demand Response testing to determine whether (a) transportation encounter data was supported by information in AS400 and driver logs, (b) transportation encounters were supported by driver logs containing all required information, and (c) transportation encounters with dates of service after December 1, 2016, were supported by the required standardized Driver's Log.

⁶ "AS400" is MTM's transportation management system used for storing authorizations, reservations, complaints, payments to transportation providers, and other operating functions.

⁷ "HEART" is a web-based application that is used by MTP to track and monitor complaints and compliments, document complaint resolutions, and generate reports to assess timeliness.

⁸ "Random sampling" is a method by which every element in the population has an equal chance of being selected.

⁹ An "encounter" for both Demand Response and ITP, refers to one leg of transport (i.e., transportation from an authorized pick-up address to an authorized drop-off address).

¹⁰ "Judgmental sampling" is a non-probability sampling method where the auditor selects the sample based on certain characteristics, such as dollar amount, timeframe, or type of transaction.

The OIG Audit Division also selected a random sample of 95 ITP encounters from the population of unmatched encounters, and judgmentally selected 20 ITP encounters. All 20 of the judgmentally-selected ITP encounters were selected because the recipient did not have any medical events in 2017.

The 115 total ITP encounters were associated with 57 mileage reimbursement forms. The OIG Audit Division conducted ITP testing to determine whether (a) ITP encounter data was supported by information in AS400 and mileage reimbursement forms, (b) ITP encounters were supported by mileage reimbursement forms containing all required information, and (c) ITP encounters were supported by the required ITP Service Record.

The OIG Audit Division evaluated MTM's management of complaints, accidents, and incidents by interviewing responsible personnel, reviewing and comparing MTM's database of complaints to HEART complaints, reconciling AS400's accidents and incidents with those reported to MTP, and reviewing policies and procedures.

The OIG Audit Division reviewed the reliability of transportation encounter data by tracing unmatched encounters to MTM's transportation management system, AS400, and interviewing MTM employees knowledgeable about the data.

Criteria

The OIG Audit Division used the following criteria to evaluate the information provided:

- 42 C.F.R. § 438.230 (2015)
- 1 Tex. Admin. Code §§ 371.1655 (2016) and 380 (2014)
- HHSC Uniform Terms and Conditions § 5.02, v. 1.5 (2014)
- Managed Transportation Organization Contracts, Region 5 (2014) and Region 9 (2014); and Full Risk Broker Services Contract, Service Delivery Area 2 (2012, amended 2016)
- Medical Transportation Management, Inc., "NEMT Services Texas Operations Manual FRB SDA-2" (2016)

- Medical Transportation Management, Inc., “NEMT Services Texas Operations Manual, Managed Transportation Organization, Regions 5 and 9” (2016)
- MTM Corporate Policy, Mileage Reimbursement – TX MTO, Policy 609 (2016)

Auditing Standards

Generally Accepted Government Auditing Standards

The OIG Audit Division conducted this audit in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the issues and conclusions based on our audit objectives. The OIG Audit Division believes the evidence obtained provides a reasonable basis for our issues and conclusions based on our audit objectives.

The OIG Audit Division presented audit results, issues, and recommendations to MTM in a draft report dated June 28, 2019. MTM was provided with the opportunity to study and comment on the report. The MTM management responses are included in the report following the recommendations.

MTM concurred with the OIG Audit Division recommendations outlined in this report, and will implement action plans.

RESULTS

Information contained in MTM's AS400 system indicated that selected transportation services for Medicaid recipients, represented by 231 transportation encounters, including 116 Demand Response encounters and 115 ITP encounters, were appropriate, even though there were no corresponding Medicaid medical claims or encounters for these Medicaid recipients within 7 days of the day transportation was provided. The data contained in AS400 used to form audit conclusions was reliable.

Some of the information contained in supporting Demand Response driver logs and ITP mileage reimbursement forms, however, was missing or incomplete, and some of the reported encounters included incorrect amounts. In addition, MTM did not comply with all contract requirements for managing complaints, accidents, and incidents.

Issues related to Demand Response drivers logs, Demand Response encounters, ITP mileage reimbursement forms, and complaints, accidents, and incidents, are detailed in the sections that follow.

DEMAND RESPONSE DRIVER LOGS

Demand Response transportation services are provided when fixed route services are either unavailable or do not meet the needs of recipients.

MTOs must maintain, for a minimum of five years, records that are adequate to ensure that Demand Response transportation services were provided and payments were appropriately made, and provide these records to HHSC upon request.^{11,12} Driver logs are one such required record.

In a written policy notification on October 9, 2016, HHSC instructed the MTOs to use the standardized Driver's Log developed by HHSC for all MTOs and their transportation providers, beginning no later than December 1, 2016.¹³ A copy of the standardized Driver's Log can be found in Appendix B.

