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State/Territory Name: Texas

State Plan Amendment (SPA) #: 14-20

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Superseding Page Listing
- 4) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Dallas Regional Office  
1301 Young Street, Suite 833  
Dallas, Texas 75202



**DIVISION OF MEDICAID & CHILDREN'S HEALTH - REGION VI**

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September 5, 2014

Our Reference: SPA TX 14-020

Ms. Kay Ghahremani  
State Medicaid/CHIP Director  
Health and Human Services Commission  
Post Office Box 13247  
Mail Code H100  
Austin, Texas 78711

Dear Ms. Ghahremani:

We have reviewed the State's proposed amendment to the Texas State Plan submitted under Transmittal Number 14-020, dated August 1, 2014. This state plan amendment implements the provision of Medical Transportation services on a regional basis through Managed Transportation Organizations (MTO).

Based on the information submitted, we have approved the amendment for incorporation into the official Texas State Plan with an effective date change of September 1, 2014. A copy of the CMS-179 and approved plan pages are enclosed with this letter.



If you have questions, please contact Cheryl Rupley at (214) 767-6278.

Sincerely,

A black rectangular box redacting the signature of Bill Brooks.

Bill Brooks  
Associate Regional Administrator

cc: Ashley Fox, Policy Development Support

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES</b>		1. TRANSMITTAL NUMBER:  <b>14-020</b>	2. STATE:  <b>TEXAS</b>
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE:  <b>September 1, 2014</b>	
		5. TYPE OF PLAN MATERIAL (Circle One):  <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT	
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: <b>Social Security Act § 1905(a)(29), Social Security Act § 1902(a)(70), 42 C.F.R. § 440.170(a), 42 C.F.R. § 431.53</b>		7. FEDERAL BUDGET IMPACT: <b>SEE ATTACHMENT</b> a. FFY 2014      \$ 863,493 b. FFY 2015      \$10,825,414 c. FFY 2016      \$16,813,533	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  <b>SEE ATTACHMENT TO BLOCKS 8 &amp; 9</b>		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  <b>SEE ATTACHMENT TO BLOCKS 8 &amp; 9</b>	
10. SUBJECT OF AMENDMENT:  <b>The proposed amendment implements the provision of Medical Transportation Program services on a regional basis through Managed Transportation Organizations.</b>			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt. <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO:  <b>Kay Ghahremani State Medicaid Director Post Office Box 13247, MC: H-100 Austin, Texas 78711</b>	
13. TYPED NAME: <b>Kay Ghahremani</b>			
14. TITLE: <b>State Medicaid Director</b>			
15. DATE SUBMITTED: <b>August 1, 2014</b>			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED: 1 August 2014		18. DATE APPROVED: 5 September 2014	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 1 September 2014		20. SIGNATURE:  IAL:	
21. TYPED NAME: Bill Brooks		22. TITLE: Associate Regional Administrator Division of Medicaid & Children's Health	
23. REMARKS:			

**Attachment to Blocks 8 & 9 of CMS Form 179**

**Transmittal Number 14-020**

**Number of the  
Plan Section or Attachment**

**Number of the Superseded  
Plan Section or Attachment**

Appendix 1 to Attachment 3.1-A

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Appendix 1 to Attachment 3.1-A

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Attachment 4.19-B

Page 4 (TN 12-005)

State: Texas  
Date Approved:  
5 September 2014  
Date Received: 1 August, 2014  
Date Effective 1 September 2014  
Transmittal Number: 14-20

**28. Any other medical care, and any other type of remedial care recognized under State law, specified by the Secretary (in accordance with section 1905(a)(29) of the Social Security Act and 42 C.F.R. § 440.170)**

- a. Transportation (provided in accordance with 42 C.F.R. § 440.170) excluding "school-based" transportation

- ☐ Not provided  
☐ Provided without a broker as an optional medical service  
☒ Non-emergency transportation is provided through a brokerage program as an optional medical service in accordance with 1902(a)(70) of the Social Security Act and 42 C.F.R. § 440.170(a)(4).

Non-emergency medical transportation services will be provided under the brokerage program model in the following counties:

ANDERSON, ANGELINA, AUSTIN, BASTROP, BELL, BLANCO, BOSQUE, BOWIE, BRAZORIA, BRAZOS, BROWN, BURLESON, BURNET, CALDWELL, CALHOUN, CALLAHAN, CAMP, CASS, CHAMBERS, CHEROKEE, COKE, COLEMAN, COLORADO, COMANCHE, CONCHO, CORYELL, CROCKETT, DALLAS, DE WITT, DELTA, DENTON, DIMMIT, EASTLAND, EDWARDS, ELLIS, ERATH, FALLS, FAYETTE, FISHER, FORT BEND, FRANKLIN, FREESTONE, GALVESTON, GILLESPIE, GOLIAD, GONZALES, GREGG, GRIMES, HAMILTON, HARDIN, HARRIS, HARRISON, HASKELL, HAYS, HENDERSON, HILL, HOOD, HOPKINS, HOUSTON, HUNT, IRION, JACKSON, JASPER, JEFFERSON, JOHNSON, JONES, KAUFMAN, KENT, KIMBLE, KINNEY, KNOX, LA SALLE, LAMAR, LAMPASAS, LAVACA, LEE, LEON, LIBERTY, LIMESTONE, LLANO, MADISON, MARION, MASON, MATAGORDA, MAVERICK, MCCULLOCH, MCLENNAN, MENARD, MILAM, MILLS, MITCHELL, MONTGOMERY, MORRIS, NACOGDOCHES, NAVARRO, NEWTON, NOLAN, ORANGE, PALO PINTO, PANOLA, PARKER, POLK, RAINS, REAGAN, REAL, RED RIVER, ROBERTSON, ROCKWALL, RUNNELS, RUSK, SABINE, SAN AUGUSTINE, SAN JACINTO, SAN SABA, SCHLEICHER, SCURRY, SHACKELFORD, SHELBY, SMITH, SOMERVELL, STEPHENS, STERLING, STONEWALL, SUTTON, TARRANT, TAYLOR, THROCKMORTON, TITUS, TOM GREEN, TRAVIS, TRINITY, TYLER, UPSHUR, UVALDE, VAL VERDE, VAN ZANDT, VICTORIA, WALKER, WALLER, WASHINGTON, WHARTON, WILLIAMSON, WOOD, and ZAVALA

