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DEPARTMENT OF HEALTH CARE POLICY AND FINANCING MEDICAID NON-EMERGENT MEDICAL TRANSPORTATION



AUGUST 2021

PERFORMANCE AUDIT

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OFFICE OF THE STATE AUDITOR



August 31, 2021

KERRI L. HUNTER, CPA
—
STATE AUDITOR

Members of the Legislative Audit Committee:

This report contains the results of a performance audit of Medicaid Non-Emergent Medical Transportation administered by the Department of Health Care Policy and Financing. The audit was conducted pursuant to Section 2-3-103, C.R.S., which authorizes the State Auditor to conduct audits of all departments, institutions, and agencies of state government, and Section 2-7-204(5), C.R.S., which requires the State Auditor to annually conduct performance audits of one or more specific programs or services in at least two departments for purposes of the SMART Government Act. The report presents our findings, conclusions, and recommendations, and the responses of Department of Health Care Policy and Financing.

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REPORT HIGHLIGHTS



MEDICAID NON-EMERGENT
MEDICAL TRANSPORTATION
PERFORMANCE AUDIT, AUGUST 2021

DEPARTMENT OF HEALTH CARE POLICY
AND FINANCING

KEY CONCERN

The Department of Health Care Policy and Financing (Department) has not ensured that Medicaid Non-Emergent Medical Transportation (NEMT) is administered in line with federal and state requirements or in a manner that provides Medicaid recipients consistently reliable transportation to and from their medical care.

KEY FINDINGS

- From July 2020 to February 2021, the Department paid \$291,600 for NEMT claims that did not comply with Medicaid requirements, such as claims without support that rides were provided, claims that were overpaid, and claims that were for rides that were not for medical care; these noncompliant payments are known questioned costs. The Department also paid \$5.18 million for claims that are potentially noncompliant, such as claims likely paid at incorrect rates, which are likely questioned costs. The federal government could require the State to repay one-half of the known and likely questioned costs.
- From December 2020 through February 2021, the Department paid \$3.5 million to 66 NEMT transportation providers that did not schedule rides or submit claims through the statewide contractor, as the Department required. The Department did not monitor the services of these providers that bypassed its statewide contractor.
- The Department did not ensure its statewide contractor complied with contract requirements, such as ensuring recipients are picked-up on time and their calls are answered timely. As a result, recipients did not receive equitable services across the State and providers were not consistently held accountable for poor service.
- The Department paid its statewide contractor \$126,840 for NEMT rides that the contractor did not pay to the 28 NEMT providers, as required.
- The Department did not ensure its statewide contractor resolved and reported all recipient complaints or incidents that risked recipient health and safety, as required. For example, 68 percent of complaints went unresolved and 75 incidents went unreported and unresolved. As a result, some safety and service issues were not addressed and the Department could not monitor all complaints and incidents to ensure safe, quality services.
- The Department did not report 32 acts of potential mistreatment of at-risk adults during NEMT rides, including recipient injuries, to law enforcement or Adult Protective Services, as required.

BACKGROUND

- Medicaid is a federal-state program that provides health care coverage and services to eligible low-income adults and families with children, and is Department-administered.
- NEMT is a benefit available to all Medicaid recipients so they can access medical care. From July 2020 to August 2021, the Department contracted with IntelliRide to administer NEMT statewide, such as by coordinating transportation for recipients, paying ride providers, and submitting claims to the Department for reimbursement.
- During the audit period July 2020 to February 2021, the Department paid \$33.2 million for NEMT services.
- In September 2021, the Department plans to amend the NEMT contract with IntelliRide so that it only serves nine Front Range counties; transportation providers will serve the remaining 55 counties.

KEY RECOMMENDATIONS

- Implement IT and other processes to pay NEMT claims in line with requirements, improve documentation of services and contract monitoring, recover known questioned costs, investigate and recover likely questioned costs, and deny claims from providers that bypass the assigned contractor.
- Ensure the NEMT contractor complies with contract requirements for service provision and customer service, and establish a process to assess NEMT recipient satisfaction with services.
- Ensure the NEMT contractor pays providers accurately; and tracks, resolves, and reports complaints and incidents.
- Report potential mistreatment of at-risk adults to law enforcement and Adult Protective Services.

The Department of Health Care Policy and Financing agreed with the audit recommendations.



CHAPTER 1

OVERVIEW

Non-emergent medical transportation (NEMT) is a federally-required Medicaid benefit intended to provide recipients prompt, efficient, and medically-necessary transportation services to and from their Medicaid medical services [Section 42 USC 1396a(a)]. NEMT cannot be used as a convenience to the recipient, such as for a trip to a grocery store, or used by non-recipients unless they are an escort for a recipient who is a child or at-risk adult [10 CCR 2505-10 8.014.5.D.1]. NEMT is available to all individuals enrolled in Colorado's Medicaid program, Health First Colorado, which is a federal-state program that provides health care coverage and services to eligible low-income adults and families with children. Health First Colorado, including NEMT services, is administered by the Department of Health Care Policy & Financing (Department). As of June 2021, 1.5 million Coloradans were enrolled in Colorado's Medicaid program.

NEMT SERVICES AND RATES

From July 2020 through February 2021, which was the audit period reviewed, Colorado's NEMT benefit provided 35,423 Medicaid recipients a total of about 640,500 rides, or a monthly average of 80,100 rides.

Colorado's NEMT benefit covers the following costs for Medicaid recipients:

- **RIDES BY TRANSPORTATION SERVICE PROVIDERS TO AND FROM MEDICAL SERVICES.** Medicaid recipients may request and schedule an NEMT ride before their medical appointment and may arrange ongoing transportation to regularly scheduled Medicaid-related appointments, such as weekly dialysis. The NEMT benefit also covers more urgent ride requests made by medical providers when recipients' medical conditions could become emergencies if a ride is not provided, such as when a recipient needs a ride home after being discharged from a hospital. The rides are provided by NEMT providers, such as taxi and van drivers, or by public transportation agencies.
- **MILEAGE REIMBURSEMENT FOR RIDES TO AND FROM MEDICAL SERVICES USING PERSONAL VEHICLES.** Recipients may request Medicaid reimbursement for the cost of vehicle mileage when the recipient's vehicle, or a friend's, family member's, or volunteer's vehicle, is used for the purpose of an NEMT ride.
- **LODGING AND MEALS WHEN TRAVELING MULTIPLE DAYS.** The cost of a recipient's and their escort's lodging and meals is covered when an NEMT trip cannot be completed in 1 day, such as when a recipient in a rural area has an early or late medical appointment in the Denver metro area, or when a recipient needs extended lodging near a medical facility to receive ongoing treatment.

NEMT services are provided on a fee-for-service basis, meaning the transportation provider or recipient's personal vehicle mileage is reimbursed for each eligible service. The Department sets most NEMT reimbursement rates annually on a per-trip or per-mile basis, and pays for public

transportation trips at the rates set by transit agencies. Taxi rates are set by the Public Utilities Commission (PUC) and are unique to each provider.

EXHIBIT 1.1 summarizes the types of NEMT services available and their rates.

EXHIBIT 1.1. NEMT SERVICES AND RATES FISCAL YEAR 2021		
SERVICE CATEGORY	SERVICE DESCRIPTION	RATE
Standard Transportation. For recipients who do not need vehicles with mobility or life support equipment.	Individual or Volunteer Vehicle ¹	\$0.44 per mile
	Taxi Public Transportation	Varies by provider Varies per trip and transit agency
	Mobility Vehicle ² Base Rate and Mileage Rate	\$17.91 base rate and \$2.07 per mile
	Train or Commercial Air	Individually priced per trip ³
Specialty Transportation. For recipients needing mobility equipment travel.	Wheelchair Van Base Rate and Mileage Rate	\$31.72 base rate and \$1.05 per mile
	Stretcher Van Base Rate and Mileage Rate	\$45.91 base rate and \$1.73 per mile
Ambulance Medical Transportation. For recipients needing life support medical devices (e.g., ventilators).	Basic Life Support	\$130.97 per one-way trip
	Advanced Life Support	\$146.84 per one-way trip
	Ground Ambulance ⁴	\$232.44 per one-way trip
	Mileage, In-State	\$2.07 per mile
	Mileage, Out-of-State	\$1.66 per mile
	Air, Fixed Wing	\$3,151.79 per one-way trip
Air, Rotary Wing	\$2,790.43 per one-way trip	

SOURCE: Office of the State Auditor created table using Department information on NEMT rates.