¹¹ Managed Transportation Organization Contracts, Exhibit G, Region 5 § 6.3 (Aug. 1, 2014) and Region 9, § 6.3 (Aug. 1, 2014); and Full Risk Broker Services Contract, Attachment A, Service Delivery Area 2, § 43 (Mar. 15, 2012, amended Sept. 1, 2016).

¹² Managed Transportation Organization Contracts, Exhibit G, Region 5 § 6.4 (Aug. 1, 2014) and Region 9, § 6.4 (Aug. 1, 2014); and Full Risk Broker Services Contract, Attachment A, Service Delivery Area 2, § 44 (Mar. 15, 2012, amended Sept. 1, 2016).

¹³ 1 Tex. Admin. Code § 371.1655 (May 1, 2016); See also HHSC Uniform Terms and Conditions § 5.02, v. 1.5 (May 21, 2014).

Driver logs for Demand Response transportation services must contain certain data elements, including recipient signature, in order to support a paid claim.¹⁴ HHSC specifically requires the recipient signature as a means to verify and validate that the transportation service was actually provided.¹⁵

Missing Driver Log

MTM was unable to provide one of the 65 driver logs selected for testing during this audit. The missing driver log was associated with two Demand Response claims.

MTM did not follow contract requirements, which require MTOs to maintain supporting documentation, including driver logs, for transportation service claims. As a result, MTM made payments totaling \$82.70 to one Demand Response transportation provider for two unsupported claims associated with the one missing driver log.

By not maintaining the driver log, MTM was not in compliance with contract requirements, resulting in the approval and payment of unsupported transportation claims.

Out of Date Driver Logs

Of the 64 driver logs tested, 47 were completed on or after December 1, 2016, and should have been documented on a standardized Driver's Log.

Of the 47 driver logs submitted by transportation providers to MTM as support for payment on or after December 1, 2016, 37 (79 percent) did not use the required standardized Driver's Logs, but MTM processed the corresponding payments.

MTM did not follow the written policy notification from HHSC to implement the use of standardized Driver's Logs by transportation providers by December 1, 2016. As a result, MTM made payments totaling \$2,306.51¹⁶ to Demand Response transportation providers for 64 claims associated with the 37 outdated driver logs.

By not verifying Demand Response transportation providers used the standardized Driver's Log beginning on December 1, 2016, MTM was not in compliance with

¹⁴ Managed Transportation Organization Contracts, Exhibit G, Region 5 § 2.7.5.10 (Aug. 1, 2014) and Region 9, § 2.7.5.10 (Aug. 1, 2014); and Full Risk Broker Services Contract, Attachment A, Service Delivery Area 2, § 5.5.10 (Mar. 15, 2012, amended Sept. 1, 2016).

¹⁵ Managed Transportation Organization Contracts, Exhibit G, Region 5 § 2.7.5.6 (Aug. 1, 2014) and Region 9, § 2.7.5.6 (Aug. 1, 2014); and Full Risk Broker Services Contract, Attachment A, Service Delivery Area 2, § 5.5.6 (Mar. 15, 2012, amended Sept. 1, 2016).

¹⁶ Some of the unsupported claim amounts are represented in more than one issue.

requirements contained in HHSC's written policy notification and resulted in the approval and payment of unsupported claims.

Incomplete Driver Logs

Of the 64 driver logs tested, 58 (91 percent) were missing one or more contractually-required data elements. Specifically:

Table 1: Driver Logs Missing Elements

Data Element	Number of Forms Missing Elements
Trip status	31
Miles driven per trip odometer	25
Pick-up address	15
Drop-off address	15
Vehicle identification number and vehicle number, if any	14
Recipient's signature	9
Attendant's first and last name	9
Recipient's first and last name	7
Driver's license number	6
Driver's signature	5
Performing provider	5
Attendant's signature	3
Driver's first and last name	2
Pick-up time	1
Drop-off time	1
Date of service	1

Source: OIG Audit Division

MTM did not follow contract requirements, which specify that transportation provider claims must be supported by driver logs completed with all required elements. As a result, MTM made payments totaling \$4,048.18 to Demand Response transportation providers for 102 unsupported claims associated with 58 driver logs. This represented 93 percent of the \$4,361.07 MTM paid for claims associated with the 64 driver logs tested.

By not verifying Demand Response transportation providers included all required data elements on driver logs submitted as support for claims, MTM was not in compliance with contract requirements, resulting in the approval and payment of unsupported transportation claims.

Missing Recipient Signatures

Of the 58 driver logs with missing data elements discussed above, 9 logs did not contain the recipient's signature. The seven recipients associated with the nine driver logs were authorized for transportation services.