The State assures it has established a non-emergency medical transportation program in accordance with 1902(a)(70) of the Social Security Act in order to more cost-effectively provide transportation, and can document, upon request from CMS, that the transportation broker was selected through a competitive bidding process that is consistent with 45 C.F.R. § 92.36(b) through (i) and is based on the State's evaluation of the broker's experience, performance, references, resources, qualifications, and costs.

- (1) The State will operate the broker program without the requirements of the following paragraphs of section 1902(a).

- ☒ (1) state-wideness (indicate areas of State that are covered)  
☒ (10)(B) comparability (indicate participating beneficiary groups)  
☒ (23) freedom of choice (indicate mandatory population groups)

State: Texas  
Date Approved: 5 September 2014  
Date Received: 1 August, 2014  
Date Effective: 1 September 2014  
Transmittal Number: 14-20

TN 14-020 Approval Date 9/05/14 Effective Date 9/01/14

Supersedes TN 06-022



**28. Any other medical care (continued)**

a. Transportation (continued)

(2) Transportation services provided will include:

- ☒ wheelchair
- ☒ taxi
- ☐ stretcher car
- ☒ bus passes
- ☒ tickets
- ☒ secured transportation
- ☒ other transportation: demand response transportation services, mass transit tickets, mileage reimbursement for individual transportation service participants, meals, lodging, transportation to and from renal dialysis services, advance funds, out-of-state transport, commercial airline transportation, and transportation of an attendant.

- (i) Demand response transportation services. These service are provided when fixed route services are either unavailable or do not meet the health care needs of clients. Services must be timely and provided by qualified, courteous, knowledgeable, and trained personnel.
- (ii) Mass transit tickets when determined to be the appropriate mode of transportation for the client, ensuring the client does not live more than a quarter (1/4) mile from a public fixed route stop, the appointment is not more than a quarter (1/4) mile from a public fixed route stop, and that mass transit tickets are received by the client before the client's appointment.
- (iii) Mileage reimbursement for Individual Transportation Participant (ITP) services. An ITP signs a participation agreement and drives a client, including himself or herself, to and from a covered health care service in a personal car; ITPs are not reimbursed for "unloaded miles," or mileage incurred when the client is not in the vehicle.
- (iv) Meal and lodging services for clients and an attendant when a covered health care service requires an overnight stay outside the client's county of residence or beyond adjacent counties. Clients and attendants must receive the same quality of services provided to other guests and the lodging services must be equivalent or better than those listed in the Office of the Texas Comptroller's State Travel Management Program.
- (v) Transportation to and from renal dialysis services for clients enrolled in the Medicaid program who are residing in a nursing facility, as required by the Texas Human Resources Code.

State: Texas  
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**28. Any other medical care (continued)**

a. Transportation (continued)

- (vi) Advance funds disbursed before the covered health care service to clients when a lack of transportation funds will prevent a child from traveling to the service. Advance funds are for clients through age 20. Advanced funds may be issued to cover meals, lodging, and/or mileage.
- (vii) Out-of-state transport to contiguous counties or bordering counties in adjoining states (Louisiana, Arkansas, Oklahoma, and New Mexico) that are within 50 miles of the Texas border, if services are medically necessary and it is the customary or general practice of clients in a particular locality within Texas to obtain services from an out-of-state provider that is enrolled as a Texas Medicaid provider. Out-of-state transport also includes travel to states outside of the adjoining states for medically necessary medical care or other health care services that cannot be provided within the state of Texas.
- (viii) Commercial airline transportation services for a client and attendant to a covered health care service, when it is the most cost effective option or when necessary to meet the client's medical needs.
- (ix) Transportation of an attendant, if necessary.

(3) The State assures that transportation services will be provided under a contract with a broker who:

- (i) is selected through a competitive bidding process based on the State's evaluation for the broker's experience, performance, references, resources, qualifications, and costs;
- (ii) has oversight procedures to monitor beneficiary access and complaints and ensures that transportation is timely and transport personnel are licensed, competent, and courteous;
- (iii) is subject to regular auditing and oversight by the State in order to ensure the quality and timeliness of the transportation services provided and the adequacy of beneficiary access to medical care and services; and
- (iv) complies with such requirements related to prohibitions on referrals and conflict of interest as the Secretary shall establish (based on prohibitions on physician referrals under Section 1877 and such other prohibitions and requirements as the Secretary determines to be appropriate).