¹ Volunteer vehicles are driven by individuals or organizations that have no vested interest in the recipient.

² Mobility vehicles are provided to recipients who do not have access to public transportation and who do not use a wheelchair.

³ Per-trip can be for a one-way or round trip depending on the trip.

⁴ NEMT ground ambulance provides recipients ongoing care by a medical specialist.

ADMINISTRATION

Medicaid is administered at the federal level by the Centers for Medicare and Medicaid Services under Title XIX of the Federal Social Security Act, and administered at the state level by the Department under Section 25.5-4-105,

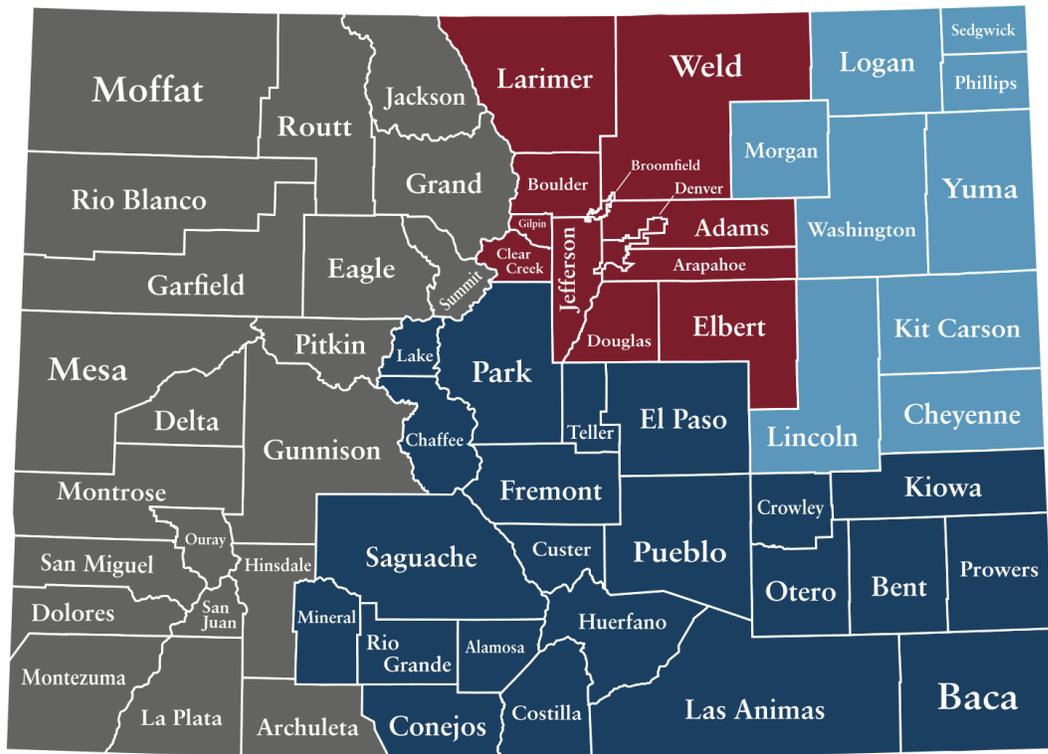
C.R.S. The Department is responsible for ensuring that Medicaid expenditures are appropriate and that the State complies with all federal and state Medicaid requirements.

Federal regulations [42 CFR 431.53] allow states discretion when determining the method for providing NEMT services; for example, states may choose to coordinate NEMT rides through a state department, counties, statewide or regional brokers, or managed care organizations. In September 2019, the Department entered into a contract with IntelliRide to broker NEMT services for nine Front Range counties (Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, Jefferson, Larimer, and Weld), while 55 county health departments brokered trips for recipients in the rest of the state.

From July 1, 2020, through August 31, 2021, the Department contracted with IntelliRide to administer NEMT and serve as the single, statewide NEMT service broker. The intent of the statewide broker contract was to improve the State's oversight of NEMT services and remove county responsibilities for arranging NEMT services so counties could dedicate administrative funds to tasks such as case management. During most of the statewide broker contract with IntelliRide (July 2020 through May 2021), the Department employed one full-time equivalent (FTE) employee to oversee the NEMT benefit and serve as the monitor of the IntelliRide contract. In June 2021, the Department assigned one additional FTE employee to assist in overseeing the NEMT benefit.

The IntelliRide statewide brokerage contract divided the state into the four service areas shown in EXHIBIT 1.2.

EXHIBIT 1.2. NEMT SERVICE AREAS IN COLORADO



■ Service Area 1 ■ Service Area 2 ■ Service Area 3 ■ Service Area 4

SOURCE: Office of the State Auditor map created using information from the Department's July 2020 through August 2021 statewide contract with IntelliRide.

As the statewide service broker, IntelliRide was contractually responsible for:

- Verifying recipients' eligibility for NEMT services.
- Verifying that recipients have a Medicaid-approved appointment.
- Managing a call center to schedule recipients' transportation with NEMT providers.
- Managing and resolving recipient complaints about NEMT services.
- Reimbursing providers for services.
- Submitting Medicaid claims to the Department for reimbursement.
- Retaining supporting documentation for each Medicaid claim.

In September 2021, the Department plans to amend its contract with IntelliRide to only have it broker NEMT services in the original nine counties

that it served prior to becoming the statewide broker, which are all within Service Area 1; the recipients in the remaining 55 counties will contact providers directly to schedule and receive NEMT services.

KEY SYSTEMS

The Department's **Colorado Benefits Management System (CBMS)** processes Medicaid applications and determines applicants' eligibility. The eligibility data in CBMS feeds into the Colorado **interChange system (interChange)**, which is the Department's claims payment system that reimburses IntelliRide or providers for the services that recipients receive.

IntelliRide systems and software include **Genesys**, which records all calls to IntelliRide, such as when recipients call to schedule rides; and **EcoLane**, which tracks ride requests and trip completion information. IntelliRide also maintains accounting records of payments it makes to NEMT providers and an Excel document that tracks customer complaints received by phone, email, mail, and IntelliRide's website chat function, as well as the complaint investigations and outcomes.

FUNDING

Funding for NEMT comes from a combination of state and federal Medicaid funds. The Medicaid federal matching rate for Colorado's NEMT benefit is 50 percent, meaning the State is reimbursed 50 cents for each \$1 that it spends on NEMT services. In most years, a majority of state funding for NEMT service claims is from the General Fund. For Fiscal Year 2021, as of June 30, 2021, 95 percent of all NEMT funding was spent on NEMT service claims; almost 5 percent was spent on the IntelliRide contract, which totaled \$2.9 million; and less than 1 percent was for the Department's personnel and administrative costs.

EXHIBIT 1.3 shows the expenditures for NEMT service claims for Fiscal Years 2019 through 2021.

**EXHIBIT 1.3. NEMT CLAIMS EXPENDITURES BY FUND SOURCE
FISCAL YEARS 2019 THROUGH 2021¹**

FUND SOURCE	2019	2020	2021¹
Federal Funds	\$24,830,700	\$25,710,900	\$28,520,700
State General Fund	\$21,514,700 ²	\$9,459,400	\$19,122,600
Cash Funds ³	\$3,274,000 ²	\$16,163,300	\$9,397,200
TOTAL	\$49,619,400	\$51,333,600	\$57,040,500

SOURCE: Office of the State Auditor analysis of Department expenditure data for NEMT.

¹ Expenditures are to date as of June 30, 2021, unaudited, and rounded to nearest 100.

² In Fiscal Year 2018, the Department's accounting system recorded some revenues and expenditures under the incorrect fund sources, and the Department corrected the system errors and recording in Fiscal Year 2019, making the recorded General Fund expenditures higher and Cash Funds expenditures lower in Fiscal Year 2019 compared to other years.

³ Cash funds are primarily from the Healthcare Affordability and Sustainability Cash Fund, but include some funding from the Breast and Cervical Cancer Program Cash Fund and Old Age Pension Cash Fund.

