

Department of Health and Human Services

**OFFICE OF  
INSPECTOR GENERAL**

**OKLAHOMA DID NOT ADEQUATELY  
OVERSEE ITS MEDICAID  
NONEMERGENCY MEDICAL  
TRANSPORTATION PROGRAM**

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# *Office of Inspector General*

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### **Why OIG Did This Review**

The Medicaid program pays for nonemergency medical transportation (NEMT) services that a State determines to be necessary for beneficiaries to obtain medical care. Because OIG has consistently identified this area as vulnerable to fraud, waste, and abuse, OIG has conducted audits in multiple States since 2006. During the period July 2014 through June 2015, Oklahoma claimed \$29.7 million for NEMT services.

The objective of this review was to determine whether Oklahoma adequately oversaw its Medicaid NEMT brokerage program.

### **How OIG Did This Review**

Oklahoma contracted with LogistiCare Solutions, LLC, from July 1, 2013, through June 30, 2018, to provide Medicaid NEMT services in Oklahoma. We reviewed Oklahoma's oversight of its Medicaid NEMT brokerage program, including its monitoring of LogistiCare's compliance with contract provisions.

We sampled from more than 305,000 claims totaling \$20.9 million for certain Medicaid NEMT services for which LogistiCare reimbursed transportation providers during State fiscal year 2015. We reviewed a random sample of 100 of these claims.

## **Oklahoma Did Not Adequately Oversee Its Medicaid Nonemergency Medical Transportation Program**

### **What OIG Found**

The State agency did not adequately oversee its Medicaid NEMT brokerage program to ensure that Federal and State requirements and contract provisions were met. Specifically, Oklahoma's oversight and monitoring of its Medicaid NEMT brokerage program did not ensure that (1) drivers attended required training courses and had their records reviewed by their employers, (2) transportation services were adequately documented, (3) vehicles used to transport Medicaid beneficiaries met State requirements and standards (4) beneficiaries received Medicaid-eligible medical services on the date of transportation, and (5) transportation services were provided. Of the 100 claims in our random sample, 58 complied with Federal and State requirements and contract provisions, but the remaining 42 claims did not.

On the basis of our sample results, we estimated that LogistiCare Solutions, LLC, the contractor that served as transportation broker to provide Medicaid NEMT services for the State, reimbursed transportation providers for 128,000 claims that did not comply with certain requirements, and LogistiCare paid \$6.9 million for improper claims. In addition, providers' noncompliance with certain Federal and State requirements and contract provisions for the licensing and qualifications of transport personnel and the vehicles they used could have jeopardized the health and safety of Medicaid beneficiaries.

### **What OIG Recommends and State Agency Comments**

We recommend that Oklahoma (1) improve its oversight and monitoring of its Medicaid NEMT brokerage program by requiring LogistiCare to strengthen its procedures to ensure that it meets Federal and State requirements and contract provisions, and (2) ensure that contracts with the transportation broker contain provisions that consider improper claims to the transportation broker when developing future NEMT payment rates and provide a means for Oklahoma to recoup funds from the broker when Federal requirements and contract provisions are not met—a measure that, if incorporated, could result in cost savings for the Medicaid program.

The State agency agreed with our recommendations and described actions it had taken or planned to take to address the recommendations.

## TABLE OF CONTENTS

INTRODUCTION.....	1
Why We Did This Review .....	1
Objective .....	1
Background .....	1
The Medicaid Program.....	1
Medicaid Nonemergency Medical Transportation Services.....	1
Oklahoma’s Medicaid Nonemergency Medical Transportation Brokerage Program .....	2
How We Conducted This Review .....	3
FINDINGS.....	3
Services Did Not Comply Requirements .....	4
Driver Requirements Not Met .....	4
Services Not Documented .....	5
Vehicle Standards and Requirements Not Met .....	5
No Medicaid-Eligible Medical Service.....	5
Services Not Provided .....	5
RECOMMENDATIONS .....	6
STATE AGENCY COMMENTS .....	6
APPENDIXES	
A: Related Office of Inspector General Reports.....	7
B: Federal and State Requirements for Oklahoma’s Medicaid Nonemergency Medical Transportation Brokerage Program.....	8
C: Audit Scope and Methodology .....	10
D: Statistical Sampling Methodology.....	13
E: Sample Results and Estimates .....	14
F: Summary of Deficiencies for Each Sampled Claim.....	15
G: State Agency Comments .....	18