MTM did not follow contract requirements, which specify that recipient signatures are required on driver logs to verify and validate that the transportation services were provided. As a result, MTM made payments totaling \$304.62 to Demand Response transportation providers for 12 claims associated with the 9 driver logs.

By not verifying Demand Response transportation providers obtained recipient signatures on driver logs, MTM was not in compliance with contract requirements, resulting in the approval and payment of unsupported transportation services.

Recommendation 1

MTM should:

- Ensure all driver logs are (a) maintained for at least five years and (b) supplied within a reasonable amount of time after requested.
- Pay transportation provider claims only when the claims are supported by driver logs that contain all required data elements, including recipient signatures, and, for dates of service beginning on December 1, 2016, that are supported using the required standardized Driver's Log.

Management Response

Action Plan

A town hall meeting was held with the transportation providers serving the Texas HHSC population on May 31, 2019. At this meeting, stakeholders were educated on the new trip log requirements. To supplement the town hall meeting education, MTM representatives have held one-on-one meetings with the individual transportation providers to ensure their full understanding of the trip log requirements.

There was also a meeting held on June 26, 2019 with the Claims department to reiterate the findings within the OIG initial report. The expectation of transportation provider claims processing for the HHSC contract was clarified during this meeting. MTM will conduct audits of the submitted claims to include, but not limited to the review of signature and incomplete logs to ensure the incorrect trip logs are not utilized by transportation providers and that only complete and accurate logs are paid.

MTM will retain all driver logs for at least five years and maintain them in such a way that they can be retrieved upon request.

Responsible Manager

Manager, Transportation Operations and Analytics, Logistics

Manager, Transportation Analysis

Target Implementation Date

September 2019

DEMAND RESPONSE ENCOUNTER DATA

MTOs are required to submit complete and accurate encounter data for all covered services. In addition, encounter data should be a comprehensive and accurate depiction of the processed claim content from the MTO's claim system.¹⁷

Inaccurate Encounter Data

Ten of the 116 Demand Response encounters tested were inaccurate. The ten encounters involved five recipients who received shared ride services. Shared ride services are Demand Response transports for multiple clients traveling in the same direction with appointments scheduled within one hour of each other. MTM had agreements to pay these transportation providers the same amount whether or not there was an additional authorized recipient receiving shared ride services.

The information associated with the ten encounters in MTM's claim system was accurate. That information indicated, for each leg, that there was an initial recipient authorized, and an additional recipient authorized to receive shared ride services. The information also indicated that the transportation providers were appropriately paid a total of \$264.36 for the 10 authorized legs.

The reported encounters for the ten legs included incorrect information about the amounts paid to the transportation providers. Although MTM had appropriately paid the transportation providers for each authorized leg of the shared ride, the encounters indicated MTM paid the transportation providers twice as much, or \$528.72.

While compiling claim data for encounter submission, MTM manually copied the paid amount associated with the initial recipients for each leg, and associated the copied amounts with each of the second recipients who received shared ride

¹⁷ Managed Transportation Organization Contracts, Exhibit E, Region 5 § 2.28.1 (Aug. 1, 2014) and Region 9, § 2.28.1 (Aug. 1, 2014); and Full Risk Broker Services Contract, Attachment A, Service Delivery Area 2, § 24.1 (Mar. 15, 2012, amended Sept. 1, 2016).

services for the same legs, even though no additional amounts were billed by the transportation providers or paid by MTM. This incorrectly increased the total cost of the 10 encounters from the correct amount of \$264.36 to the incorrect amount of \$528.72, inflating the reported cost by \$264.36.

By not submitting accurate encounter data that was an accurate depiction of the processed claim content from its claim system, MTM was not in compliance with contract requirements.

Recommendation 2

MTM should submit accurate encounter data that is supported by the amount paid to Demand Response transportation providers for services provided.

Management Response

Action Plan

MTM was previously reporting a payment amount for both individuals sharing a ride which gave the impression that the payment amount was doubled; however, this was a misrepresentation of what was actually paid to the transportation provider.

This reporting error was corrected, and current dollar amount in reporting is accurate. Additional details are being reviewed to ensure MTM is fully compliant with the contractual guidelines. The review and any necessary corrective efforts will be completed by September 1, 2019.

Responsible Manager

Manager, Product Delivery, Business Technology

Manager, Transportation Analysis

Target Implementation Date

September 2019

ITP MILEAGE REIMBURSEMENT FORMS

ITP services are provided by individuals who volunteer to provide transportation services for recipients by entering into a participation agreement with an MTO. This service allows the flexibility for individuals to transport recipients in a personal vehicle to health care appointments. An ITP can transport themselves, a family member, or non-family member.