AUDIT PURPOSE, SCOPE, AND METHODOLOGY

We conducted this performance audit pursuant to Section 2-3-103, C.R.S., which authorizes the State Auditor to conduct audits of all departments, institutions, and agencies of the state government, and Section 2-7-204(5), C.R.S., the State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act. Audit work was performed from February through July 2021. We appreciate the cooperation and assistance provided by the management and staff of the Department during this audit.

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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

The key objective of the audit was to evaluate the effectiveness of the Department's administration of NEMT to ensure Colorado Medicaid recipients receive reliable and consistent non-emergency medical

transportation that complies with federal and state requirements. The audit did not review Department controls over Medicaid recipient eligibility because that is reviewed by our annual Statewide financial audit.

To accomplish our audit objective, we performed the following audit work:

- Reviewed applicable federal and state statutes and regulations; the statewide NEMT brokerage contract between the Department and IntelliRide; and the Department’s NEMT Billing Manual, NEMT Rate Schedule for Fiscal Year 2021, and Contract Monitoring Tool-Kit.
- Reviewed IntelliRide written policies, procedures, and plans for implementing its statewide contract, and the monthly performance reports it sent the Department from July 2020 to December 2020.
- Analyzed Department interChange data on the 362,110 NEMT claims paid from July 2020 through February 2021, and compared it to IntelliRide’s EcoLane data and accounting records, as well as to other providers’ documentation on NEMT services.
- Reviewed documentation from the PUC, which showed NEMT taxi providers’ PUC certifications and rates.
- Analyzed IntelliRide’s EcoLane data for on-time performance of NEMT trips and call center monthly reports generated by its Genesys system.
- Analyzed recipient complaints tracked by IntelliRide and documentation of incidents that occurred during NEMT trips, as identified by IntelliRide.
- Surveyed the 119 NEMT providers that worked with IntelliRide to provide NEMT services as of April 2021. Of the surveyed providers, 49 responded (41 percent) by email or phone.
- Reviewed Department payments to IntelliRide for the statewide contract.
- Reviewed agendas, meeting minutes, and membership lists of the three Transportation Community Boards administered by IntelliRide.

We relied on sampling techniques to support our audit work as follows:

- A survey of a random nonstatistical sample of 400 recipients who received at least four NEMT trips between December 2020 and February 2021, stratified by the four NEMT service areas, to understand their experiences with NEMT. Of the surveyed recipients, 67 responded (17 percent) by mail, email, or phone.
- A nonstatistical sample of 85 of the 128,998 claims paid by the Department for NEMT services between December 2020 and February 2021 to assess supporting documentation for the claims and whether NEMT recipients used the transportation to travel to and/or from Medicaid medical services. The sample included a random representative sample of 75 claims stratified by the four NEMT service areas, and the 10 highest paid claims.
- A judgmental sample of two recipients who received NEMT trips for 30 or 31 days in December 2020, to determine whether the recipients used NEMT services to access medically necessary services.

The results of our nonstatistical samples cannot be projected to the population. However, the sample results are valid for corroborating information on recipient concerns and complaints, confirming improper payments and insufficient documentation for sampled claims, and identifying lapses in Department internal controls for claims payments. The sample results, along with the other audit work performed, provide sufficient, reliable evidence as the basis for our findings, conclusions, and recommendations.

As required by auditing standards, we planned our audit work to assess the effectiveness of those internal controls that were significant to our audit objectives. Details about the audit work supporting our findings and conclusions, including any deficiencies in internal control that were significant to our audit objective, are described in the remainder of this report.

A draft of this report was reviewed by the Department. We have incorporated the Department's comments into the report where relevant. The written responses to the recommendations and the related implementation dates are the sole responsibility of the Department.

CHAPTER 2

NEMT PAYMENTS AND OPERATIONS

Since 1966, states have been required to provide non-emergency medical transportation (NEMT) to recipients to ensure they can access necessary medical care. In recent years, the U.S. Government Accountability Office and the Office of Inspector General for the U.S. Department of Health and Human Services have found that states' Medicaid programs have had challenges administering NEMT, including challenges with containing costs, ensuring proper payment of claims, overseeing transportation providers, and ensuring recipients can access services for their medical appointments.

In Colorado, the Department of Health Care Policy and Financing (Department) intended to mitigate these challenges and improve oversight of NEMT by entering into the statewide brokerage contract with IntelliRide in July 2020. Federal law allows states to provide NEMT services through state designated entities, such as contracted brokers, as long as the brokers provide cost-effective administration and delivery of services for Medicaid recipients [Section 42 USC 1396a(a)(70)]. Colorado’s statewide contract was intended to provide “necessary oversight and efficient, consistent administration” of NEMT and address what the Department considered to be fragmented administration across the state. To facilitate Department monitoring of NEMT during the statewide brokerage, IntelliRide was responsible for providing the Department information on completed NEMT trips, recipient complaints, ride incidents, and customer service. As of February 2021, about 35,400 of Colorado’s Medicaid recipients (about 2 percent) received NEMT services in Fiscal Year 2021.

We reviewed payments for NEMT services, metrics on service delivery and customer service, and processes for handling complaints and incidents, and identified problems in each area that the Department needs to address. The remainder of this chapter includes our findings and recommendations to the Department to help it ensure accurate payment for NEMT services, reliable and consistent service delivery and customer service, and timely and complete resolution of complaints and incidents.

PAYMENTS FOR NEMT CLAIMS

Prior to July 2020, in 55 counties, the Department worked with various county offices to have them broker NEMT services for Medicaid recipients, including rides to and from Medicaid medical appointments, personal mileage reimbursement, and trip-related meals and lodging. For example, these counties arranged the rides with transportation providers, submitted the claims or had providers submit claims for reimbursement to the Department, and passed on reimbursements to providers as needed. For the remaining nine

counties, the Department contracted with IntelliRide to serve as the NEMT broker for services in those areas.

From July 1, 2020, to August 31, 2021, when the Department contracted with IntelliRide to be the statewide broker, most recipients throughout the state scheduled NEMT rides by contacting IntelliRide through its call center, website chat function, or smartphone applications. IntelliRide scheduled rides and assigned transportation providers to them, and had providers upload trip information into IntelliRide's EcoLane transportation scheduling system. EcoLane maintains information related to recipients' requests for rides and provider trip information, such as the trip date and time, names of the recipient and driver, and scheduled pick-up and destination addresses. IntelliRide submitted claims through the Department's interChange system (interChange) requesting payments for providers' NEMT services, paid providers for their services, and received reimbursement from the Department. In addition, the Department paid NEMT claims submitted directly by NEMT providers.

In Fiscal Year 2021, from July 1, 2020, through February 28, 2021 (the audit period), the Department paid 362,110 claims for NEMT services totaling about \$33.2 million, as shown in EXHIBIT 2.1. In September 2021, the Department plans to transition back to IntelliRide brokering services in nine counties, while the NEMT providers in the remaining counties will broker their own services.

**EXHIBIT 2.1. PAID NEMT TRIP CLAIMS, BY SERVICE TYPE
JULY 1, 2020, THROUGH FEBRUARY 28, 2021**

TYPE OF SERVICE	NEMT TRIP CLAIMS	DEPARTMENT PAYMENTS
Vehicle Trip ¹	321,099	\$30,598,300
Trip-Related Meal or Lodging	2,170	\$1,057,700
Public Transportation ²	19,932	\$861,500
Personal Mileage Reimbursement	18,850	\$688,400
Air Ambulance Travel	59	\$22,900
TOTAL	362,110	\$33,228,800

SOURCE: Office of the State Auditor analysis of the Department's NEMT claims data.

¹ Vehicle trips include transportation by taxi, mobility vehicle, wheelchair van, stretcher van, or ground ambulance, as well as the costs of life support supplies and travel escorts.

² Public transportation includes fares to travel by bus, light rail, and paratransit vehicle.

WHAT AUDIT WORK WAS PERFORMED AND HOW WERE THE RESULTS MEASURED?

The purpose of the audit work was to determine whether the Department has ensured that NEMT claims adhere to the following federal and state requirements.