## **INTRODUCTION**

### **WHY WE DID THIS REVIEW**

The Medicaid program pays for nonemergency medical transportation (NEMT) services that a State determines to be necessary for beneficiaries to obtain medical care. Because the Office of Inspector General (OIG) has consistently identified this area as vulnerable to fraud, waste, and abuse, OIG has conducted audits in multiple States since 2006. We selected Oklahoma's NEMT program to review based on the Centers for Medicare & Medicaid Services' concerns about increases in program costs. Appendix A lists recent OIG reports related to NEMT.

### **OBJECTIVE**

The objective of this review was to determine whether the Oklahoma Health Care Authority (State agency) adequately oversaw its Medicaid NEMT brokerage program.

### **BACKGROUND**

#### **The Medicaid Program**

The Medicaid program provides medical assistance to low-income individuals and individuals with disabilities (Title XIX of the Social Security Act (the Act)). The Federal and State Governments jointly fund and administer the Medicaid program. At the Federal level, CMS administers the Medicaid program. Each State administers its Medicaid program in accordance with a CMS-approved State plan. Although the State has considerable flexibility in designing and operating its Medicaid program, it must comply with applicable Federal requirements. In Oklahoma, the State agency administers the Medicaid program.

#### **Medicaid Nonemergency Medical Transportation Services**

States must ensure necessary transportation for Medicaid beneficiaries to and from medical providers (42 CFR § 431.53(a)). Transportation costs include expenses for transportation (e.g., NEMT) and other related travel expenses determined to be necessary by the State Medicaid agency to secure medical examinations and treatment for a beneficiary (42 CFR § 440.170(a)(1)).

A State may elect to establish an NEMT brokerage program to provide transportation services for Medicaid beneficiaries who need access to medical care or services and have no other means of transportation. These transportation services include wheelchair vans, taxis, and other forms of transportation covered under the Medicaid State plan (42 CFR § 440.170(a)(4)).

Under such a program, the State contracts with a third-party agent (transportation broker) to provide NEMT services. The transportation broker develops and maintains a provider network, verifies beneficiary eligibility, determines and authorizes the appropriate mode of transport on

the basis of medical necessity, and dispatches an appropriate vehicle to transport the beneficiary. The State agency pays the transportation broker a monthly capitation payment per beneficiary for its costs for administering the program and paying providers.

### **Oklahoma's Medicaid Nonemergency Medical Transportation Brokerage Program**

Since 1999, Oklahoma has used a statewide broker to operate its NEMT program. In its CMS-approved State Plan Amendment<sup>1</sup> that established the Medicaid NEMT brokerage program, the State agency assured CMS that transportation services would be provided under a contract with a transportation broker who (1) had oversight procedures to monitor beneficiary access and complaints and to ensure that transport personnel are licensed and qualified and (2) was subject to regular auditing and oversight by the State agency to ensure the quality of the transportation services provided and the adequacy of beneficiary access to medical care and services.

The State agency contracted with LogistiCare Solutions, LLC (LogistiCare), from July 1, 2013, through June 30, 2018, to provide Medicaid NEMT services in Oklahoma and ensure that all subcontracted transportation providers complied with State requirements related to personnel and vehicles.<sup>2</sup> The State agency's contract with LogistiCare also established LogistiCare's responsibility for maintaining a transportation provider network,<sup>3</sup> determining the appropriate mode of transport, dispatching an appropriate vehicle to transport beneficiaries, and developing a quality assurance plan.<sup>4</sup> The contract also requires LogistiCare to perform background checks for all transportation providers and subcontractor personnel (e.g., drivers).