MTOs must maintain, for a minimum of five years, records that are adequate to ensure that ITP services were provided and payments were appropriately made, and

provide these records to HHSC upon request.^{18,19} Mileage reimbursement forms are one such required record.

In a written policy notification on February 24, 2015, HHSC instructed the MTOs to use a standardized mileage reimbursement form developed by HHSC for all MTOs and their ITPs, called the ITP Service Record, beginning no later than March 1, 2015.²⁰ A copy of the ITP Service Record can be found in Appendix C. In the instructions accompanying the ITP Service Record, HHSC stated that it is the responsibility of the MTO, prior to processing a request for payment, to ensure the accuracy and completeness of information provided on the ITP Service Record.

Missing Mileage Reimbursement Forms

MTM did not provide two mileage reimbursement forms for four ITP claims.

MTM did not follow contract requirements, which require MTOs to maintain supporting documentation, including mileage reimbursement forms, for transportation service claims. As a result, MTM made payments totaling \$194.90 to ITPs for 4 unsupported claims associated with the 2 missing mileage reimbursement forms.

By not maintaining mileage reimbursement forms, MTM was not in compliance with contract requirements, resulting in the approval and payment of unsupported claims.

Out of Date Mileage Reimbursement Forms

Of the 55 tested mileage reimbursement forms submitted by ITPs to MTM as support for payment, MTM processed 37 (67 percent) improper forms for payment. MTM did not follow the written policy notification from HHSC to implement the use of standardized ITP Service Records by ITPs by March 1, 2015. As a result, MTM made payments totaling \$883.08 to ITPs for 75 unsupported claims. By not verifying ITPs used the ITP Service Records, MTM was not in compliance with requirements contained in HHSC's written policy notification, and resulted in the approval and payment of unsupported claims.

¹⁸ Managed Transportation Organization Contracts, Exhibit G, Region 5 § 6.3 (Aug. 1, 2014) and Region 9, § 6.3 (Aug. 1, 2014); and Full Risk Broker Services Contract, Attachment A, Service Delivery Area 2, § 43 (Mar. 15, 2012, amended Sept. 1, 2016).

¹⁹ Managed Transportation Organization Contracts, Exhibit G, Region 5 § 6.4 (Aug. 1, 2014) and Region 9, § 6.4 (Aug. 1, 2014); and Full Risk Broker Services Contract, Attachment A, Service Delivery Area 2, § 44 (Mar. 15, 2012, amended Sept. 1, 2016).

²⁰ 1 Tex. Admin. Code § 371.1655 (May 1, 2016); See also HHSC Uniform Terms and Conditions § 5.02, v. 1.5 (May 21, 2014).

Incomplete Mileage Reimbursement Forms

All 55 mileage reimbursement forms tested were missing one or more data elements required by HHSC's written policy notification, as detailed in Table 2.

Table 2: Mileage Reimbursement Form Missing Data Elements

Data Element	Number of Forms Missing Element
Managed transportation identifier number	55
Amount for each segment and total amount paid ²¹	49
Miles per segment and total miles driven ²¹	48
Health care provider national provider identifier	46
Date of ITP signature	33
Date of health care provider signature	32
Title of health care provider	24
ITP signature	19
Recipient telephone number	13
Pick-up/Drop-off address	12
Recipient Medicaid number	11
ITP name	9
ITP telephone number	9
Recipient name	7
Health care provider name	7
Appointment date/time	7
Health care provider telephone number	5
Health care provider signature	5
Authorization number	3

Source: OIG Audit Division

MTM did not follow HHSC's written policy notification, which requires ITP claims to be supported by ITP Service Records completed with all required elements. As a result, MTM made payments totaling \$1,331.18 to ITPs for 111 unsupported claims associated with 55 mileage reimbursement forms.

By not verifying ITPs included all required data elements on mileage reimbursement forms submitted as support for claims, MTM was not in compliance with requirements contained in HHSC's written policy notification and resulted in the approval and payment of unsupported claims.

²¹ Missing miles per segment and total miles driven did not impact the accuracy of ITP claims payments. MTM paid claims based on the mileage calculated by AS400. AS400 uses a mapping engine to determine the miles between the starting and ending locations for which the recipient was authorized and received transportation services and applies the system-determined mileage when calculating payments to transportation providers.

Recommendation 3

MTM should:

- Ensure all mileage reimbursement forms are (a) maintained for at least five years and (b) supplied within a reasonable amount of time after requested.
- Pay ITP claims only when the claims are supported by required ITP Service Records that contain all required data elements.

Management Response

Action Plan

MTM will ensure all mileage reimbursement forms are maintained for at least five years and are maintained in such a way that they can be retrieved upon request.