State: Texas  
Date Approved: 5 September 2014  
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TN 14-020 Approval Date 9/05/14 Effective Date 9/01/14

Supersedes TN 12-010

**28. Any other medical care (continued)**

a. Transportation (continued)

(4) The broker contract will provide transportation to the following categorically needy populations:

- ☒ Low-income families with children (section 1931)
- ☒ Deemed AFDC - related eligibles
- ☒ Poverty-level related pregnant women
- ☒ Poverty-level infants
- ☒ Poverty-level children 1 through 5
- ☒ Poverty-level children 6 – 18
- ☒ Qualified pregnant women AFDC – related
- ☒ Qualified children AFDC – related
- ☒ IV-E foster care and adoption assistance children
- ☒ TMA recipients (due to employment) (section 1925)
- ☒ TMA recipients (due to child support)
- ☒ SSI recipients

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(5) The broker contract will provide transportation to the following categorically needy optional populations:

- ☒ Optional poverty-level – related pregnant women
- ☒ Optional poverty-level – related infants
- ☒ Optional targeted low income children
- ☒ Non IV-E children who are under State adoption assistance agreements
- ☒ Non IV-E independent foster care adolescents who were in foster care on their 18<sup>th</sup> birthday
- ☒ Individuals who meet income and resource requirements of AFDC or SSI
- ☒ Individuals who would meet the income & resource requirements of AFDC if child care costs were paid from earnings rather than by a State agency
- ☒ Individuals who would be eligible for AFDC if State plan had been as broad as allowed Federal law
- ☒ Children aged 15-20 who meet AFDC income and resource requirements
- ☒ Individual who would be eligible for AFDC or SSI if they were not in a medical institution
- ☐ Individuals infected with TB
- ☒ Individuals screened for breast or cervical cancer by CDC program
- ☒ Individual receiving COBRA continuation benefits
- ☒ Individual in special income level group, in a medical institution for at least 30 consecutive days, with gross income not exceeding 300% of SSI income standard
- ☒ Individuals receiving home and community based waiver services who would only be eligible under State plan if in a medical institution (covers only NEMT to standard Medicaid health care services allowable under State plan)



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State of Texas  
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**28. Any other medical care (continued)**

a. Transportation (continued)

- ☒ Individuals terminally ill if in a medical institution and will receive hospice care
- ☒ Individuals aged or disabled with income not above 100% FPL
- ☒ Individuals working disabled who buy into Medicaid (BBA working disabled group)
- ☒ Employed medically improved individuals who buy into Medicaid under TWWIA Medical Improvement Group
- ☒ Individuals disabled age 18 or younger who would require an institutional level of care (TEFRA 134 kids).

(6) Payment Methodology:

(A) The State will pay the contracted broker by the following method:

- ☒ (i) risk capitation
- ☐ (ii) non-risk capitation
- ☐ (iii) other

The contracted broker will be paid a monthly capitated rate for each eligible client residing in their designated area. The capitated rate includes operating costs coupled with factors that include historical rates in geographical area, approximate distance between travel points, service operation requirements, beneficiary transportation needs, and quality of service cost for providing the service to the Medicaid beneficiary and their attendant.

(B) Who will pay the transportation provider?

- ☒ (i) Broker
- ☐ (ii) State
- ☐ (iii) other

(C) What is the source of the non-Federal share of the transportation payments?

The source of the non-federal share of the transportation payment is the State's general revenue fund.

(D) The State assures that no agreement (contractual or otherwise) exists between the State or any form of local government and the transportation broker to return or redirect any of the Medicaid payment to the State or form of local government (directly or indirectly). This assurance is not intended to interfere with the ability of a transportation broker to contract for transportation services at a lesser rate and credit any savings to the program.

**28. Any other medical care (continued)**

a. Transportation (continued)

(E) The State assures that payments proposed under this State plan amendment will be made directly to transportation providers and that the transportation provider payments are fully retained by the transportation providers and no agreement (contractual or otherwise) exists between the State or local government and the transportation provider to return or redirect any of the Medicaid payment to the State or form of local government (directly or indirectly).

(7) The broker is non-governmental entity:

☒ The broker is not itself a provider of transportation nor does it refer to or subcontract with any entity with which it has a prohibited financial relationship as described at 42 C.F.R. § 440.170(a)(4)(ii).

☐ The broker is itself a provider of transportation or subcontracts with or refers to an entity with which it has a prohibited financial relationship and:

(i) ☐ transportation is provided in a rural area as defined at 412.62(f) and there is no other available Medicaid participating provider or other provider determined by the State to be qualified except the non-governmental broker.

(ii) ☐ transportation is so specialized that there is no other available Medicaid participating provider or other provider determined by the State to be qualified except the non-governmental broker.

(iii) ☐ the availability of other non-governmental Medicaid participating providers or other providers determined by the State to be qualified is insufficient to meet the need for transportation.

(8) The broker is a governmental entity and provides transportation itself or refers to or subcontracts with another governmental entity for transportation. The governmental broker will:

☐ Maintain an accounting system such that all funds allocated to the Medicaid brokerage program and all costs charged to the Medicaid brokerage will be completely separate from any other program.

☐ Document that with respect to each individual beneficiary's specific transportation needs, the government provider is the most appropriate and lowest cost alternative.

☐ Document that the Medicaid program is paying no more for fixed route public transportation than the rate charged to the general public and no more for public paratransit services than the rate charged to other State human services agencies for the same service.