On a monthly basis, the State agency pays LogistiCare a capitation payment based on the number of total eligible Medicaid beneficiaries.<sup>5</sup> During State fiscal year (SFY) 2015,<sup>6</sup> the State agency paid LogistiCare a total of \$29,655,592 (\$18,626,421 Federal share) for providing Medicaid NEMT services.

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<sup>1</sup> Oklahoma State Medicaid Plan, Attachment 3.1-A § 24a.

<sup>2</sup> The total contract amount is budgeted for \$152.5 million.

<sup>3</sup> LogistiCare maintained a transportation provider network through subcontracts with existing NEMT service providers.

<sup>4</sup> The contract also specified that LogistiCare was responsible for developing an operations procedure manual and required LogistiCare to follow the requirements set by Oklahoma's Administrative Code (§ 317.30 and 317.35) for providing NEMT services.

<sup>5</sup> The State agency reimburses LogistiCare based on the monthly capitation rate multiplied by the number of eligible Medicaid beneficiaries, which the State agency determined using program status codes and eligibility groups within the Medicaid system.

<sup>6</sup> Oklahoma's SFY runs from July 1 through June 30.

See Appendix B for details on the Federal and State requirements related to NEMT services.

## **HOW WE CONDUCTED THIS REVIEW**

We reviewed the State agency's oversight of its Medicaid NEMT brokerage program, including its monitoring of LogistiCare's compliance with contract provisions and LogistiCare's procedures for (1) verifying beneficiary eligibility and transportation provider enrollment, (2) ensuring transportation provider personnel and vehicles complied with State requirements, and (3) managing Medicaid NEMT services.

In addition, our review covered 305,629 claim lines (claims) for certain Medicaid NEMT services totaling \$20,853,710<sup>7</sup> for which LogistiCare reimbursed transportation providers under Oklahoma's Medicaid NEMT brokerage program during SFY 2015. We reviewed a random sample of 100 of these claims. A claim is defined as one payment for one beneficiary for a single trip.<sup>8</sup>

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix C contains the details of our audit scope and methodology, and Appendix D contains our statistical sampling methodology.

## **FINDINGS**

The State agency did not adequately oversee its Medicaid NEMT brokerage program to ensure that Federal and State requirements and contract provisions were met. Specifically, the State agency's oversight and monitoring of its Medicaid NEMT brokerage program did not ensure that:

- drivers were licensed and qualified, met drug testing requirements, attended required training courses, and had their driving records reviewed by their employer;
- transportation services were adequately documented;
- vehicles used to transport Medicaid beneficiaries met State requirements and standards;

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<sup>7</sup> We removed 83,739 claims for mileage and 24,207 claims for which the broker paid less than \$10 to the provider.

<sup>8</sup> A single trip may consist of one-way or round trip service.

- beneficiaries received Medicaid-eligible medical services on the date of transportation; and
- transportation services were provided.

As a result, 58 of the 100 claims in our random sample complied with contract provisions and State requirements. For the remaining 42 claims, LogistiCare did not comply with certain Federal Requirements and contract provisions, transportation providers did not comply with State requirements and contract provisions, or both.

On the basis of our sample results, we estimated that LogistiCare reimbursed transportation providers for 128,364 claims that did not comply with certain requirements, and LogistiCare paid \$6,858,131 for improper claims. In addition, providers' noncompliance with certain State requirements and contract provisions for the licensing and qualifications of transport personnel and the vehicles they used could have jeopardized the health and safety of Medicaid beneficiaries.

Appendix E contains our sample results and estimates. Appendix F contains the summary of deficiencies, if any, identified for each sampled claim.

## **SERVICES DID NOT COMPLY WITH REQUIREMENTS**

### **Driver Requirements Not Met**

The transportation contract between the State agency and LogistiCare requires drivers to complete defensive driving and safety training courses before providing services to beneficiaries.<sup>9</sup> The contract also requires providers, on an annual basis, to obtain and document each driver's history of moving violations and citations. No driver may have more than two moving violations in the last year. Further, the contract requires drivers to be drug tested annually.