MTM ITP Processors will receive additional training to only approve release of payments when the ITP Service Record is supported by and contains all required data elements.

Responsible Manager

Manager, Transportation Analysis

Target Implementation Date

November 2019

COMPLAINTS, ACCIDENTS, AND INCIDENTS

A complaint is an expression of dissatisfaction by a Medicaid recipient, the Medicaid recipient's representative, or a transportation provider, orally or in writing to MTP or the MTO, about any matter relating to NEMT services.²²

In a written policy notification on August 12, 2015, HHSC instructed the MTOs to forward complaint calls to the MTP Call Center or provide the MTP Call Center's toll-free number to a complainant that directly contacts the MTO, effective immediately.²³ MTP processes complaints it receives directly from complainants and also accepts complaints forwarded by the HHS Office of the Ombudsman or a legislator's office. MTP sends emails to the appropriate MTO containing the details of each complaint it receives.

²² Managed Transportation Organization Contracts, Attachment B - Definitions and Acronyms Region 5 (Aug. 1, 2014) and Region 9 (Aug. 1, 2014); and Full Risk Broker Services Contract, Exhibit E – Definitions and Acronyms, Service Delivery Area 2 (Mar. 15, 2012, amended Sept. 1, 2016).

²³ 1 Tex. Admin. Code § 371.1655 (May 1, 2016); See also HHSC Uniform Terms and Conditions § 5.02, v. 1.5 (May 21, 2014).

An MTO must develop a system for receiving, retaining, managing, resolving, and reporting client inquiries, complaints, grievances, and appeals to MTP.²⁴

All accidents, injuries, and incidents must be reported by the MTO on a prescribed HHSC form within the prescribed timeframes outlined in the MTO contract.²⁵

An MTO must have written procedures detailing its plan for monitoring the performance of transportation services. The procedures must describe processes that, when performed, ensure that an appropriate corrective action is taken when inappropriate or substandard services are provided by transportation providers.²⁶ MTM's internal procedures for complaint management address this requirement by requiring all complaints to be tracked and trended monthly and presented to Quality Management and Network Management for recommendations on follow up and Policy Improvement Plans (PIP) if transportation providers are consistently not meeting quality expectations.²⁷

MTM's performance monitoring plan for ensuring that appropriate corrective action plans are implemented set the ratio of complaints per number of one-way transports at 1.99 percent. According to the plan, when a provider's complaint ratio exceeds 1.99 percent, MTM is to issue a PIP.

Incomplete MTM Complaint Data

MTM maintains complaint information in AS400. MTM complaint data in AS400 did not include all of the complaints for the same period contained in the HEART system, the MTP system of record for transportation complaints.

To determine whether MTM was managing complaints as required, including updating AS400 with complaint information and documenting the results of its reviews, the OIG Audit Division compared complaint data maintained in AS400

²⁴ Managed Transportation Organization Contracts, Exhibit G, Region 5, § 2.7.6.2 (Aug. 1, 2014) and Region 9, § 2.7.6.2 (Aug. 1, 2014); and Full Risk Broker Services Contract, Attachment A, Service Delivery Area 2, § 5.6.2 (Mar. 15, 2012, amended Sept. 1, 2016).

²⁵ Managed Transportation Organization Contracts, Exhibit G, Region 5, § 2.14 (Aug. 1, 2014) and Region 9, § 2.14 (Aug. 1, 2014); and Full Risk Broker Services Contract, Attachment A, Service Delivery Area 2, § 12 (Mar. 15, 2012, amended Sept. 1, 2016).

²⁶ Managed Transportation Organization Contracts, Exhibit G, Region 5, § 2.18.1 (Aug. 1, 2014) and Region 9, § 2.18.1 (Aug. 1, 2014); and Full Risk Broker Services Contract, Attachment A, Service Delivery Area 2, § 16.1 (Mar. 15, 2012, amended Sept. 1, 2016).

²⁷ Medical Transportation Management, Inc., "NEMT Services Texas Operations Manual, Managed Transportation Organization, Regions 5 and 9," § 6.0, Quality Management Procedures, Complaints Management (Mar. 22, 2016); and Medical Transportation Management, Inc., "NEMT Services Texas Operations Manual, FRB SDA-2," § 6.0, Quality Management Procedures, Complaints Management (Mar. 22, 2016).

for the period of September 1, 2016, through August 31, 2017, with complaint data from HEART for the same period.