- **NEMT TRIPS WERE TO BE BROKERED THROUGH AND ALL CLAIMS SUBMITTED BY THE STATEWIDE BROKER, INTELLIRIDE.** According to state regulations and the Department’s NEMT Billing Manual, all NEMT trips during Fiscal Year 2021 had to be authorized by the statewide broker, IntelliRide [10 CCR 2505-10 8.014.7.A]. This means that each recipient’s NEMT ride request should have been sent to IntelliRide for approval or authorization before the trip, and any unauthorized trips should “not be reimbursed or paid” [Billing Manual]. According to the Department, it allowed NEMT providers time to transition to working with IntelliRide because some providers were reluctant to join the statewide brokerage and the Department needed time to onboard providers. By Fall 2020, most providers should have been working with IntelliRide to schedule NEMT rides. The Department told us that six NEMT providers received its express permission to bypass IntelliRide to schedule rides and submit claims directly to the Department because the providers are unique, such as only serving recipients with disabilities or receiving federal grant funding to provide NEMT. To assess whether IntelliRide brokered most NEMT services in the State and submitted the related claims in line with regulations and its contract, we reviewed the Department’s aggregate data for the 128,998 NEMT claims paid from December 2020 through February 2021.
- **THE DEPARTMENT MUST PAY CLAIMS BASED ON ACCURATE SERVICE RATES AND TRIP MILEAGE.** Non-taxi NEMT services, such as wheelchair and mobility vehicle services, have base rates and mileage rates set by the Department. IntelliRide tracks the mileage of each NEMT trip in EcoLane and submits mileage claims to the Department’s interChange system. The Public Utilities Commission (PUC) sets the rate for each permitted taxi

provider, which generally includes a rate for the first trip mile and a different rate for each additional mile. According to the Department's NEMT Billing Manual and NEMT Rate Schedule for Fiscal Year 2021, taxi claims should have been paid at the rate set by the PUC. For example, if a taxi company's PUC rate was \$4 for the first mile and \$2 for each additional mile, the Department should have paid \$6 for a two-mile NEMT trip claim. To verify that the Department paid NEMT claims based on the correct trip mileage and rates, we reviewed the trip mileage and rates for 362,110 NEMT claims paid from July 2020 through February 2021, and PUC documentation on the taxi rates for permitted taxi companies.

- **CLAIMS MUST BE SUPPORTED WITH ACCURATE AND COMPLETE DOCUMENTATION CONFIRMING THE SERVICE PROVIDED.** Both IntelliRide and providers that submit claims for NEMT services must keep and be able to furnish accurate, complete supporting documentation for all claims [42 USC 1396a(27), 42 CFR §§ 431.17 and 433.32, and 10 CCR 2505-10 8.014.3.C and 8.014.6.B]. For example, a claim must be supported by medical documentation showing that the type of vehicle was needed to transport the recipient, and documentation from the transportation provider showing the trip occurred and when the recipient was picked-up and dropped-off. IntelliRide should only submit a claim to the Department after IntelliRide confirms the trip has been completed and marks the status complete in EcoLane [IntelliRide Policies and Procedures]. If an NEMT provider does not show up for a trip, IntelliRide should mark the trip as “cancelled” in EcoLane. Payments for Medicaid claims that lack supporting documentation for the services provided are unallowable, meaning they should not be paid. IntelliRide or the Department must maintain documentation from recipients' medical providers showing why certain NEMT services, like transportation in a wheelchair van or with an escort, are medically necessary [10 CCR 2505-10 8.014.7.B and 8.014.5.D.1; Billing Manual]. To verify that there was support for NEMT claims, we reviewed IntelliRide data in EcoLane for all 362,110 NEMT claims paid from July 2020 through February 2021, and Department documentation for a sample of 85 NEMT paid claims—

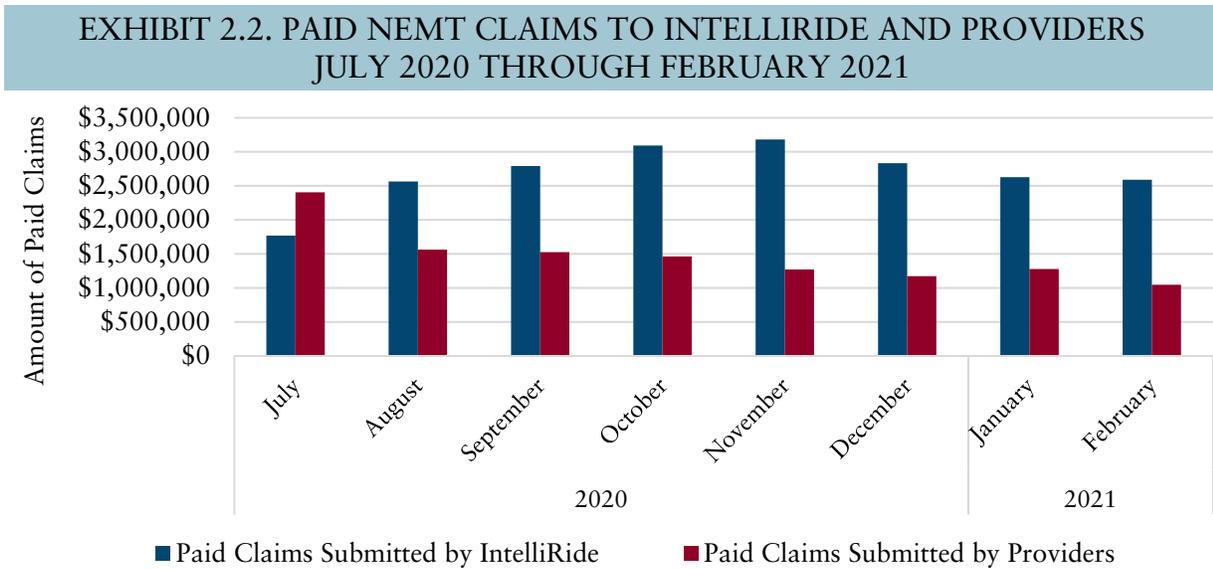
75 selected randomly from the four NEMT service areas of the state, and 10 that were the highest paid NEMT claims.

- **NEMT SERVICES MUST BE MEDICALLY NECESSARY.** NEMT services shall only be provided to recipients with no other means to attend medically necessary, non-emergency treatment covered by Medicaid [42 USC 1396a(70); 42 CFR 431.53; 10 CCR 2505-10 8.014.5.B]. To verify that NEMT claims were only paid for recipients to access medical care, we reviewed the Department’s data on paid medical claims to determine if the recipients related to 22 sampled NEMT claims paid in December 2020 had a corresponding medical appointment. For another 61 paid NEMT claims that involved IntelliRide scheduling and submitting claims for trips every day in December for two recipients, we reviewed whether the recipients had paid medical claims corresponding with the trips.
- **PRIOR AUTHORIZATION REQUIRED FOR AIR AMBULANCE.** The Department must grant prior authorization for the use of an NEMT air ambulance before the trip occurs in order for the claim to be paid [10 CCR 2505-10 8.014.7.D.1.b]. To verify that the Department granted prior authorization for air ambulance trips, we reviewed the use of air ambulances in 11 paid claims from July 2020 to February 2021.
- **RECIPIENTS ARE TO RECEIVE THE LEAST-COSTLY NEMT TRANSPORTATION OPTION APPROPRIATE FOR THEIR MEDICAL CONDITION.** For example, recipients should only ride in a vehicle for recipients with mobility needs when they have a mobility issue or if there is a lack of access to public transportation [10 CCR 2505-10 8.014.6.B, 42 USC 1396(a)(70), and 42 CFR 440.170(a)(4)]. Higher-cost NEMT services, such as ambulance and wheelchair van services, must be supported with documentation of the recipient’s need for the specific higher-cost services [10 CCR 2505-10 8.014.5.B.1.b]. To determine whether recipients received the least costly NEMT services to meet their needs, we reviewed documentation submitted by medical or transportation providers to IntelliRide or the Department for the 85 sampled NEMT claims.
- **TAXI PROVIDERS MUST BE PERMITTED BY THE PUC TO PROVIDE NEMT TAXIRIDES.** To provide NEMT rides by taxi and receive payment for them,

the provider must maintain a common carrier permit issued by the PUC [10 CCR 2505-10 8.014.3.B.4.a]. To verify that the providers that were paid for taxi claims had been permitted to provide taxi services, we reviewed the 33,791 NEMT claims for taxi services from July 2020 to February 2021.