For 19 of the 100 sampled claims, contract requirements regarding the driver who transported the beneficiary were not met. Specifically,

- For 14 claims, LogistiCare did not provide adequate documentation that the driver fulfilled defensive driving and safety training course requirements prior to the sampled service date.
- For three claims, LogistiCare did not provide documentation that the driver's employer reviewed the driver's driving record.

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<sup>9</sup> The courses include defensive driving, first aid, CPR, "spill kit" use, biohazard removal, passenger assistance, safety and sensitivity training, and basic passenger service and safety.

- For two claims, LogistiCare did not provide documentation that an annual drug test was conducted.

### **Services Not Documented**

Section 1902(a)(27) of the Act and Federal regulations (42 CFR § 431.107) establish requirements for keeping medical records as are necessary to disclose the extent of services the provider furnishes to the beneficiary.

For 9 of the 100 sampled claims, LogistiCare did not provide documentation (e.g., daily trip logs) that a transportation service was provided.

### **Vehicle Standards and Requirements Not Met**

Medicaid NEMT service providers must meet contract requirements related to vehicle standards. Among other requirements, vehicles must comply with Oklahoma Department of Motor Vehicles licensing requirements and safety standards, Americans with Disabilities Act regulations, State and Federal requirements for vehicles used to transport Medicaid beneficiaries, and contract requirements. Further, vehicles must have initial and annual inspections.

For 7 of the 100 sampled claims, the vehicle used by the transportation provider to transport the Medicaid beneficiary did not meet vehicle standards and requirements. Specifically:

- For four claims, the vehicle did not have a valid registration on the sampled service date.
- For three claims, the vehicle had not met annual inspection requirements on the sampled service date.

### **No Medicaid-Eligible Medical Service**

For an NEMT service to qualify for Medicaid reimbursement, transportation must be for a medically necessary treatment in accordance with 42 CFR 440 (Medicaid State plan, Att. 3.1-D).

For 7 of the 100 sampled claims, the beneficiary did not receive a Medicaid-eligible medical service on the sampled service date.

### **Services Not Provided**

The State Medicaid plan limits reimbursement for transportation services to Medicaid beneficiaries being taken to and from providers rendering Medicaid-covered services.

For 2 of the 100 sampled claims, the provider requested payment and LogistiCare paid for a transportation service which was not provided. According to LogistiCare, the beneficiary canceled these services.

## **RECOMMENDATIONS**

We recommend that the State agency:

- improve its oversight and monitoring of its Medicaid NEMT brokerage program by requiring that LogistiCare strengthen its procedures to ensure that (1) transport personnel are licensed and qualified, (2) NEMT services are adequately documented, (3) vehicles used to transport Medicaid beneficiaries meet State requirements (4) beneficiaries receive Medicaid-eligible medical services on the date of transportation, and (5) NEMT services are provided.
- ensure that managed care contracts with the transportation broker contain provisions that (1) consider improper claims to the transportation broker when developing future capitated rates paid by the State agency and (2) provide a means for the State agency to recoup funds from the transportation broker when contract provisions and State requirements are not met—a measure that, if incorporated, could result in cost savings for the Medicaid program.

## **STATE AGENCY COMMENTS**

In written comments on our draft report, the State agency agreed with our recommendations. In addition, the State agency described actions it had taken or planned to take to address the recommendations. The State agency's comments are included in their entirety as Appendix G.

