Table of Contents

State/Territory Name: Pennsylvania

State Plan Amendment (SPA) #: PA-16-0063

This file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
150 S. Independence Mall West
Suite 216, The Public Ledger Building
Philadelphia, Pennsylvania 19106-3499

Region III/Division of Medicaid and Children's Health Operations
SWIFT # 010420174043

March 23, 2017

Theodore Dallas
Secretary of Human Services
Department of Human Services
Room 333, Health & Welfare Building
P.O. Box 2675
Harrisburg, Pennsylvania 17105-2675

Dear Secretary Dallas:

The Centers for Medicare & Medicaid Services (CMS) has completed its review of Pennsylvania's State Plan Amendment (SPA) Transmittal Number 16-0063, "Transportation Agreements with Local Entities." SPA PA-16-0063 amends Attachment 3.1-D of the Pennsylvania State Plan. SPA PA-16-0063 added a section related to the grant agreement between the Commonwealth and local entities that describes the direct agreement the agency may enter into with a qualified public or private entity (primary contractor) when county governments elect not to administer the Medical Assistance Transportation Program, and how grant funding is disbursed to primary contractors to provide non-emergency medical transportation.

This SPA is approved with an effective date of October 1, 2016. Enclosed are:

1. The CMS Summary Page (CMS-179 form); and
2. The approved State Plan pages for PA-16-0063.

If you have any questions concerning this SPA, please contact Mary McKeon at 215-861-4181.

Sincerely,

/s/

Associate Regional Administrator

CC: Leesa Allen
Dan De Lellis

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: 16-0063

2. STATE: Pennsylvania

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE: October 1, 2016

5. TYPE OF PLAN MATERIAL *(Check One)*:

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT *(Separate Transmittal for each amendment)*

6. FEDERAL STATUTE/REGULATION CITATION:
42 CFR 440.170 (a)

7. FEDERAL BUDGET IMPACT:
a. FFY ~~2014 $0.00~~ 2016 $0
b. FFY ~~2015 $0.00~~ 2017 $0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 3.1D, Pages 2, 2a, 2b

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:
Attachment 3.1D, Pages 2, 2a, 2b

10. SUBJECT OF AMENDMENT:
Transportation agreements with local entities

11. GOVERNOR'S REVIEW *(Check One)*:
☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
☒ OTHER, AS SPECIFIED: Review and approval authority has been delegated to the Department of Human Services

12. SIGNATURE OF STATE AGENCY OFFICIAL:
/s/

13. TYPED NAME:
Theodore Dallas

14. TITLE:
Secretary of Human Services

15. DATE SUBMITTED: DEC 29 2016

16. RETURN TO:
Commonwealth of Pennsylvania
Department of Human Services
Office of Medical Assistance Programs
Bureau of Policy, Analysis and Planning
P.O. Box 8046
Harrisburg, Pa.17105

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:
December 29, 2016

18. DATE APPROVED:
March 23, 2017

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
October 1, 2016

20. /s/

21. TYPED NAME:
Francis McCullough

22. TITLE:
Associate Regional Administrator

23. REMARKS: 12/29/16 – The State authorized CMS to make pen and ink edits to Box 7, changing 2014 to 2016 and 2015 to 2017. JM

FORM HCFA-179 (07-92)

METHODS USED TO ASSURE TRANSPORTATION OF BENEFICIARIES TO AND FROM PROVIDERS

II. The commonwealth assures non-emergency non-ambulance transportation for Medical Assistance (MA) beneficiaries to and from MA providers through the Medical Assistance Transportation Program (MATP). The MATP is administered in accordance with the regulations, policies, and requirements established by the single state agency through agreements with local county governments and primary contractors (individually, the Grantee) in all counties except Philadelphia.

The state assures NEMT transportation via a state negotiated contract with a brokerage in Philadelphia County.

A. **Grant agreements between the commonwealth and local entities**

1. *Grant agreement between the commonwealth and local county government.*

a) Local county governments are given the right of first refusal to administer the MATP in their respective counties through a grant agreement. Upon acceptance of the grant, the county government subcontracts with a qualified program administrator (either a public or private entity) based on a negotiated trip fee to deliver transportation in its designated service area.

Payment Method

The single state agency provides funding to county governments through an annual public assistance block grant. The grant is allocated through advance payments, which are 100 percent state-funded, provided quarterly and equal to 25 percent of the county government's program budget for a given fiscal year, subject to revisions as described below. The purpose of the advance payments is to ensure sufficient funding throughout the year to avoid interruptions in medical services for MA beneficiaries due to a lack of transportation.

After two quarterly advance payments, additional quarterly payments shall not be made until the county government submits eligible expenditures for review and approval. All expenditures for the year must be supported by a CMS approved quarterly cost report detailing actual eligible administrative and transportation expenses charged to the program. The single state agency reviews payments against actual expenditures and makes appropriate adjustments against subsequent payments.

The grant goes to support the cost of operations (i.e., operating a customer service center; verifying eligibility; assigning trips to lowest-cost, appropriate mode and provider of transportation; managing subcontracts including vehicle inspections and reviewing driver background checks; reviewing subcontractor invoices for the direct transportation services), to purchase transportation on behalf of MA beneficiaries, and to pay subcontracted transportation carriers.