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TN 14-020 Approval Date 9/05/14

Effective Date 9/01/14

Supersedes TN 12-010

**28. Any other medical care (continued)**

a. Transportation (continued)

(9) Please describe how the NEMT brokerage program operates:

The full-risk transportation broker is responsible for directly implementing and managing the NEMT services in specific transportation service areas using a network of providers contracted or enlisted by the broker. The broker serves as the single point of contact for authorizing services, determining the most cost effective mode of transportation that meets the beneficiary's needs, scheduling, dispatching, setting costs, and trip reporting. The broker must ensure services are provided to eligible clients requiring transportation according to the specifications contained in their contract. The full-risk transportation broker is responsible for fulfilling the terms of the transportation contract:

- Operating transportation service centers (call centers);
- Assessing service need;
- Documenting and verifying service need;
- Recruiting and contracting directly with providers;
- Reimbursing providers directly;
- Overseeing quality assurance to monitor beneficiary access and complaints;
- Ensuring that providers have the necessary experience, performance, references, resources, and qualifications;
- Conducting criminal background checks;
- Ensuring providers employ personnel that are licensed, as required by state, federal, and/or local ordinance, competent and courteous;
- Reserving and assigning trips to providers based on the beneficiaries' needs;
- Reconciling provider billing records against state records;
- Resolving claim and service delivery issues with providers timely;
- Submitting claims to the State;
- Payment administration;
- Administrative oversight and reporting;
- Monitoring providers to ensure that all contractual requirements are met;
- Sanctioning providers, as deemed necessary to correct deficiencies; and
- Terminating a provider's enrollment when deemed in the best interest of the State.

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**Appendix 1 to Attachment 3.1-A, Page 62 (TN 12-010) was designated for future use by TN  
14-020**

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**28. Any other medical care, and any other type of remedial care recognized under State law, specified by the Secretary (in accordance with section 1905(a)(29) of the Social Security Act and 42 C.F.R. § 440.170)**

- a. Transportation (provided in accordance with 42 C.F.R. § 440.170) excluding "school-based" transportation

- ☐ Not provided  
☐ Provided without a broker as an optional medical service  
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Non-emergency medical transportation services will be provided under the brokerage program model in the following counties:

ANDERSON, ANGELINA, AUSTIN, BASTROP, BELL, BLANCO, BOSQUE, BOWIE, BRAZORIA, BRAZOS, BROWN, BURLESON, BURNET, CALDWELL, CALHOUN, CALLAHAN, CAMP, CASS, CHAMBERS, CHEROKEE, COKE, COLEMAN, COLORADO, COMANCHE, CONCHO, CORYELL, CROCKETT, DALLAS, DE WITT, DELTA, DENTON, DIMMIT, EASTLAND, EDWARDS, ELLIS, ERATH, FALLS, FAYETTE, FISHER, FORT BEND, FRANKLIN, FREESTONE, GALVESTON, GILLESPIE, GOLIAD, GONZALES, GREGG, GRIMES, HAMILTON, HARDIN, HARRIS, HARRISON, HASKELL, HAYS, HENDERSON, HILL, HOOD, HOPKINS, HOUSTON, HUNT, IRION, JACKSON, JASPER, JEFFERSON, JOHNSON, JONES, KAUFMAN, KENT, KIMBLE, KINNEY, KNOX, LA SALLE, LAMAR, LAMPASAS, LAVACA, LEE, LEON, LIBERTY, LIMESTONE, LLANO, MADISON, MARION, MASON, MATAGORDA, MAVERICK, MCCULLOCH, MCLENNAN, MENARD, MILAM, MILLS, MITCHELL, MONTGOMERY, MORRIS, NACOGDOCHES, NAVARRO, NEWTON, NOLAN, ORANGE, PALO PINTO, PANOLA, PARKER, POLK, RAINS, REAGAN, REAL, RED RIVER, ROBERTSON, ROCKWALL, RUNNELS, RUSK, SABINE, SAN AUGUSTINE, SAN JACINTO, SAN SABA, SCHLEICHER, SCURRY, SHACKELFORD, SHELBY, SMITH, SOMERVELL, STEPHENS, STERLING, STONEWALL, SUTTON, TARRANT, TAYLOR, THROCKMORTON, TITUS, TOM GREEN, TRAVIS, TRINITY, TYLER, UPSHUR, UVALDE, VAL VERDE, VAN ZANDT, VICTORIA, WALKER, WALLER, WASHINGTON, WHARTON, WILLIAMSON, WOOD, and ZAVALA

The State assures it has established a non-emergency medical transportation program in accordance with 1902(a)(70) of the Social Security Act in order to more cost-effectively provide transportation, and can document, upon request from CMS, that the transportation broker was selected through a competitive bidding process that is consistent with 45 C.F.R. § 92.36(b) through (i) and is based on the State's evaluation of the broker's experience, performance, references, resources, qualifications, and costs.

- (1) The State will operate the broker program without the requirements of the following paragraphs of section 1902(a).

- ☒ (1) state-wideness (indicate areas of State that are covered)  
☒ (10)(B) comparability (indicate participating beneficiary groups)  
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**28. Any other medical care (continued)**

a. Transportation (continued)

(2) Transportation services provided will include:

- ☒ wheelchair
- ☒ taxi
- ☐ stretcher car
- ☒ bus passes
- ☒ tickets
- ☒ secured transportation
- ☒ other transportation: demand response transportation services, mass transit tickets, mileage reimbursement for individual transportation service participants, meals, lodging, transportation to and from renal dialysis services, advance funds, out-of-state transport, commercial airline transportation, and transportation of an attendant.

- (i) Demand response transportation services. These service are provided when fixed route services are either unavailable or do not meet the health care needs of clients. Services must be timely and provided by qualified, courteous, knowledgeable, and trained personnel.
- (ii) Mass transit tickets when determined to be the appropriate mode of transportation for the client, ensuring the client does not live more than a quarter (1/4) mile from a public fixed route stop, the appointment is not more than a quarter (1/4) mile from a public fixed route stop, and that mass transit tickets are received by the client before the client's appointment.
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- (iv) Meal and lodging services for clients and an attendant when a covered health care service requires an overnight stay outside the client's county of residence or beyond adjacent counties. Clients and attendants must receive the same quality of services provided to other guests and the lodging services must be equivalent or better than those listed in the Office of the Texas Comptroller's State Travel Management Program.
- (v) Transportation to and from renal dialysis services for clients enrolled in the Medicaid program who are residing in a nursing facility, as required by the Texas Human Resources Code.