WHAT PROBLEMS WERE IDENTIFIED?

THE DEPARTMENT PAID \$3.5 MILLION DIRECTLY TO 66 NEMT PROVIDERS FOR CLAIMS NOT BROKERED BY INTELLIRIDE. From December 2020 through February 2021, 26,890 of the approximately 129,000 NEMT claims paid by the Department (21 percent), totaling about \$3.5 million, were not brokered through IntelliRide, which violated state regulations requiring all NEMT services to be brokered through the statewide brokerage in effect at the time. EXHIBIT 2.2 shows the amounts the Department paid for claims submitted directly by NEMT providers compared to its payments for claims submitted by IntelliRide from July 2020 through February 2021. During these months, the number of claims that providers submitted directly to the Department decreased as providers transitioned to working with IntelliRide to broker NEMT rides; however, as of February 2021, the Department was still paying about \$1 million in monthly claims that were submitted directly by providers.



SOURCE: Office of the State Auditor analysis of the Department’s NEMT claims data.

THE DEPARTMENT PAID 36,910 NEMT CLAIMS TOTALING \$5.5 MILLION, WHICH EITHER VIOLATED OR MAY HAVE VIOLATED FEDERAL AND/OR STATE REGULATIONS. The claims were for unallowable services or were overpaid, and resulted in \$291,597 in *known* questioned costs and \$5,180,962 in *likely* questioned costs for Medicaid. A questioned cost is a payment that “resulted from a violation or possible violation of a statute, regulation, or the terms and conditions of a Federal award, including for funds used to match Federal funds” or “the costs, at the time of the audit, [that] are not supported by adequate documentation...” [2 CFR 200.84]. A *known* questioned cost reflects a violation that the auditor confirmed; a *likely* questioned cost is the auditor’s best estimate of a potential violation [2 CFR 200.516(a)(3)]. Known and likely questioned costs should be investigated by the Department and recovered, as appropriate, because Medicaid overpayments are recoverable regardless of whether they occurred due to an error by the Department, entity acting on behalf of the Department, or a provider [Section 25.5-4-301(2), C.R.S.].

We found the following problems resulting in \$291,597 in known questioned costs:

- **CLAIMS PAID WITH NO SUPPORT THAT SERVICES WERE PROVIDED.** For 3,958 of the 362,110 NEMT claims (1 percent), which totaled \$258,115 paid from July 2020 to February 2021, IntelliRide or providers submitted the claims without any documentation showing that recipients received the NEMT services from the providers listed in the claim. The \$258,115 is known questioned costs and includes:
 - ▶ 3,323 claims totaling \$163,985 submitted by IntelliRide with no documentation in EcoLane of a ride being scheduled or provided.
 - ▶ 619 claims totaling \$61,431 submitted by IntelliRide for which EcoLane showed the scheduled ride was cancelled.
 - ▶ 16 sampled claims totaling \$32,699 submitted by providers directly to the Department had no documentation that an NEMT service

occurred because the providers did not send the Department documentation for their claims. Upon our request, the Department attempted to obtain supporting documentation from providers for these claims but was unable to obtain any.

- **OVERPAYMENTS DUE TO INCORRECT MILEAGE AND TAXI RATES.** For 466 of the 321,099 mileage and taxi claims (less than 1 percent), the Department overpaid IntelliRide. Specifically, for 50 of the 287,308 mileage claims (less than 1 percent), the mileage submitted by IntelliRide that the Department paid was more than the ride mileage that IntelliRide documented in EcoLane. For 416 of the 33,791 (1 percent) claims submitted by IntelliRide on behalf of providers that were permitted to operate as taxis, the Department paid a higher rate than the providers' set PUC rate. EXHIBIT 2.3 breaks out the overpayments that we identified, which totaled \$6,759 in known questioned costs. We did not find issues with the rate amounts that the Department paid for non-mileage and non-taxi services.

EXHIBIT 2.3. OVERPAYMENTS FOR MILEAGE OR
TAXI CLAIMS SUBMITTED BY INTELLIRIDE
JULY 2020 THROUGH FEBRUARY 2021

TYPE OF SERVICE	NUMBER OF OVERPAID CLAIMS	NUMBER OF PROVIDERS OVERPAID	AMOUNTS PAID BY THE DEPARTMENT	CORRECT AMOUNTS THAT SHOULD HAVE BEEN PAID	OVERPAYMENTS
Mobility Vehicle Mileage	50	24	\$1,990	\$1,739	\$251
Permitted Taxi PUC Rate	416	4	\$10,784	\$4,276	\$6,508
TOTAL	466	28 ¹	\$12,774	\$6,015	\$6,759

SOURCE: Office of the State Auditor analysis of the Department's claims data and IntelliRide's EcoLane data.

¹ Some providers were overpaid multiple times. There were 24 unduplicated providers overpaid by the Department.

Examples of these overpayments include:

- ▶ An overpayment of \$48 for a claim submitted by IntelliRide for a taxi provider that billed the wrong taxi rate. The Department paid \$60 for a 4-mile trip, when it should have paid \$12 based on the PUC rate of \$3 per mile.

- ▶ An overpayment of \$79 for a claim submitted by IntelliRide on behalf of a provider because the claim showed the trip was 76 miles, but the EcoLane data showed the trip was 38 miles. The Department paid \$157, when it should have paid \$78.

- **UNALLOWABLE RIDES, NOT FOR MEDICAL APPOINTMENTS.** For 61 claims showing NEMT trips every day in December 2020 for two recipients, there were no medical claims corresponding to their trips, so it appears that either NEMT was used repeatedly to transport these recipients to unallowable destinations or the provider did not provide the trips claimed. The NEMT provider reported to IntelliRide that these trips were completed even though the recipients did not attend any medical appointments that month. IntelliRide submitted the 61 NEMT claims and its EcoLane data showed that the NEMT providers self-reported that the trips were completed. However, IntelliRide confirmed that these trips were not used to access medical care. The issues we identified resulted in \$2,674 of known questioned costs.

- **AIR AMBULANCE CLAIMS PAID WITHOUT PRIOR AUTHORIZATION.** None of the 11 air ambulance NEMT claims had supporting documentation that the provider requested or received prior authorization from the Department before the trip occurred. These 11 claims to three providers resulted in \$23,122 in known questioned costs.

- **CLAIMS PAID FOR TRIPS THAT WERE NOT THE LEAST COSTLY, MEDICALLY NECESSARY, AND/OR FOR APPROVED ESCORTS.** For seven of the 85 sampled claims (8 percent), IntelliRide submitted the claims without having required documentation from medical providers. Specifically, four claims lacked documentation to support the medical necessity for the type of vehicle used (either mobility vehicle, taxi, or wheelchair van); the other three claims lacked documentation of the recipient's need for an escort to support the associated cost, which indicates that the three sampled NEMT trips were provided to an escort ineligible to ride with the recipient. The

issues we identified for the seven claims resulted in \$927 of known questioned costs.

In addition, we found the following problems resulting in \$5,180,962 in likely questioned costs, which are estimated potential violations of federal requirements that we could not confirm due to a lack of documentation:

- **\$4.8 MILLION PAID FOR TAXI CLAIMS WITHOUT MILEAGE.** For 29,049 taxi claims totaling \$4,763,071, the Department paid the claims without ensuring taxi providers were paid at their PUC per-mile rate. These claims were submitted directly to the Department by 10 permitted taxi providers. The Department required providers to submit claims showing only the number of one-way trips driven, not the number of miles driven. As a result, the Department could not ensure that these taxi claims were paid at the correct PUC rates, as required in its Billing Manual and Rate Schedule. The Department paid the full amount that each taxi provider requested, as long as the claim was not more than \$1,000 per one-way trip. For example, the Department paid \$4,000 to one taxi provider for a claim showing four one-way trips for a recipient on a single day. Based on the claim amount, the taxi provider would have had to have driven the recipient on four 400-mile, one-way trips that day to justify this amount, because the taxi provider's PUC rate is \$4 for the first mile and \$2.50 for each additional mile. Since the Department did not obtain the miles driven for each one-way trip from taxi providers for these 29,049 claims, we could not determine whether the payments were accurate based on each provider's PUC rate, as required.
- **\$409,575 PAID FOR TAXI CLAIMS FOR PROVIDERS NOT PERMITTED AS TAXIS.** For 3,284 NEMT claims for taxi services from eight providers, the providers were not permitted by the PUC to operate as taxis. For example, one provider was paid for an NEMT taxi claim for \$5,875 for 12 trips, or \$490 per trip. Since these providers were not permitted as taxis, they did not have PUC-set taxi rates, so we could not determine how much these providers should have been paid.