HEART contained a total of 2,276 complaints and AS400 contained a total of 2,254 complaints, indicating that AS400 complaint data was not complete. Of the total complaints in AS400 and HEART, 2,243 were reconciled, leaving 11 unreconciled complaints in AS400 and 33 unreconciled complaints in HEART. The following explains the 44 unreconciled complaints:

- MTM did not enter 33 complaints received from MTP in AS400, although it reviewed the complaints and responded to MTP with the results of its reviews.
- MTM processed 11 complaints in AS400 without reporting the complaints to MTP.

Incomplete Accident and Incident Reporting

MTM maintains accident and incident information in AS400. MTM accident and incident data reported to HHSC did not include all of the accidents and incidents in AS400 for the same period.

To determine whether MTM was reporting complete accident and incident data to HHSC, as required, the OIG Audit Division compared accident and incident data maintained in AS400 for the period of September 1, 2016, through August 31, 2017, with accident and incident data reported to HHSC for the same period.

Accidents and incidents reported to HHSC contained a total of 120 accidents and incidents and AS400 contained a total of 117 accidents and incidents. Of the total accidents and incidents in AS400 and those reported to HHSC, 115 were reconciled. Five accidents and incidents reported to HHSC were not found in AS400. Two accidents and incidents in AS400 were not reported to HHSC. The following explains the seven unreconciled accidents and incidents:

- MTM did not enter five accidents and incidents in AS400, although it reported the accidents and incidents to HHSC.
- MTM entered two accidents and incidents in AS400 but did not include the two in its report to HHSC.

Compliance With Complaint-Related Contract Requirements

MTM did not fully comply with requirements related to referring complaints to MTP and ensuring corrective action is taken when inappropriate or substandard services are provided by transportation providers.

MTM did not forward 11 complaint calls it received to MTP, as required by the written policy notification effective on August 12, 2015.

MTM did not have processes in place to ensure it identified providers whose complaint ratio exceed 1.99 percent or to ensure it required PIPs from providers who exceeded the complaint ratio.

The OIG Audit Division calculated the monitoring plan's ratio for each of MTM's transportation providers for 2017. Of the 51 transportation providers, 21 had ratios exceeding the 1.99 percent complaint ratio threshold that should have resulted in issuance of a PIP.

MTM had identified three providers that exceeded the complaint ratio threshold, but was unable to demonstrate whether any of the eight PIPs issued during the audit period resulted from the providers exceeding the complaint ratio threshold.

By not (a) accurately tracking complaints and forwarding all complaint calls it received to MTP for processing, (b) accurately tracking accidents and incidents and reporting complete accident and incident data to HHSC, and (c) implementing PIPs for transportation providers where needed, MTM was not in compliance with contractual obligations and its own internal policies, and was unable to act appropriately to improve services to recipients.

Recommendation 4

MTM should:

- Record accurate and complete complaint information in AS400 and forward complaint calls it receives to MTP for processing.
- Record accurate and complete accident and incident information in AS400 and report accurate and complete accident and incident data to HHSC.
- Follow its internal policies to identify instances where PIPs are needed to improve services by transportation providers.

Management Response

Action Plan

Since the audit timeframe, new leadership has joined the MTM-Houston Quality and Compliance team, and there has been an increased accountability to MTM Corporate office. The new leadership has closely worked with the team to more effectively track and manage complaints, accidents, and incidents.

Over the course of this Quality Improvement Plan, MTM will review transportation providers' performance to identify providers that exceed the 1.99 complaint percentage. If at any time a provider is identified as non-compliant, a Performance Improvement Plan will be initiated to monitor their performance until compliance is met.

MTM is in the process of implementing enhancements to the Performance Improvement Plan process. The new process will support MTM's efforts to ensure consistent monitoring is in place for transportation providers.

Responsible Manager

Director, Corporate Compliance and Audit

Target Implementation Date

November 2019

CONCLUSION

Information contained in MTM's AS400 system indicated that selected transportation services for Medicaid recipients, represented by 231 transportation encounters, including 116 Demand Response encounters and 115 ITP encounters, were appropriate, even though there were no corresponding Medicaid medical claims or encounters for these Medicaid recipients within 7 days of the day transportation was provided. The data contained in AS400 used to form audit conclusions was reliable.

There were exceptions related to Demand Response driver logs and encounter data, ITP mileage reimbursement forms, and management of complaints, accidents, and incidents.

Of the 65 Demand Response driver logs selected for testing:

- One was not provided by MTM
- 37 were documented on out of date logs
- 58 were missing one or more required data elements, including 9 missing recipient signatures

Of the 57 ITP mileage reimbursement forms selected for testing:

- Two were not provided by MTM
- 37 were documented on out of date forms
- 55 were missing one or more required data elements

Ten of the 116 Demand Response encounters tested were inaccurate. In addition, MTM did not comply with all contract requirements for managing complaints, accidents, and incidents.