The amount of the grant is based upon an average of the actual historical administrative and transportation expenditures over a three-year period and the county government's projected cost to provide services. The single state agency does not pay for beneficiary no-shows or "no-load" miles. Adjustments may be made to the initial projection based on policy or utilization changes that materially affect the program.

b) Grant agreement between the commonwealth and an entity other than a local county government.

When local county governments choose not to administer the MATP, the single state agency, may enter into a direct agreement with a qualified public or private entity (primary contractor) to provide non-emergency medical transportation for MA beneficiaries to and from providers.

Upon acceptance of the grant, the primary contractor delivers transportation in its designated service area based on a negotiated trip fee.

Payment Method

The single state agency provides funding to primary contractors based on a negotiated trip fee. The primary contractor will submit invoices on a monthly basis. Payments are calculated by multiplying the applicable negotiated trip fee by the number of completed trips identified in the primary contractor's invoice.

The single state agency will reimburse the primary contractor on a monthly basis for co-payments paid on behalf of a MA beneficiary to access public or private transportation. This includes the cost of fares in excess of an established general fare structure, where applicable, not subsidized by other programs or funding for which a MA beneficiary may also qualify.

The negotiated trip fee supports the cost of operations (i.e., operating a customer service center; verifying eligibility; assigning trips to lowest-cost, appropriate mode and provider of transportation; managing subcontracts including vehicle inspections and reviewing driver background checks; reviewing subcontractor invoices for the direct transportation services), purchasing transportation on behalf of MA beneficiaries, and paying subcontracted transportation carriers.

The single state agency negotiates a trip fee for each contract period(s) based upon an average of the actual historical administrative and transportation expenditures over a three-year period and the primary contractor's projected cost to provide services. The single state agency will track actual expenses and may choose semi-annually to adjust the initial negotiated trip fee based on policy and utilization changes that may materially affect the program.

2. *Transportation to and from Providers of Services*

Non-emergency medical transportation includes transportation to and from a medical facility, physician's office, dentist's office, hospital, clinic, pharmacy or purveyor of medical equipment for the purpose of receiving medical treatment or medical evaluation or purchasing prescription drugs or medical equipment.

The Grantee assures that transportation is available only to get beneficiaries to and from qualified Medicaid enrolled providers of their choice who are generally available and used by other members of the community or locality in which the beneficiary is located. Exceptions may be granted upon discretion of the Grantee, with oversight from the single state agency, for good cause such as the unavailability of a general range of appropriately qualified Medicaid providers and/or a unique medical condition for a beneficiary.

3. *Authorization of Transportation Services*

Grantees operate customer service centers/lines and interact with Medicaid beneficiaries requesting transportation to a medical appointment. The single state agency provides the means for Grantees to verify Medicaid eligibility and the Grantee assures that transportation is not otherwise available and is necessary to receive a Medicaid covered service.

The need for medical transportation services is determined through an assessment of a beneficiary's mental and physical capability to use various modes of transportation available in the county and the ability of an individual to meet his/her own transportation needs, and the individual's ability to utilize transportation services funded by other State and Federal programs. The Grantee authorizes the least costly and most appropriate mode of transportation.

The following is a general list of modes of transportation that could be considered when determining service (this is not an all-inclusive list):

- Fixed-route public transportation
- Fixed and deviated route public transportation tickets or tokens
- Beneficiary mileage reimbursement/fuel cards
- Fixed and deviated route public transportation monthly passes
- Volunteer drivers
- Paratransit services
- Mileage reimbursement (at a rate specified by the single state agency)

On a case-by-case basis, an individual beneficiary's situation is reviewed and a mode of transportation is authorized if it is the least costly and most appropriate mode of transportation. The Grantee will not authorize transportation if a beneficiary could have been transported at no cost to Medicaid or if other options other than Medicaid funded transportation are available.

4. *Recruit and Maintain Adequate Transportation Provider Networks*

Grantees must establish a sufficient network of transportation providers to deliver non-emergency medical transportation services to MA beneficiaries. Grantees must have vehicles that can accommodate persons with disabilities. Rates may be negotiated through competitive bidding or other strategies to ensure that the most appropriate and least costly transportation services are provided. Access to transportation services must be at least comparable to transportation resources available to the public. In addition, service delivery must meet the needs of beneficiaries for routine scheduled trips, non-routine scheduled trips, urgent care trips either within the home county or to and from medical services outside of the county.

5. *Maintain a Complaint and Denial Process*

Grantees are required to develop, implement, and maintain a complaint process that provides for resolution of a beneficiary's complaint and the processing of requests for agency fair hearings in instances where transportation services are being denied.

Grantees receive and respond to all complaints regarding the delivery of medical transportation services. Grantees must have a complaint process in place which includes:

- Documentation of the complaint in writing
- A first level review of the circumstances surrounding the complaint by someone other than those involved in the action, which is the subject of the complaint
- The timeframe by which a beneficiary will receive a written response to the first level review and how the response will be documented
- Identifying a second level reviewer or reviewers
- The timeframe by which a beneficiary will receive a written response to the second level review

Grantees must forward complaints to the single state agency in situations where the complainant is dissatisfied with the Grantee's response to the complaint at a second level review.