**APPENDIX A: RELATED OFFICE OF INSPECTOR GENERAL REPORTS**

<b>Report Title</b>	<b>Report Number</b>	<b>Date Issued</b>
<i>Nebraska Did Not Always Comply With Federal and State Requirements for Claims Submitted for the Nonemergency Transportation Program</i>	<a href="#"><u>A-07-16-03209</u></a>	3/1/2017
<i>Louisiana Did Not Always Comply With Federal and State Requirements for Claims Submitted for the Nonemergency Medical Transportation Program</i>	<a href="#"><u>A-06-15-00019</u></a>	1/4/2017
<i>North Carolina Improperly Claimed Federal Reimbursement for Some Medicaid Nonemergency Transportation Services</i>	<a href="#"><u>A-04-15-04037</u></a>	11/18/2016
<i>New Jersey Did Not Adequately Oversee Its Medicaid Nonemergency Medical Transportation Brokerage Program</i>	<a href="#"><u>A-02-14-01001</u></a>	7/5/2016
<i>California Claimed Medicaid Reimbursement for Certain Nonemergency Medical Transportation Services in Los Angeles County Billed as Exempt From Prior Authorization That Did Not Comply With Federal and State Requirements</i>	<a href="#"><u>A-09-13-02054</u></a>	3/30/2015
<i>California Claimed Medicaid Reimbursement for Some Nonemergency Medical Transportation Services That Did Not Comply With Federal and State Requirements</i>	<a href="#"><u>A-09-13-02033</u></a>	1/23/2015
<i>Texas Did Not Always Comply With Federal and State Requirements for Claims Submitted for the Nonemergency Medical Transportation Program</i>	<a href="#"><u>A-06-12-00053</u></a>	10/20/2014
<i>California Claimed Medicaid Reimbursement for Some Nonemergency Medical Transportation Services in Los Angeles County That Did Not Comply With Federal and State Requirements</i>	<a href="#"><u>A-09-12-02083</u></a>	6/24/2014

## **APPENDIX B: FEDERAL AND STATE REQUIREMENTS FOR OKLAHOMA'S MEDICAID NONEMERGENCY MEDICAL TRANSPORTATION BROKERAGE PROGRAM**

### **FEDERAL REQUIREMENTS**

Section 1902(a)(70) of the Act, as amended by the Deficit Reduction Act of 2005, provides States the authority to establish, under the State plan, an NEMT brokerage program to provide transportation for Medicaid beneficiaries more cost effectively.

Federal regulations (42 CFR § 431.53) require States to ensure necessary transportation for Medicaid beneficiaries to and from medical providers. Pursuant to 42 CFR § 440.170, transportation includes expenses for transportation (e.g., NEMT) and other related travel expenses determined to be necessary by the State Medicaid agency to secure medical examinations and treatment for a beneficiary. Transportation services provided to Medicaid beneficiaries have been traditionally reimbursed under the fee-for-service arrangement.

Pursuant to 42 CFR § 440.170(a)(4), the State may elect to establish an Medicaid NEMT brokerage program to provide transportation services more cost effectively for individuals eligible for medical assistance under the State plan who need access to medical care or services and have no other means of transportation. These transportation services include wheelchair vans, taxis, stretcher cars, bus passes and tickets, transportation containing an occupant protection system that addresses safety needs of disabled or special needs individuals, and other forms of transportation covered under the State plan.

Pursuant to Oklahoma's Medicaid State Plan Amendment, Attachments 3.1A§24(a) and as required under 42 C.F.R. § 440.170, the State assures that transportation services will be provided under a contract with a transportation broker who: (1) has oversight procedures to monitor beneficiary access and complaints and ensures that transport personnel are licensed, qualified, competent, and courteous and (2) is subject to regular auditing and oversight by the State agency to ensure the quality of the transportation services provided and the adequacy of beneficiary access to medical care and services.

### **STATE REQUIREMENTS**

The State agency's contract with LogistiCare establishes LogistiCare's responsibility for maintaining a provider network, determining the appropriate mode of transport, dispatching an appropriate vehicle to transport beneficiaries, and developing a quality assurance program to ensure access to the appropriate mode of transport based on medical necessity.

The State's contract requires LogistiCare to submit weekly risk reports and various monthly reports to the State agency. LogistiCare also agrees that any pertinent State or Federal agency has the right to examine and audit all records relevant to execution and performance of the contract. The contracts requirements are performance-based and require the LogistiCare to

meet specific standards or metrics. LogistiCare's performance may be assessed by such means as written reports, oral communications, onsite visits, audit, and data analysis.

