



STATE OF MICHIGAN

DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

GRETCHEN WHITMER
GOVERNOR

ELIZABETH HERTEL
DIRECTOR

October 27, 2022

Rick Lowe, Chief Internal Auditor
Office of Internal Audit Services
111 South Capitol Avenue
8th Floor, Romney Building
Lansing, Michigan 48933

Dear Mr. Lowe:

In accordance with the State of Michigan, Financial Management Guide, Part VII, attached are the summary table identifying our responses and corrective action plans to address recommendations contained within the Office of the Auditor General's Performance Audit of Medicaid Non-Emergency Medical Transportation Services.

Questions regarding the summary table or corrective action plans should be directed to me at 517-241-4237 or MyersP3@michigan.gov.

Sincerely,

Pam Myers

Pam Myers, Director
Bureau of Audit

PM:wb

Enclosure (1)

c: Office of the Auditor General
House Fiscal Agency
Senate Fiscal Agency
Executive Office
DHHS, David Knezek
DHHS, Farah Hanley

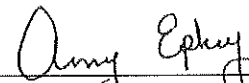
House Appropriations Committee
House Standing Committee
Senate Appropriations Committee
Senate Standing Committee
DHHS, Amy Epkey
DHHS, Lewis Roubal

PERFORMANCE AUDIT OF MEDICAID NON-
EMERGENCY MEDICAL TRANSPORTATION
SERVICES

DEPARTMENT OF HEALTH AND HUMAN
SERVICES

AUDIT RESPONSE

Approved: _____



Amy Epkey, Senior Deputy Director
Financial Operations Administration
Department of Health and Human Services

Date: October 21, 2022



AUDIT REPORT SUMMARY

DEPARTMENT: Behavioral and Physical Health & Aging Services
Administration

AUDIT PERIOD: January 1, 2018 through December 31, 2019

REPORT DATED: March 16, 2022

DISPOSITION OF AUDIT RECOMMENDATIONS

CITATIONS COMPLIED WITH	CITATIONS TO BE COMPLIED WITH	CITATIONS DHHS DID NOT AGREE WITH
Finding 1 (10/01/2022)		
Finding 2 (11/24/2020)		
	Finding 3 (9/30/2023)	
		Finding 4

Audit Response
Performance Audit
2020 OAG NEMT Audit
Department of Health and Human Services
January 1, 2018 through December 31, 2019

Recommendation 1: Improved controls needed over transportation provider eligibility verification

We recommend that MDHHS ensure its various NEMT coordinators maintain all required transportation provider eligibility documentation.

Response

MDHHS will continue to require the NEMT broker to maintain documentation to support provider eligibility, and as an additional security measure, most transportation provider drivers for the broker will continue to enroll in CHAMPS. The following checks performed at enrollment, revalidation, and ongoing (either monthly or annually) include sex offender and criminal history checks, federal exclusion, Death Registry, Vital Records, valid driver's license checks, and vehicle insurance information. Also, transportation provider drivers and volunteer drivers for the local offices will continue to enroll in CHAMPS where the same checks identified above are performed, again at enrollment, revalidation, and ongoing (either monthly or annually); except those identified in policy as not required (i.e. relatives, self-driver, and/or family members). As part of the Comprehensive Health Care Program (CHCP) contract, MDHHS will continue to require that the MHPs have written credentialing and re-credentialing policies and procedures in place that: ensure quality of care, ensure providers rendering services are licensed by the State and are qualified to perform their services, verify the provider is not debarred or suspended by any State or federal agency, and require the provider's employees to disclose criminal convictions.

In addition to the measures identified above, MDHHS is always looking for opportunities for improving its programs and how they are operated. As of October 1, 2022, MDHHS has implemented an ongoing process for conducting monthly random sampling of NEMT records to review documentation requirements, and to ensure completion and accuracy of record keeping. If deficiencies are identified, corrective action will be required, and MDHHS will track and ensure deficiencies are addressed.