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**28. Any other medical care (continued)**

a. Transportation (continued)

- (vi) Advance funds disbursed before the covered health care service to clients when a lack of transportation funds will prevent a child from traveling to the service. Advance funds are for clients through age 20. Advanced funds may be issued to cover meals, lodging, and/or mileage.
- (vii) Out-of-state transport to contiguous counties or bordering counties in adjoining states (Louisiana, Arkansas, Oklahoma, and New Mexico) that are within 50 miles of the Texas border, if services are medically necessary and it is the customary or general practice of clients in a particular locality within Texas to obtain services from an out-of-state provider that is enrolled as a Texas Medicaid provider. Out-of-state transport also includes travel to states outside of the adjoining states for medically necessary medical care or other health care services that cannot be provided within the state of Texas.
- (viii) Commercial airline transportation services for a client and attendant to a covered health care service, when it is the most cost effective option or when necessary to meet the client's medical needs.
- (ix) Transportation of an attendant, if necessary.

(3) The State assures that transportation services will be provided under a contract with a broker who:

- (v) is selected through a competitive bidding process based on the State's evaluation for the broker's experience, performance, references, resources, qualifications, and costs;
- (vi) has oversight procedures to monitor beneficiary access and complaints and ensures that transportation is timely and transport personnel are licensed, competent, and courteous;
- (vii) is subject to regular auditing and oversight by the State in order to ensure the quality and timeliness of the transportation services provided and the adequacy of beneficiary access to medical care and services; and
- (viii) complies with such requirements related to prohibitions on referrals and conflict of interest as the Secretary shall establish (based on prohibitions on physician referrals under Section 1877 and such other prohibitions and requirements as the Secretary determines to be appropriate).

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Transmittal Number: 14-20

TN 14-020 Approval Date 9/05/14

Effective Date 9/01/14

Supersedes TN 12-010

State: Texas  
Date Approved: 5 September 2014  
Date Received: 1 August, 2014  
Date Effective: 1 September 2014  
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**28. Any other medical care (continued)**

a. Transportation (continued)

(4) The broker contract will provide transportation to the following categorically needy populations:

- ☒ Low-income families with children (section 1931)
- ☒ Deemed AFDC - related eligibles
- ☒ Poverty-level related pregnant women
- ☒ Poverty-level infants
- ☒ Poverty-level children 1 through 5
- ☒ Poverty-level children 6 – 18
- ☒ Qualified pregnant women AFDC – related
- ☒ Qualified children AFDC – related
- ☒ IV-E foster care and adoption assistance children
- ☒ TMA recipients (due to employment) (section 1925)
- ☒ TMA recipients (due to child support)
- ☒ SSI recipients

(5) The broker contract will provide transportation to the following categorically needy optional populations:

- ☒ Optional poverty-level – related pregnant women
- ☒ Optional poverty-level – related infants
- ☒ Optional targeted low income children
- ☒ Non IV-E children who are under State adoption assistance agreements
- ☒ Non IV-E independent foster care adolescents who were in foster care on their 18<sup>th</sup> birthday
- ☒ Individuals who meet income and resource requirements of AFDC or SSI
- ☒ Individuals who would meet the income & resource requirements of AFDC if child care costs were paid from earnings rather than by a State agency
- ☒ Individuals who would be eligible for AFDC if State plan had been as broad as allowed Federal law
- ☒ Children aged 15-20 who meet AFDC income and resource requirements
- ☒ Individual who would be eligible for AFDC or SSI if they were not in a medical institution
- ☐ Individuals infected with TB
- ☒ Individuals screened for breast or cervical cancer by CDC program
- ☒ Individual receiving COBRA continuation benefits
- ☒ Individual in special income level group, in a medical institution for at least 30 consecutive days, with gross income not exceeding 300% of SSI income standard
- ☒ Individuals receiving home and community based waiver services who would only be eligible under State plan if in a medical institution (covers only NEMT to standard Medicaid health care services allowable under State plan)

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**28. Any other medical care (continued)**

a. Transportation (continued)

- ☒ Individuals terminally ill if in a medical institution and will receive hospice care
- ☒ Individuals aged or disabled with income not above 100% FPL
- ☒ Individuals working disabled who buy into Medicaid (BBA working disabled group)
- ☒ Employed medically improved individuals who buy into Medicaid under TWWIA Medical Improvement Group
- ☒ Individuals disabled age 18 or younger who would require an institutional level of care (TEFRA 134 kids).

(6) Payment Methodology:

(F) The State will pay the contracted broker by the following method:

- ☒ (i) risk capitation
- ☐ (ii) non-risk capitation
- ☐ (iii) other

The contracted broker will be paid a monthly capitated rate for each eligible client residing in their designated area. The capitated rate includes operating costs coupled with factors that include historical rates in geographical area, approximate distance between travel points, service operation requirements, beneficiary transportation needs, and quality of service cost for providing the service to the Medicaid beneficiary and their attendant.

(G) Who will pay the transportation provider?

- ☒ (i) Broker
- ☐ (ii) State
- ☐ (iii) other

(H) What is the source of the non-Federal share of the transportation payments?

The source of the non-federal share of the transportation payment is the State's general revenue fund.

(I) The State assures that no agreement (contractual or otherwise) exists between the State or any form of local government and the transportation broker to return or redirect any of the Medicaid payment to the State or form of local government (directly or indirectly). This assurance is not intended to interfere with the ability of a transportation broker to contract for transportation services at a lesser rate and credit any savings to the program.