The State's contract requires the State agency to designate an employee to oversee the contractor's performance, ensure compliance to the terms of the contract and to monitor complaints. Additionally, the designee is required to approve all trips over 100 miles outside the Oklahoma state line and functions as a quality assurance administrator.

The State's contract requires the State agency to pay LogistiCare calculated payment rate times the number of eligible Medicaid beneficiaries. The contract requires different payment rates based on the type of assistance category. LogistiCare also receives separately calculated fee-for-service payments for trips provided to eligible beneficiaries that were not eligible at the beginning of the month.

The State's contract requires providers to conduct criminal history background checks and drug testing on drivers before employment and not hire individuals convicted of certain crimes. In addition, providers are required to complete annual background checks and drug testing for each driver.

The State's contract requires drivers to be legally licensed in State of Oklahoma and to be at least 21 years of age. In addition, drivers may not have more than two moving violations in the last year.

The State's contract requires provider vehicles to remain compliant with Oklahoma Department of Motor Vehicles licensing requirements, safety standards, Americans with Disabilities Act regulations, state and federal requirements for vehicles performing transportation on behalf of Medicaid beneficiaries. The vehicles must also meet requirements detailed in LogistiCare's transportation agreements with providers, including annual vehicle inspection items.

The State's contract requires LogistiCare to verify all trips submitted for payment against computer records of trips assigned and performed. LogistiCare should deny payment if all information is not provided.

## APPENDIX C: AUDIT SCOPE AND METHODOLOGY

### SCOPE

We reviewed the State agency's oversight of its Medicaid NEMT brokerage program, including the State's monitoring of LogistiCare's compliance with contract provisions and LogistiCare's procedures for verifying beneficiary eligibility, provider enrollment, and provision of services for SFY 2015. For this period, LogistiCare reimbursed transportation providers a total of \$20,853,710 for 305,629 claims for certain Medicaid NEMT services. Of these claims, we reviewed a random sample of 100 claims, totaling \$7,191. A claim is defined as one payment for one beneficiary for one trip. A trip may be a one-way or round-trip transport.

We did not review the overall internal control structure of the State agency, LogistiCare, or the Oklahoma Medicaid program. Rather, we reviewed only those controls related to our objective. We did not assess the appropriateness of the State agency capitation payment rates.

We performed fieldwork at the State agency's and LogistiCare's offices in Oklahoma City, Oklahoma.

### METHODOLOGY

To accomplish our objective, we:

- reviewed applicable Federal and State laws, regulations, and guidance;
- held discussions with State agency officials to gain an understanding of Oklahoma's Medicaid NEMT brokerage program;
- reviewed the State agency's policies and procedures for overseeing, monitoring, and operating the Medicaid NEMT brokerage program;
- reviewed NEMT quarterly reports, the State agency's review guide for the NEMT program, and the State agency's audit of "Payments for Medical Services for Deceased Members;"<sup>10, 11</sup>
- held discussions with LogistiCare officials to gain an understanding of their procedures for overseeing, monitoring, and operating the Medicaid NEMT brokerage program,

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<sup>10</sup> Each quarterly report included a member telephone survey, call center testing, call center monitoring, subcontractor review, community outreach, and a program summary with detailed statistics on services provided.

<sup>11</sup> The two audit reports reviewed covered the SFYs 2013 and 2014. The reports identified overpayments of nearly \$106,000 and \$125,000, respectively for the 2 years.

including procedures for verifying beneficiary eligibility, enrolling transportation providers, and providing services;

- verified the enrollment data for beneficiaries for 3 months in the State’s calculation of monthly capitation payments made to LogistiCare;<sup>12</sup>
- obtained from the State agency a sampling frame of 413,575 NEMT claims totaling \$23,676,518 for which the transportation broker reimbursed service providers;
- removed from the list 83,739 claims totaling \$2,204,369 for mileage, 16,766 claims totaling \$112,993 for which the broker paid less than \$10 to the providers, and 7,441 denied claims totaling \$505,446, resulting in a sampling frame of 305,629 claims totaling \$20,853,710 for which the transportation broker reimbursed service providers;
- selected from the sampling frame a simple random sample of 100 claims and for each sampled claim:
  - obtained claim information from the State agency;
  - determined whether the driver was licensed, met training requirements, and passed required background checks;
  - determined whether the vehicle met the requirements for vehicle inspections and registrations;
  - reviewed the transportation provider’s documentation (including trip log sheets) supporting the claim for NEMT services;
  - determined whether the beneficiary received Medicaid-eligible medical services on the sampled service date;
- estimated the total number of claims that were not in compliance with contract and State regulations and the dollar amount of reimbursements associated with these claims; and
- discussed the results of the review with State agency officials.