- **\$4,718 PAID FOR TRIPS THAT MAY NOT HAVE BEEN TO ATTEND MEDICAL SERVICES.** As of April 2021, 13 of the 22 sampled NEMT claims (59 percent) for trips in December 2020 had no medical claims for dates corresponding to the NEMT trips. Department staff told us that Medicaid medical claims are typically submitted and paid within 3 months of the date of service, but that there is a possibility that medical providers had not yet submitted medical claims for the recipients since federal regulations technically allow providers up to 12 months to submit claims [42 CFR 447.45(d)(1)]. In addition, six of these 13 recipients had both Medicaid and other types of medical insurance, such as Medicare. According to the Department, it is possible that the six recipients used NEMT trips to access medical services but the Department did not have a Medicaid claim for the services because they were paid by the other types of insurance, which is allowed by state regulations [10 CCR 2505-10 8.014.5.B.2]. Therefore, we could not determine whether the NEMT trips associated with the 13 claims had been for recipients to attend medical services.
- **\$3,598 PAID FOR TRIPS THAT MAY NOT HAVE BEEN COMPLETED.** For 61 of the 362,110 paid claims (less than 1 percent), the scheduled trips were not marked as complete in EcoLane, so we could not determine whether they had been completed.

WHY DID THESE PROBLEMS OCCUR?

The Department lacks effective internal controls over NEMT claims to ensure they are appropriate and consistently comply with federal and state requirements. According to federal regulations [2 CFR 200.303(a)], the Department, as a recipient of federal funds, must establish and maintain effective internal controls to provide reasonable assurance that federal funds are spent in compliance with federal requirements. We identified the following areas where Department controls are lacking for NEMT claims:

LACK OF DEPARTMENT IT CONTROLS IN INTERCHANGE

- **NO IT CONTROLS TO PREVENT PROVIDERS FROM BYPASSING THE BROKER.** From December 2020 through February 2021, the Department paid NEMT providers directly for unsupported NEMT trips because the Department did not have IT controls in interChange to deny claims for trips that were not brokered through IntelliRide, as required at the time. As of September 1, 2021, the Department plans to require only the NEMT providers operating in nine metro-Denver counties to broker trips through IntelliRide, so the Department needs IT controls to ensure providers in these counties work with IntelliRide to schedule all trips and submit related claims.
- **LACK OF IT AND OTHER CONTROLS TO ENSURE PROPER PAYMENTS FOR NEMT TAXI SERVICES.** InterChange is programmed to pay each NEMT taxi claim based on one-way trips, but the Department has not implemented an IT or other control to ensure that NEMT taxi claims are paid at the providers' current PUC-approved per-mile rates, and that the Department only pays taxi rates when the provider is permitted by the PUC to operate as a taxi. Department staff stated that the only IT control the Department has built into interChange to help ensure proper payment of taxi claims is limiting payments for taxi claims to no more than \$1,000 per one-way trip, and that this control is in accordance with the NEMT Billing Manual and Rate Schedule. However, Department staff also acknowledged that there is a conflict within the Billing Manual that requires taxi claims to be based on the number of one-way trips, but also paid based on per-mile PUC rates. By setting the limit based only on the number of one-way trips instead of providers' PUC per-mile rate, this Department IT control is not effective at ensuring taxi claims are paid properly. To ensure accurate payments for NEMT taxi claims, the Department will need methods, such as IT controls in interChange, and clarification in the Billing Manual and Rate Schedule, to ensure taxi providers are paid based on set rates, and ensure each taxi provider is permitted.

- **NO IT CONTROLS TO ENSURE REQUIRED PRIOR AUTHORIZATIONS.** Air ambulance services were paid without the Department’s prior authorization for the services because the Department does not have IT controls to ensure prior authorization before payment. If the Department does not implement IT controls to ensure appropriate prior authorizations of NEMT services, the Department will need to develop manual processes to ensure that NEMT services receive required authorization prior to paying the related claims.

LACK OF DEPARTMENT MONITORING OF NEMT SERVICES AND CLAIMS

- **INSUFFICIENT METHODS TO ENSURE APPROPRIATE PAYMENT AND COLLECT NECESSARY DOCUMENTATION FROM PROVIDERS THAT BYPASS THE STATEWIDE BROKERAGE.** Although the Department reviewed NEMT provider supporting documentation for NEMT services in 2019, the Department did not do so in 2020 or 2021, and had no process to require the providers that bypassed the statewide brokerage to submit documentation to support their NEMT claims before they were paid.

According to the Department, in September 2021, it plans to require providers in nine counties covered by the IntelliRide brokerage contract to provide and submit claims through IntelliRide; however, NEMT providers in the remaining 55 counties will be submitting NEMT claims directly to the Department. Therefore, it is important that the Department develop a process to ensure that providers in these 55 counties maintain required documentation for each claim.

- **LACK OF MONITORING TO ENSURE INTELLIRIDE SUBMITS ACCURATE MILEAGE CLAIMS AND COLLECTS NECESSARY DOCUMENTATION.** The Department does not conduct reviews of IntelliRide’s documentation in EcoLane to ensure it submits claims for accurate mileage and maintains support for claims submitted to or paid by the Department. For example, the Department does not reconcile its NEMT claims data from interChange and IntelliRide’s EcoLane system data to ensure each claim is supported. Furthermore, the Department has never completed a file review of IntelliRide’s supporting documentation for NEMT claims, such

as when the Department contracted with IntelliRide to be a regional broker prior to becoming the statewide broker.

- **NO METHOD TO ENSURE NEMT SERVICE CLAIMS ARE FOR RIDES FOR MEDICAL TREATMENT AND THE LEAST COSTLY.** The Department does not conduct any reconciliation of its interChange data on NEMT trip claims to its interChange data on Medicaid medical claims to ensure NEMT claims are only paid for recipients to access medical care. The Department also does not require confirmation from medical providers that recipients used NEMT to access necessary medical care. For example, NEMT providers told us that before the start of the IntelliRide statewide brokerage contract, they either called medical providers to confirm that the recipients' NEMT trips were to access medical appointments or collected medical providers' signatures for each NEMT trip.

In addition, the Department has no controls to ensure providers that submit claims directly to the Department are providing the least costly NEMT service appropriate to each recipient, such as public transportation when it is accessible and appropriate. For example, IntelliRide instructs its staff to attempt to schedule the lowest-cost NEMT service based on recipients' mobility needs and access to public transportation; however, the Department has no such method to ensure services are the least costly when NEMT providers schedule services for recipients. As of September 2021, the Department plans to have the recipients who live in the 55 counties not served by IntelliRide begin scheduling their rides directly with the NEMT providers of their choosing, yet the Department has not developed a method to ensure recipients in these areas receive the lowest-cost services appropriate for their needs.

- **POTENTIALLY INSUFFICIENT DEPARTMENT STAFFING TO MONITOR NEMT CLAIMS EFFECTIVELY.** For Fiscal Year 2021, the Department was appropriated three full-time equivalent (FTE) staff to oversee NEMT claims; however, the Department had two vacancies in these positions from July 2020 through May 2021 that it did not fill, so there was only one Department staff overseeing NEMT and the IntelliRide statewide contract during the audit time period. In June 2021, the Department

added an additional FTE staff member to assist in administering the NEMT benefit.

WHY DO THESE PROBLEMS MATTER?