**28. Any other medical care (continued)**

a. Transportation (continued)

(J) The State assures that payments proposed under this State plan amendment will be made directly to transportation providers and that the transportation provider payments are fully retained by the transportation providers and no agreement (contractual or otherwise) exists between the State or local government and the transportation provider to return or redirect any of the Medicaid payment to the State or form of local government (directly or indirectly).

(7) The broker is non-governmental entity:

☒ The broker is not itself a provider of transportation nor does it refer to or subcontract with any entity with which it has a prohibited financial relationship as described at 42 C.F.R. § 440.170(a)(4)(ii).

☐ The broker is itself a provider of transportation or subcontracts with or refers to an entity with which it has a prohibited financial relationship and:

(i) ☐ transportation is provided in a rural area as defined at 412.62(f) and there is no other available Medicaid participating provider or other provider determined by the State to be qualified except the non-governmental broker.

(ii) ☐ transportation is so specialized that there is no other available Medicaid participating provider or other provider determined by the State to be qualified except the non-governmental broker.

(iii) ☐ the availability of other non-governmental Medicaid participating providers or other providers determined by the State to be qualified is insufficient to meet the need for transportation.

(8) The broker is a governmental entity and provides transportation itself or refers to or subcontracts with another governmental entity for transportation. The governmental broker will:

☐ Maintain an accounting system such that all funds allocated to the Medicaid brokerage program and all costs charged to the Medicaid brokerage will be completely separate from any other program.

☐ Document that with respect to each individual beneficiary's specific transportation needs, the government provider is the most appropriate and lowest cost alternative.

☐ Document that the Medicaid program is paying no more for fixed route public transportation than the rate charged to the general public and no more for public paratransit services than the rate charged to other State human services agencies for the same service.

State: Texas  
Date Approved: 5 September 2014  
Date Received: 1 August, 2014  
Date Effective: 1 September 2014  
Transmittal Number: 14-20

TN 14-020 Approval Date 9/05/14

Effective Date 9/01/14

Supersedes TN 12-010



**28. Any other medical care (continued)**

a. Transportation (continued)

(9) Please describe how the NEMT brokerage program operates:

The full-risk transportation broker is responsible for directly implementing and managing the NEMT services in specific transportation service areas using a network of providers contracted or enlisted by the broker. The broker serves as the single point of contact for authorizing services, determining the most cost effective mode of transportation that meets the beneficiary's needs, scheduling, dispatching, setting costs, and trip reporting. The broker must ensure services are provided to eligible clients requiring transportation according to the specifications contained in their contract. The full-risk transportation broker is responsible for fulfilling the terms of the transportation contract:

- Operating transportation service centers (call centers);
- Assessing service need;
- Documenting and verifying service need;
- Recruiting and contracting directly with providers;
- Reimbursing providers directly;
- Overseeing quality assurance to monitor beneficiary access and complaints;
- Ensuring that providers have the necessary experience, performance, references, resources, and qualifications;
- Conducting criminal background checks;
- Ensuring providers employ personnel that are licensed, as required by state, federal, and/or local ordinance, competent and courteous;
- Reserving and assigning trips to providers based on the beneficiaries' needs;
- Reconciling provider billing records against state records;
- Resolving claim and service delivery issues with providers timely;
- Submitting claims to the State;
- Payment administration;
- Administrative oversight and reporting;
- Monitoring providers to ensure that all contractual requirements are met;
- Sanctioning providers, as deemed necessary to correct deficiencies; and
- Terminating a provider's enrollment when deemed in the best interest of the State.

State: Texas  
Date Approved: 5 September 2014  
Date Received: 1 August, 2014  
Date Effective: 1 September 2014  
Transmittal Number: 14-20

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TN 14-020 Approval Date 9/05/14 Effective Date 9/01/14  
Supersedes TN 12-010

**Appendix 1 to Attachment 3.1-B, Page 62 (TN 12-010) was designated for future use by TN  
14-020**

State: Texas  
Date Approved: 5 September 2014  
Date Received: 1 August, 2014  
Date Effective: 1 September 2014  
Transmittal Number: 14-20

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TN 14-020 Approval Date 9/05/14 Effective Date 9/01/14  
Supersedes TN 12-010

## Medical Transportation Program (continued)

### 1. Non-emergency Transportation

To ensure necessary transportation for clients to and from visits with enrolled Medicaid providers, the broker uses several types of transportation and related services that comply with federal assurance of non-emergency medical transportation (NEMT) rules and regulations, are efficient and cost effective, and meet the transportation needs of the client. The single state agency makes payment for its contractors to provide the most effective and efficient transportation that meets the need for the client and does not endanger the client's health. These transportation and related services include the following:

(1) *Demand response transportation services.* These services are provided when fixed route services are either unavailable or do not meet the health care needs of clients. Services must be timely and provided by qualified, courteous, knowledgeable, and trained personnel.

(2) *Mass transit tickets* when determined to be the appropriate mode of transportation for the client, ensuring the client does not live more than a quarter (1/4) mile from a public fixed route stop, the appointment is not more than a quarter (1/4) mile from a public fixed route stop, and that mass transit tickets are received by the client before the client's appointment.

(3) *Mileage reimbursement for Individual Transportation Participant (ITP) services.* An ITP signs a participation agreement and drives a client, including himself or herself, to and from a covered health care service in a personal car; ITPs are not reimbursed for "unloaded miles," or mileage incurred when the client is not in the vehicle.