See Appendix D for the details of our statistical sampling methodology and Appendix E for our sample results and estimates.

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<sup>12</sup> The State made monthly capitation payments totaling \$29,655,592 (\$18,626,421 Federal share) to LogistiCare for eligible Medicaid beneficiaries during SFY 2015.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## **APPENDIX D: STATISTICAL SAMPLING METHODOLOGY**

### **TARGET POPULATION**

The population consisted of all claims that LogistiCare paid to transportation providers for NEMT services provided during SFY 2015. A claim is defined as one payment for one beneficiary for a single trip.

### **SAMPLING FRAME**

The sampling frame was an Excel file containing 305,629 NEMT claims totaling \$20,853,710 for which the transportation broker reimbursed service providers. The State agency provided the file.

### **SAMPLE UNIT**

The sample unit was a claim for NEMT service.

### **SAMPLE DESIGN**

We used a simple random sample.

### **SAMPLE SIZE**

We selected a sample of 100 claims.

### **SOURCE OF THE RANDOM NUMBERS**

We generated the random numbers with the Office of Inspector General, Office of Audit Services (OAS), statistical software.

### **METHOD FOR SELECTING SAMPLE ITEMS**

We consecutively numbered the sample units in the sampling frame. After generating 100 random numbers, we selected the corresponding frame items.

### **ESTIMATION METHODOLOGY**

We used the OAS statistical software to calculate our estimates. We estimated the total number of claims and the total dollars that were not in compliance at the point estimate.

**APPENDIX E: SAMPLE RESULTS AND ESTIMATES**

**Table 1: Sample Details and Results for Unallowable Services**

<b>Claims in Frame</b>	<b>Value of Frame</b>	<b>Sample Size</b>	<b>Value of Sample</b>	<b>Number of Claims Not in Compliance</b>	<b>Value of Claims Not in Compliance</b>
<b>305,629</b>	<b>\$20,853,710</b>	<b>100</b>	<b>\$7,191</b>	<b>42</b>	<b>\$4,947</b>

**Table 2: Estimated of Unallowable Claims  
(Limits Calculated for a 90-Percent Confidence Interval)**

	<u><b>Total Value</b></u>	<u><b>Total Claims</b></u>
Point estimate	\$6,858,131	128,364
Lower limit	\$4,815,270	102,842
Upper limit	\$8,900,993	154,998

**APPENDIX F: SUMMARY OF DEFICIENCIES FOR EACH SAMPLE CLAIM**

**Legend**

<b>Deficiency</b>	<b>Description</b>
1	Driver Requirements Not Met
2	Services Not Documented
3	Vehicle Standards and Requirements Not Met
4	No Medicaid-eligible Medical Service
5	Services Not Provided

**Office of Inspector General Review Determinations for the 100 Sampled Claims**

<b>Sample Claim</b>	<b>Deficiency 1</b>	<b>Deficiency 2</b>	<b>Deficiency 3</b>	<b>Deficiency 4</b>	<b>Deficiency 5</b>	<b>No. of Deficiencies</b>
1						
2						
3						
4						
5						
6						
7				X		1
8						
9						
10						
11	X					1
12					X	1
13						
14						
15						
16			X			1
17						
18			X			1
19		X				1
20	X					1
21						
22						
23	X					1
24						
25						
26						
27	X			X		2