LIKELY FEDERAL RECOVERY OF FUNDS USED FOR IMPROPER PAYMENTS. Section 25.5-4-301(2), C.R.S., states that any overpayments of claims to providers are recoverable and “are recoverable regardless of whether the overpayment is the result of an error by the state department... an entity acting on behalf of [the department], or the provider or any agent of the provider.” Our audit identified \$291,597 in known questioned costs, of which about \$145,797 is the federal portion of funds that the federal government may recover. We also identified \$5,180,962 in likely questioned costs, of which \$2,590,480 is the federal portion of funds that could be recovered if the payments are determined to have not been appropriate. EXHIBIT 2.4 shows the questioned costs and federal portions for each problem we identified.

**EXHIBIT 2.4. TOTAL CLAIMS-RELATED
KNOWN AND LIKELY QUESTIONED COSTS
IDENTIFIED BY AUDIT**

PROBLEM IDENTIFIED	NUMBER OF PAID CLAIMS	QUESTIONED COSTS ¹	FEDERAL PORTION OF FUNDS ¹
KNOWN QUESTIONED COSTS			
Claims with No Documentation of Service	3,958	\$258,115	\$129,057
Overpaid Mileage or Taxi Rates	466	\$6,759	\$3,379
Payments for Unallowable Service, Not for Medical Appointments	61	\$2,674	\$1,337
Payments for Air Ambulance Not Prior-Authorized	11	\$23,122	\$11,561
Payments without Medical Documentation	7	\$927	\$463
TOTAL KNOWN QUESTIONED COSTS	4,503	\$291,597	\$145,797
LIKELY QUESTIONED COSTS²			
Payments for Taxi Claims without Mileage	29,049	\$4,763,071	\$2,381,535
Payments to Non-permitted Taxi Companies	3,284	\$409,575	\$204,787
Payments for Potentially Unallowable Service, Not for Medical Appointments	13	\$4,718	\$2,359
Trips Not Marked Completed by IntelliRide	61	\$3,598	\$1,799
TOTAL LIKELY QUESTIONED COSTS	32,407	\$5,180,962	\$2,590,480

SOURCE: Office of the State Auditor analysis of the Department's NEMT claims data and IntelliRide's EcoLane data.

¹ Questioned costs rounded to the nearest dollar and the federal portion of funds rounded down to the nearest dollar.

² Likely questioned costs are potential violations of federal regulations due to lack of supporting documentation to demonstrate compliance or appropriate payment amounts.

WHEN PROVIDERS BYPASS BROKER CONTROLS, SERVICE QUALITY IS NOT MONITORED. When the Department allows some NEMT providers to bypass the IntelliRide broker, and does not obtain documentation to support their claims, the Department is unable to monitor the services of these providers. Additionally, when the Department does not monitor providers that bypass the statewide broker, the Department is applying different and possibly inadequate standards for the providers that bypass compared to the providers that work with IntelliRide. Although the Department plans for IntelliRide to no longer be the statewide NEMT broker for all 64 counties beginning September 2021, IntelliRide will continue to administer NEMT trips for nine Front Range counties that account for the majority of NEMT trips. It is

important that all NEMT trips in these counties be brokered through IntelliRide so that the Department can monitor the quality of the trips and IntelliRide's oversight of them.

RISK OF FRAUD, WASTE, AND ABUSE. When the Department pays NEMT claims that are not supported by documentation of the service, medical documentation showing NEMT was for medical treatment, or the required prior authorizations, there is a significant risk of misappropriation of federal and state funds by providers and/or recipients. In addition, the eight providers not permitted as taxis that submitted taxi claims appear to have set their own rates of payment at a significantly higher rate, since the PUC did not permit or set rates for these providers. While we did not identify confirmed fraud by recipients or providers due to a lack of supporting documentation for claims, the problems identified demonstrate waste of public funds and potential abuse of the Medicaid program. When the Department overpays Medicaid funds and pays for unallowable services, there are fewer funds available to service the recipients who need them. In addition, there is no federal or state limit on payments for NEMT services, so it is important that the Department ensure Medicaid recipients receive appropriate transportation to medical treatment, while also ensuring the Department is acting as a good steward of federal and state funds.

RECOMMENDATION 1

The Department of Health Care Policy and Financing (Department) should comply with federal and state requirements for administering the non-emergent medical transportation (NEMT) benefit and paying Medicaid claims by establishing and implementing:

- A Information technology (IT) controls within the Colorado interChange system (interChange), and other controls as appropriate, to deny claims submitted by NEMT providers that bypass their assigned broker and submit claims directly to the Department.
- B A process to evaluate and revise, as necessary, taxi claim billing requirements and rates, and controls to ensure that taxi claims are paid in accordance with established requirements and rates and that providers are permitted to operate as a taxi.
- C IT controls within interChange or, at a minimum, staff manual review of NEMT claims that require the Department's prior authorization, to ensure prior authorization occurs before the NEMT trip and before payment of any related claim.
- D Methods to monitor NEMT providers that are not served by the Department's NEMT contracted broker, to ensure the providers' paid claims are supported with appropriate documentation and represent the least costly option appropriate to meet each recipient's needs.
- E Contract monitoring to ensure the Department's NEMT contracted broker collects and maintains necessary documentation to support brokered services and claims. This should include ensuring that Department staff annually reconcile the contracted broker's trip scheduling data with provider documentation for a sample of paid NEMT claims to ensure they are accurate, for NEMT services, and represent the least costly option appropriate for each recipient.

- F Methods to ensure that NEMT rides and paid claims are for recipients to access medical care, such as a process to reconcile interChange data on NEMT trip claims to interChange data on Medicaid medical claims, and/or a process to confirm recipients used NEMT to attend medical appointments.
- G Processes to investigate and recover, as appropriate, the overpayments and inappropriate payments that the audit identified and resulted in known or likely questioned costs, and repay the federal portion, as appropriate.
- H A process to ensure that the Department has sufficient staff assigned to oversee and administer NEMT.

RESPONSE

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

- A AGREE. IMPLEMENTATION DATE: DECEMBER 2021.

The Department will configure interChange to set providers in IntelliRide's service area to Performer Only, meaning that they will not be able to bill the Department for services. Providers outside of IntelliRide's service area will be set to Biller and Performer, allowing them to provide services and bill the Department.

- B AGREE. IMPLEMENTATION DATE: DECEMBER 2022.

The Department will review and revise, as necessary, its taxi claim billing requirements and rates to ensure that they are consistent. In addition, the Department will devise controls to ensure that taxi claims are paid in accordance with established requirements and rates and explore controls to ensure that only permitted providers bill as a taxi.

The Department is working on reductions in the max fee and unit limits for taxi claim billing codes, which it will have completed by the end of

October 2021. In addition, the Department is considering systematically pricing the code at each taxi provider's specific Public Utilities Commission (PUC) rate. This change, if pursued, will require a system change request, which will take a year or more, which is why the Department has selected an implementation date of December 2022. If this proves infeasible, alternate controls will be implemented.

C AGREE. IMPLEMENTATION DATE: JULY 2022.

The Department will implement a manual review process for NEMT claims that require the Department's prior authorization. This will ensure that only services that were properly authorized are ultimately paid for. This process may take several forms, such as manual review by Department staff or the Department's fiscal agent. The reviews will look for documentation showing prior authorization from the Department, and claims will not pay unless documentation is present. At this time, the Department is not sure of the extent of the system changes required, or whether alternative solutions make sense. The Department chose July 2022 in order to give itself enough time to decide on and implement the best solution.

D AGREE. IMPLEMENTATION DATE: JULY 2022.

The Department intends to define in rule the types of documentation that NEMT providers must keep on hand and make clear that they must furnish records to the Department upon request. The July 2022 date will allow for the completion of formal rulemaking. The Department further intends to develop and implement a process to perform regular risk-based provider file reviews with a focus on noncompliant providers. These reviews will ensure, at a minimum, that the providers' paid claims are supported with appropriate documentation and represent the least costly option appropriate to meet each recipient's needs.

E AGREE. IMPLEMENTATION DATE: JULY 2022.

The Department will amend its contract with its NEMT broker by adding a mandatory annual audit so that it can reconcile trip scheduling data with paid claims data. This will help ensure that the Department pays accurately, pays for NEMT services, and pays for the least costly transportation option appropriate for each recipient. The Department chose July 2022 to add the audit through its annual contract amendment and renewal processes.