(4) *Meal and lodging services* for clients and an attendant when a covered health care service requires an overnight stay outside the client's county of residence or beyond adjacent counties. Clients and attendants must receive the same quality of services provided to other guests and the lodging services must be equivalent or better than those listed in the Office of the Texas Comptroller's State Travel Management Program.

(5) *Transportation to and from renal dialysis services* for clients enrolled in the Medicaid program who are residing in a nursing facility, as required by the Texas Human Resources Code.

(6) *Advance funds* disbursed before the covered health care service to clients when a lack of transportation funds will prevent a child from traveling to the

## Medical Transportation Program (continued)

service. Advance funds are for clients through age 20. Advanced funds may be issued to cover meals, lodging, and/or mileage.

(7) *Out-of-state transport* to contiguous counties or bordering counties in adjoining states (Louisiana, Arkansas, Oklahoma, and New Mexico) that are within 50 miles of the Texas border, if services are medically necessary and it is the customary or general practice of clients in a particular locality within Texas to obtain services from an out-of-state provider that is enrolled as a Texas Medicaid provider. Out-of-state transport also includes travel to states outside of the adjoining states for medically necessary medical care or other health care services that cannot be provided within the state of Texas.

(8) *Commercial airline transportation services* for a client and attendant to a covered health care service, when it is the most cost effective option or when necessary to meet the client's medical needs.

(9) *Transportation of an attendant*, if necessary.

Transportation in Texas is provided through two models. These models are the NEMT Brokerage Program Model and the 1915(b) Waiver Model.

### NEMT Brokerage Program Model

In six Managed Transportation Organization (MTO) Regions and two service delivery areas (SDAs), transportation and related services (e.g., mass transit, meals, lodging) are provided through a broker that meets the requirements outlined in 42 C.F.R. § 440.170(a)(4). The broker is paid a capitated, per-member-per-month rate. The NEMT Brokerage Program Model includes three contractors and the following counties:

ANDERSON, ANGELINA, AUSTIN, BASTROP, BELL, BLANCO, BOSQUE, BOWIE, BRAZORIA, BRAZOS, BROWN, BURLESON, BURNET, CALDWELL, CALHOUN, CALLAHAN, CAMP, CASS, CHAMBERS, CHEROKEE, COKE, COLEMAN, COLORADO, COMANCHE, CONCHO, CORYELL, CROCKETT, DALLAS, DE WITT, DELTA, DENTON, DIMMIT, EASTLAND, EDWARDS, ELLIS, ERATH, FALLS, FAYETTE, FISHER, FORT BEND, FRANKLIN, FREESTONE, GALVESTON, GILLESPIE, GOLIAD, GONZALES, GREGG, GRIMES, HAMILTON, HARDIN, HARRIS, HARRISON, HASKELL, HAYS, HENDERSON, HILL, HOOD, HOPKINS, HOUSTON, HUNT, IRION, JACKSON, JASPER, JEFFERSON, JOHNSON, JONES, KAUFMAN, KENT, KIMBLE, KINNEY, KNOX, LA SALLE, LAMAR, LAMPASAS, LAVACA, LEE, LEON, LIBERTY, LIMESTONE, LLANO, MADISON, MARION, MASON, MATAGORDA, MAVERICK, MCCULLOCH, MCLENNAN,

**Medical Transportation Program (continued)**

MENARD, MILAM, MILLS, MITCHELL, MONTGOMERY, MORRIS, NACOGDOCHES, NAVARRO, NEWTON, NOLAN, ORANGE, PALO PINTO, PANOLA, PARKER, POLK, RAINS, REAGAN, REAL, RED RIVER, ROBERTSON, ROCKWALL, RUNNELS, RUSK, SABINE, SAN AUGUSTINE, SAN JACINTO, SAN SABA, SCHLEICHER, SCURRY, SHACKELFORD, SHELBY, SMITH, SOMERVELL, STEPHENS, STERLING, STONEWALL, SUTTON, TARRANT, TAYLOR, THROCKMORTON, TITUS, TOM GREEN, TRAVIS, TRINITY, TYLER, UPSHUR, UVALDE, VAL VERDE, VAN ZANDT, VICTORIA, WALKER, WALLER, WASHINGTON, WHARTON, WILLIAMSON, WOOD, and ZAVALA

1915(b) Waiver Model

In five Managed Transportation Organization (MTO) Regions, transportation and related services (e.g., mass transit, meals, lodging) are provided through an MTO under the authority of a 1915(b) waiver. The managed transportation organization may own, operate, and maintain a fleet of vehicles. The managed transportation organization is paid a capitated, per-member-per-month rate.

The 1915(b) Waiver Model includes three contractors and the following counties:

ANDREWS, ARANSAS, ARCHER, ARMSTRONG, ATASCOSA, BAILEY, BANDERA, BAYLOR, BEE, BEXAR, BORDEN, BREWSTER, BRISCOE, BROOKS, CAMERON, CARSON, CASTRO, CHILDRESS, CLAY, COCHRAN, COLLIN, COLLINGSWORTH, COMAL, COOKE, COTTLE, CRANE, CROSBY, CULBERSON, DALLAM, DAWSON, DEAF SMITH, DICKENS, DONLEY, DUVAL, ECTOR, EL PASO, FANNIN, FLOYD, FOARD, FRIO, GAINES, GARZA, GLASSCOCK, GRAY, GRAYSON, GUADALUPE, HALE, HALL, HANSFORD, HARDEMAN, HARTLEY, HEMPHILL, HIDALGO, HOCKLEY, HOWARD, HUDSPETH, HUTCHINSON, JACK, JEFF DAVIS, JIM HOGG, JIM WELLS, KARNES, KENDALL, KENEDY, KERR, KING, KLEBERG, LAMB, LIPSCOMB, LIVE, OAK, LOVING, LUBBOCK, LYNN, MARTIN, MCMULLEN, MEDINA, MIDLAND, MONTAGUE, MOORE, MOTLEY, NUECES, OCHILTREE, OLDHAM, PARMER, PECOS, POTTER, PRESIDIO, RANDALL, REEVES, REFUGIO, ROBERTS, SAN PATRICIO, SHERMAN, STARR, SWISHER, TERRELL, TERRY, UPTON, WARD, WEBB, WHEELER, WICHITA, WILBARGER, WILLACY, WILSON, WINKLER, WISE, YOAKUM, YOUNG, and ZAPATA