Recommendation 2: Monitoring of broker contract needs improvement

We recommend that MDHHS better monitor its broker contract.

Response

MDHHS agrees with the recommendation that it needs to better monitor its broker contract.

MDHHS is always looking for opportunities for improving its programs and how they are operated. This includes enhancing encounter data quality checks for encounters submitted by the broker and enhancing its monitoring and follow-up of its NEMT services contract.

The frequency of monitoring is dependent upon the individual activity requirements as defined in the contract. As part of the corrective action by MDHHS, a formal Vendor Corrective Action Plan has already been implemented collaboratively between MDHHS and Department of Technology, Management, and Budget (DTMB) and established to address on-time performance and medical needs form deficiencies and on-time performance for appointments requirements identified above in (b) and (c), with active, ongoing monitoring. MDHHS will follow DTMB parameters for defining service level agreement assessments/penalties, as necessary in the future.

Recommendation 3: Improved documentation needed to support encounter claims

We recommend that MDHHS implement processes to ensure the broker and MHPs maintain adequate documentation to support their NEMT encounter claims.

Response

MDHHS agrees.

MDHHS agrees with the recommendation that adequate documentation to support NEMT encounter claims should be better maintained; however, MDHHS does not plan to require "signed" trip logs for broker or MHP encounters. Neither NEMT policy nor the broker contract require trip logs to be signed. The signature line is included on the trips logs simply because the broker uses this form for all of their business, not just Medicaid.

To enhance monitoring and tracking, a written Contract Monitoring Plan was established in January 2019, outlining the contractual requirements for the broker and MDHHS's monitoring requirements. As part of the NEMT broker contract monitoring plan, MDHHS will conduct periodic random sampling of broker records to review documentation requirements, including trip logs and medical needs forms, to ensure completion and accuracy of record keeping. If deficiencies are identified, corrective action will be required, and MDHHS will track and ensure deficiencies are addressed.

In response to part (b), as part of our corrective action, in August 2019, the NEMT broker started monthly pre- and post-transportation validation checks on no less than 2% of public transportation used per month to confirm public transportation was for Medicaid eligible services. These monthly validation checks are reported to and will be tracked and reviewed by MDHHS to ensure compliance.

In response to parts (c) and (d), as part of the corrective action, in the CHCP contract, MHPs will continue to be required to: ensure all encounter data is complete and accurate, provide for collection and maintenance of sufficient encounter data to identify the provider who delivers items or services, ensure the data from providers is accurate and complete, and make all collected data available to MDHHS and the Centers for Medicare and Medicaid Services (CMS) upon request. In addition, MHPs will continue to attest that the encounter data is complete and accurate in accordance with 42 CFR 438.606. MDHHS's Office of Inspector General (OIG) will also continue to periodically conduct post payment reviews as an additional measure to verify the validity of submitted claims, which can include review of encounter data. Although it is required of the MHPs to maintain the documentation, MDHHS will be implementing additional oversight and periodic sampling to ensure encounter claims are valid.

In fiscal year 2022, MDHHS began requiring MHPs to submit a detailed explanation of their NEMT claims monitoring procedures as part of the MHP Contract Compliance Review process. If an MHP does not have sufficient NEMT claims monitoring procedures in place that help to ensure encounter claims are supported by proper documentation, a corrective action plan will be required and the MHP may be subject to monetary penalties or liquidated damages.

Recommendation 4: Evaluation of local office NEMT services needed

We recommend that MDHHS establish performance indicators, identify performance standards, compile performance data, and evaluate NEMT services coordinated directly through its local offices.

Response

MDHHS disagrees with this finding.

The Social Security Act and Medicaid State Plan require that MDHHS ensure necessary transportation is provided for beneficiaries and MDHHS is not aware of any situations where beneficiaries did not have access to NEMT services. Local offices meet the requirement to provide NEMT services by utilizing, as appropriate, volunteer drivers and private/public transportation. There are currently no requirements for MDHHS to identify performance standards, compile performance data, or perform a formal evaluation of NEMT services as part of federal or State regulations.