Sample Claim	Deficiency 1	Deficiency 2	Deficiency 3	Deficiency 4	Deficiency 5	No. of Deficiencies
28						
29						
30					X	1
31						
32	X					1
33				X		1
34	X					1
35						
36						
37						
38	X					1
39				X		1
40	X					1
41				X		1
42						
43	X					1
44	X					1
45						
46						
47	X					1
48						
49	X					1
50			X			1
51		X				1
52		X				1
53	X					1
54						
55						
56						
57	X					1
58						
59			X			1
60	X					1
61			X			1
62						
63		X				1
64						
65				X		1
66						

Sample Claim	Deficiency 1	Deficiency 2	Deficiency 3	Deficiency 4	Deficiency 5	No. of Deficiencies
67		X				1
68						
69		X				1
70		X				1
71						
72						
73						
74						
75						
76	X					1
77						
78						
79	X					1
80						
81						
82						
83			X			1
84						
85						
86						
87						
88	X					1
89						
90						
91			X			1
92						
93		X				1
94	X			X		2
95						
96						
97						
98						
99		X				1
100						
<b>Category Totals</b>	<b>19</b>	<b>9</b>	<b>7</b>	<b>7</b>	<b>2</b>	<b>44</b>
<b>42 Claims with Deficiencies</b>						

## APPENDIX G: STATE AGENCY COMMENTS

REBECCA PASTERNIK-IKARD  
CHIEF EXECUTIVE OFFICER



MARY FALLIN  
GOVERNOR

STATE OF OKLAHOMA  
OKLAHOMA HEALTH CARE AUTHORITY

June 30, 2017

Patricia Wheeler  
Regional Inspector General  
HHS/OIG/OAS  
1100 Commerce Street, Room 632  
Dallas, TX 75242

Re: OIG Audit # A-06-16-00007

Dear Ms. Wheeler:

The Oklahoma Health Care Authority (OHCA) appreciates this opportunity to respond to the OIG audit report recommendations relative to the Non-emergency Medical Transportation (NET) program for Oklahoma Medicaid. The NET program in Oklahoma is known as SoonerRide.

### *Recommendation # 1*

*We recommend that the State Agency improve its oversight and monitoring of its Medicaid NEMT brokerage program by requiring that LogistiCare strengthen its procedures to ensure that (1) transport personnel are licensed and qualified, (2) NEMT services are adequately documented, (3) vehicles used to transport Medicaid beneficiaries meet State requirements (4) beneficiaries receive Medicaid-eligible medical services on the date of transportation, and (5) NEMT services are provided.*

### OHCA Response

OHCA concurs with this recommendation. On Tuesday, June 27<sup>th</sup>, OHCA presented the OIG audit findings along with our analysis of each finding to LogistiCare. OHCA will require LogistiCare to develop a Corrective Action Plan to address the audit findings with the goal of strengthening their internal procedures. OHCA believes this task can be accomplished and implemented during July 2017. For dually eligible members that are transported to the pharmacy, OHCA pays a percentage of those claims through the Medicare D clawback payment process.

OHCA SoonerRide operations staff will continue to provide monthly monitoring of the NET program. However, OHCA will be assigning auditors from our internal audit staff to perform the next and subsequent annual NET compliance program audits.

*Recommendation # 2*

*We recommend that the state Agency ensure that managed care contracts with transportation broker contain provisions that (1) consider improper claims to the transportation broker when developing future capitated rates paid by the State agency and (2) provide a means for the State agency to recoup funds from the transportation broker when contract provisions and State requirements are not met- a measure that, if incorporated, could result in cost savings for the Medicaid program.*

**OHCA Response**

OHCA has engaged a consultant to perform an evaluation of the current NET program and contract provisions. This evaluation is scheduled to begin July 2017. OHCA also begins the final year of its contract with LogistiCare on July 1, 2017. The results of the consultant's evaluation will determine the next NET contract model.

In the event OHCA continues to utilize a capitated model, the next NET contract will include provisions that consider improper claims to the transportation broker in the rate development process, as well as a means for OHCA to recoup funds from the transportation broker when contract provisions and State requirements are not met.

Respectfully,



Rebecca Pasternik-Ikard