For instances of noncompliance identified in this audit report, MCS will consider tailored contractual remedies to compel MTM to meet contractual requirements related to transportation claims, encounters, and complaints.

The OIG Audit Division offered recommendations to MTM which, if implemented, will correct deficiencies in compliance with contract requirements.

The OIG Audit Division thanks management and staff at MTM for their cooperation and assistance during this audit.

Appendix A: Glossary of Required Services Provided by MTOs

Demand Response Transportation

Transportation services provided by contractors when fixed-route services are either unavailable or do not meet the health care needs of the recipient.

Mass Transit Tickets

Public transportation by intra-city, inter-city bus, rail, ferry, either publicly or privately owned, which provides general or special service transportation to the public on a regular and continuing basis.

Individual Transportation Participant (ITP)

Transportation services provided by individuals who volunteer to participate by entering into a participation agreement with HHSC's Claims Administrator. This service allows for the flexibility of individuals to transport recipients in personal cars to health care appointments.

Meals and Lodging

Provides an allowance for meals and lodging for a recipient and attendant, as applicable, when health care treatment requires an overnight stay outside of their resident county or beyond adjacent counties.

Advance Funds

Funds made available to recipients facing financial hardship and in need of transportation services to attend a health care appointment. These funds must be available to eligible recipients through age 20.

Out-of-State Travel

Transportation provided to contiguous counties or bordering counties in adjoining states (Arkansas, Louisiana, New Mexico, and Oklahoma) that are within 50 miles of the Texas border, if the services are medically necessary, and it is the customary or general practice of recipients in a particular locality within Texas to obtain services from the out-of-state provider. Out-of-state travel is also provided for recipients who need to travel to states outside of the adjoining states for medically necessary health care services that cannot be provided within the State of Texas.

Attendant Services

Transportation provided for an attendant for a recipient, when necessary. An attendant is an adult or service animal that accompanies the recipient with prior authorization. Attendants provide necessary help with mobility, language, or

personal assistance to the recipient during the time transportation services are provided.²⁸

Commercial Airline Transportation Services

Services provided by a commercial airline for transportation to medically necessary medical care or other health care service that cannot be provided within the MTO regions where the recipient resides.

Call Center Operations

Call centers manage trip scheduling and authorizations for recipients.

²⁸ A recipient 14 years of age and under must be accompanied by a parent, guardian, or other authorized adult to accompany the recipient on all trips. Recipients 15 to 17 years of age must be accompanied by a parent, legal guardian, or other authorized adults unless (a) parent or legal guardian has provided a signed written consent for the recipient to travel alone or (b) the treatment to which the minor is being transported is such that the law extends confidentiality to the minor for the treatment.

Appendix B: Demand Response Standardized Driver's Log

Figure B.1: Demand Response Standardized Driver's Log Sample

DO NOT CROSSOUT OR WHITE OUT INFORMATION ON THIS DOCUMENT.

MANAGED TRANSPORTATION ORGANIZATION NAME

Driver's Log

Appointment Service Date:

Subcontractor:	Driver's Full Name:	Beginning Odometer Reading:
Vehicle ID:	Driver's License No.:	Ending Odometer Reading:
Vehicle Type:		Total Daily Mileage:

Trip Leg	Authorization No.	Appointment Time	Client's Full Name	Attendant's Full Name	Pickup Address	Pick up Time	Destination Address	Drop Off Time	Signatures	Trip Outcome	PAF on File	Total Mileage Per Leg
A		<input type="checkbox"/> AM <input type="checkbox"/> PM				<input type="checkbox"/> AM <input type="checkbox"/> PM		<input type="checkbox"/> AM <input type="checkbox"/> PM	Client: _____ Attendant: _____	<input type="checkbox"/> Completed <input type="checkbox"/> No Show <input type="checkbox"/> Cancelled		
B		<input type="checkbox"/> AM <input type="checkbox"/> PM				<input type="checkbox"/> AM <input type="checkbox"/> PM		<input type="checkbox"/> AM <input type="checkbox"/> PM	Client: _____ Attendant: _____	<input type="checkbox"/> Completed <input type="checkbox"/> No Show <input type="checkbox"/> Cancelled		
A		<input type="checkbox"/> AM <input type="checkbox"/> PM				<input type="checkbox"/> AM <input type="checkbox"/> PM		<input type="checkbox"/> AM <input type="checkbox"/> PM	Client: _____ Attendant: _____	<input type="checkbox"/> Completed <input type="checkbox"/> No Show <input type="checkbox"/> Cancelled		
B		<input type="checkbox"/> AM <input type="checkbox"/> PM				<input type="checkbox"/> AM <input type="checkbox"/> PM		<input type="checkbox"/> AM <input type="checkbox"/> PM	Client: _____ Attendant: _____	<input type="checkbox"/> Completed <input type="checkbox"/> No Show <input type="checkbox"/> Cancelled		

Attestation: I certify that the information contained in this record is true and that the services were rendered.