State: Texas  
Date Approved: 5 September 2014  
Date Received: 1 August, 2014  
Date Effective: 1 September 2014  
Transmittal Number: 14-20

TN: 14-020

Approval Date: 9/05/14

Effective Date: 9/01/14

Supersedes TN: 12-005



## **Medical Transportation Program (continued)**

### **2. Population Served**

The single state agency ensures transportation services are provided to the categorically needy and medically needy optional populations as identified in Appendix 1 to Attachment 3.1-A/B.

### **3. Single State Agency Responsibilities**

The single state agency is responsible for determining NEMT eligibility and benefit coverage. The single state agency is responsible for ensuring that the recipient is eligible for Medicaid. The single agency ensures the following:

- a. Transportation services are provided only by contracted or enrolled Medicaid transportation providers.
- b. Transportation services are provided only in conjunction to a covered Medicaid service.
- c. Medicaid is the payor of last resort, with certain exceptions allowed by federal regulations or law.
- d. Medicaid recipient is informed about rights and responsibilities.

Exceptions to the transportation provisions contained in this plan may be authorized by the Health and Human Services Commission or its designee when, in the opinion of the Commission, circumstances of medical necessity warrant such exceptions.

### **4. Procurement and Purchase of Services**

The single state agency must competitively bid transportation and transportation-related contracts according to state and federal law for NEMT. All transportation service providers, including managed transportation organizations operating under the 1915(b) Waiver Model and brokers operating under the NEMT Brokerage Program Model, are selected based on an assessment that includes experience, references, qualifications and credentials, resources, and costs. Additionally, the transportation service providers must ensure that transport personnel are licensed, qualified, competent, and courteous. Transportation service providers must have oversight procedures in place to monitor beneficiary access and complaints.

State: Texas  
Date Approved: 5 September 2014  
Date Received: 1 August, 2014  
Date Effective: 1 September 2014  
Transmittal Number: 14-20

TN: 14-020

Approval Date: 9/05/14

Effective Date: 9/01/14

Supersedes TN: 12-005

## **Medical Transportation Program (continued)**

### **5. Program Limitations**

Transportation and related services are limited to trips for Medicaid beneficiaries and their approved attendants to and from Medicaid-covered services.

Transportation for full-benefit dual eligible beneficiaries to obtain prescription medications covered under the Medicare Part D benefit will be provided at the same level and under the same restrictions as is offered to all Medicaid beneficiaries.

### **6. Non-covered Services**

Transportation to and from services that are not medically necessary or that are not provided in compliance with Texas Medicaid Program policy and procedures.

Transportation by ambulance or nonemergency ambulance, except as described in the relevant section of the state plan.

Transportation to and from a day activity, a personal care home or state institution, or a medical or institutional facility participating in another Title XIX program for which the reimbursement rate structure includes transportation funds, except for transportation to and from renal dialysis services for clients who are enrolled in the Medicaid program and residing in a nursing facility.

### **7. Program Monitoring and Validation**

The State's contracts provide that the broker will have in place oversight procedures to monitor beneficiary access and complaints; that transport personnel are licensed, qualified, competent, and courteous; and that the broker will comply with the federal requirements related to prohibitions on referrals and conflict of interest. A broker may not add in costs for "no shows" or "unloaded miles" into its calculation for administrative or operational expenses; these trips are considered an unallowable cost, should be excluded from the broker's Financial Statistical Report (FSR), and are not used to calculate the capitated rate. Any inappropriate payment is at the broker's expense. The broker must coordinate with the State and medical practitioners to assess clients' medical needs. The broker must serve all clients in its MTO Region or service delivery area, regardless of a client's behavior.

The State will perform regular auditing and oversight of the brokerage program in order to assure the quality of the transportation services provided to beneficiaries and to guarantee the adequacy of beneficiary access to medical care and services. The State conducts several monitoring activities to determine a broker's compliance with contract requirements, including quarterly encounter data validity checks that match the transportation expense to a health care event and verify information on the FSR.

**12. Medical Transportation**

- (a) Non-emergency Medical Transportation (NEMT) Brokerage Program Services.  
Each broker is paid a monthly capitation rate for each eligible client in the broker's designated transportation service area. Capitation rates are defined on a per-member-per-month basis. The broker is at-risk for expenses that may be necessary or incurred in order to deliver covered NEMT services, even if the broker's expenses exceed the broker's capitation payments.
- (b) If HHSC is unable to provide NEMT services through the NEMT Brokerage Program Model or the 1915(b) Waiver Model, NEMT services may be reimbursed based on the agency's fee schedule. The agency's fee schedule was revised with new fees for non-broker providers of NEMT services; the fees are effective for services provided on or after September 1, 2014. The fee schedule was posted on the agency's website on September 15, 2014.

State: Texas  
Date Approved:  
5 September 2014  
Date Received: 1 August, 2014  
Date Effective 1 September 2014  
Transmittal Number: 14-20