Driver's Signature: _____ Date: _____

Source: HHSC

Appendix C: ITP Service Record

Figure C.1: ITP Service Record Sample

ITP Service Record (form name)			
Client Name:	Client Telephone:	Client Medicaid:	
	()		
ITP Name:	ITP Telephone:	ITP MTI Number:	
	()		
Trip #1			
From:	To:	Miles:	Amount:
From:	To:	Miles:	Amount:
Authorization Number:	Appointment Date/Time:	Total Miles:	Total Amount:
Health Care Provider NPI:	Health Care Provider Telephone:	Health Care Provider Name:	
	()		
I certify that this patient was seen for a Medicaid/CSHCN covered health-care service.	Signature & Title of Health-care Provider:	Date Signed:	
	➡		
Trip #2			
From:	To:	Miles:	Amount:
From:	To:	Miles:	Amount:
Authorization Number:	Appointment Date/Time:	Total Miles:	Total Amount:
Health Care Provider NPI:	Health Care Provider Telephone:	Health Care Provider Name:	
	()		
I certify that this patient was seen for a Medicaid/CSHCN covered health-care service.	Signature & Title of Health-care Provider:	Date Signed:	
	➡		

ITP Drivers: Please note that the allowable mileage that may be claimed for reimbursement is preprinted on the form.

AFFIDAVIT: This is to certify that the foregoing information is true, accurate, and complete. I understand that payment of this claim is from Federal and State funds, and that any falsification, or concealment of a material fact, may be prosecuted under Federal and State laws. I hereby certify that this claim contains no willful misrepresentation or falsification and that the information I have given is true and correct to the best of my knowledge and belief. I attest that I have complied with all of the provisions of the Individual Transportation Participant Agreement when providing the transportation services for which I am seeking reimbursement.

Signature of Individual Transportation Participant (ITP)

Date

All forms must be mailed to <MTO Name>
 ATTN: {INSERT}
 Street Address
 City, State, Zip Code
Note: Please retain a copy for your records

Source: HHSC

Appendix D: Report Team and Distribution

Report Team

OIG staff members who contributed to this audit report include:

- Steve Sizemore, CIA, CISA, CGAP, Audit Director
- Anton Dutchover, CPA, Audit Manager
- Darrell Edgar, CFE, Audit Project Manager
- Jude Ugwu, CFE, Senior Auditor
- Erin Powell, Staff Auditor
- Bennie Hookfin, Staff Auditor
- Melissa Larson, CFE, CIA, CISA, Quality Assurance Reviewer
- Kathryn Messina, Senior Audit Operations Analyst

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- Karen Ray, Chief Counsel
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- Katherine Scheib, Deputy Associate Commissioner, Medicaid and CHIP Services

Medical Transportation Management, Inc.

- Alaina Macia, Chief Executive Officer
- Nathan Mueller, Regional Vice President
- Joel Smith, Program Director
- Tammy Wright, Director, Quality and Compliance

- Suzanne Wright, Senior Manager, Quality and Compliance
- Jennifer Weber, Senior Regulatory Compliance Auditor

Appendix E: OIG Mission and Contact Information

The mission of OIG is to prevent, detect, and deter fraud, waste, and abuse through the audit, investigation, and inspection of federal and state taxpayer dollars used in the provision and delivery of health and human services in Texas. The senior leadership guiding the fulfillment of OIG's mission and statutory responsibility includes:

- Sylvia Hernandez Kauffman, Inspector General
- Susan Biles, Chief of Staff
- Dirk Johnson, Chief Counsel
- Christine Maldonado, Chief of Operations and Workforce Leadership
- Olga Rodriguez, Chief of Strategy and Audit
- Quinton Arnold, Chief of Inspections and Investigations
- Steve Johnson, Interim Chief of Medicaid Program Integrity
- Tony Owens, Deputy IG for Third Party Recoveries
- David Griffith, Deputy IG for Audit
- Alan Scantlen, Deputy IG for Data and Technology
- Lizet Hinojosa, Deputy IG for Benefits Program Integrity
- Judy Hoffman-Knobloch, Assistant Deputy IG for Medical Services

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- Online: <https://oig.hhsc.texas.gov/report-fraud>
- Phone: 1-800-436-6184

To Contact OIG

- Email: OIGCommunications@hhsc.state.tx.us
- Mail: Texas Health and Human Services Commission
Office of Inspector General
P.O. Box 85200
Austin, Texas 78708-5200
- Phone: 512-491-2000