F AGREE. IMPLEMENTATION DATE: JULY 2022.

The Department will develop a data review process to reconcile interChange data on NEMT trip claims to interChange data on Medicaid medical claims. This process will entail periodic reviews of NEMT claims to see if members have corresponding medical claims on those dates. If they do not, the Department will follow up with the appropriate NEMT provider to investigate. The July 2022 implementation date reflects the potential need for system changes.

G AGREE. IMPLEMENTATION DATE: DECEMBER 2022.

Department staff will work with the Department's Program Integrity (PI) staff on processes to investigate and recover, as appropriate, the overpayments and inappropriate payments that the audit identified as known or likely questioned costs, and repay the federal portion, as appropriate. The December 2022 implementation date reflects the time needed to investigate and when appropriate, recover any overpayments.

H AGREE. IMPLEMENTATION DATE: JULY 2022.

The Department will develop a process to track staff time and productivity to ensure that it has sufficient staff assigned to oversee and administer NEMT. This process will include documenting time spent each week on various tasks to get a sense of where help is needed, and which tasks take up the most staff resources. Based on its findings, the Department will explore staffing options, as needed. The Department selected the July 2022 implementation date to allow for data collection through the end of State Fiscal Year 2021-22.

SERVICE DELIVERY AND CUSTOMER SERVICE

Federal statute requires that the NEMT benefit provide prompt, efficient, and comparable transportation services statewide [Section 42 US 1396a(a)]. For recipients who have their NEMT rides brokered by IntelliRide, the recipients call IntelliRide to schedule rides and get information on their scheduled rides. IntelliRide has call center staff who answer calls on seven phone lines 24-hours a day, 7-days a week. IntelliRide uses a database, called Genesys, to track the number of calls made to the call center on each phone line, and capture information, such as how quickly call center staff answer each call. The seven phone lines maintained by IntelliRide are shown in EXHIBIT 2.5.

EXHIBIT 2.5. INTELLIRIDE'S NEMT CUSTOMER SERVICE PHONE LINES FISCAL YEAR 2021

Reservation Line	For recipients to schedule trips
Where's My Ride Line	For recipients to verify when their NEMT providers will arrive
After Hours Line	For calls outside business hours, Monday-Friday, 8:00 a.m.-5:00 p.m.
Spanish Language Line	For recipients who speak Spanish
Dispatch Line	For NEMT providers to contact IntelliRide
Priority Line	For hospitals to schedule rides for recipients discharged from care
Case Management Line	For medical facilities to contact IntelliRide on administrative items

SOURCE: Office of the State Auditor analysis of information from IntelliRide.

When scheduling an NEMT ride for a recipient, IntelliRide enters a scheduled pick-up time in EcoLane, and tells the recipient that their NEMT provider will pick them up within 15 minutes before or after that pick-up time. After an NEMT provider completes a ride, they report the recipient's pick-up time to IntelliRide, which is entered by IntelliRide staff into EcoLane.

The Department had performance standards in its statewide contract with IntelliRide to limit the amount of time that recipients spent on hold when calling about an NEMT service, and to ensure recipients were picked up timely for their appointments. IntelliRide was required to send the Department monthly reports that included a summary of on-time

performance of NEMT trips and call center metrics, as well as the number of provider trips marked as cancelled by IntelliRide staff due to providers not showing up for scheduled trips.

WHAT AUDIT WORK WAS PERFORMED?

The purpose of the audit work was to assess whether the Department's statewide contractor, IntelliRide, complied with and reported on established performance standards intended to help ensure NEMT recipients receive quality services. We analyzed IntelliRide's EcoLane data on NEMT rides from July 2020 through February 2021, which tracks the scheduled and actual pick-up times for rides, on-time performance of NEMT providers, and number of scheduled rides for which a provider did not show up and the ride was cancelled. We also analyzed monthly call center data for each of the seven customer service phone lines from IntelliRide's Genesys database for July 2020 through February 2021, which includes call center metrics, such as the number of calls IntelliRide staff answer within 30 seconds. We compared the results of the on-time performance data and call center metrics to the monthly performance reports that IntelliRide sent the Department from July through December 2020 to assess the accuracy and completeness of the reports.

WHAT PROBLEMS WERE IDENTIFIED AND HOW WERE THE RESULTS MEASURED?

First, we found that IntelliRide did not comply with some contract requirements related to NEMT service provision and did not meet some performance metrics:

- **RECIPIENTS ARE NOT ALWAYS PICKED UP TIMELY.** For 112,945 of the 433,113 (26 percent) completed trips brokered by IntelliRide from July 2020 through February 2021, NEMT providers picked up recipients untimely, in violation of the contract that requires pick-up within 15 minutes of the scheduled ride time [Contract Section 16.1.1.1.1]. There were 110 out of the total 119 NEMT providers that were responsible for these untimely trips during the audit time period. Specifically, we found:

- ▶ **NEMT PROVIDERS WERE LATE PICKING UP RECIPIENTS COMPARED TO THE REQUIRED PICK-UP WINDOW.** We identified 31,345 rides (28 percent of the 112,945 untimely rides) for which 89 providers picked up recipients more than 15 minutes later than the scheduled pick-up time. These times ranged from 1 minute outside the pick-up window, or 16 minutes later than the scheduled pick-up time, to more than 6 hours beyond the pick-up window. IntelliRide’s data showed that 54 providers were more than 6 hours late for 406 of the untimely rides.
- ▶ **NEMT PROVIDERS WERE EARLY PICKING-UP RECIPIENTS COMPARED TO THE REQUIRED PICK-UP WINDOW.** We identified 80,478 rides (71 percent of the 112,945 untimely rides) for which 118 providers picked up recipients more than 15 minutes earlier than the scheduled pick-up time. These times ranged from 1 minute outside of the window, or 16 minutes earlier than the scheduled pick-up time, to more than 6 hours before the scheduled pick-up time. IntelliRide’s data showed that 104 providers were more than 6 hours early for 8,102 of the untimely rides.
- ▶ **INTELLIRIDE LACKED TIMELINESS DATA FOR SOME NEMT RIDES.** For 1,122 (1 percent) of completed rides, NEMT providers did not record the time they picked up the recipient, so IntelliRide had no data on the timeliness of these rides.

EXHIBIT 2.6 shows the breakdown of early and late pick-up times, and rides for which we could not determine timeliness, for all four service areas of the state, which IntelliRide brokered during the audit period.

**EXHIBIT 2.6. NEMT TRIPS WITH LATE OR
EARLY PICK-UP, BY SERVICE AREA
JULY 2020 THROUGH FEBRUARY 2021**

SERVICE AREA	NUMBER OF TRIPS BY SERVICE AREA	TRIPS WITH EARLY PICK-UP	TRIPS WITH LATE PICK-UP	TRIPS WITH NO PICK-UP TIME	TOTAL UNTIMELY TRIPS	PERCENTAGE OF UNTIMELY TRIPS
1	332,276	60,358	23,718	540	84,616	25%
2	4,584	1,199	830	112	2,141	47%
3	88,247	17,209	5,631	237	23,077	26%
4	8,006	1,712	1,166	233	3,111	39%
TOTAL	433,113	80,478	31,345	1,122	112,945	26%

SOURCE: Office of the State Auditor analysis of IntelliRide’s EcoLane data.

- **FAILURE TO REPORT NEMT TRIPS THAT WERE CANCELLED DUE TO PROVIDERS NOT SHOWING UP ON-TIME OR AT ALL.** IntelliRide data show that 108 providers may not have shown up to pick up recipients or been on-time for 15,406 scheduled trips from July 1, 2020 to February 28, 2021, causing the trips to be cancelled. However, IntelliRide did not report these provider no-shows to the Department, as required by the contract [Contract Section 17.3.1.2.8]. We identified:

 - ▶ 11,008 trips marked in EcoLane as a “no-show” because the provider could not locate the recipient to complete the trip. It is unclear whether these no-shows were due to recipients not showing up for their rides, IntelliRide giving the providers inaccurate pick-up information, errors by the providers, or other reasons.
 - ▶ 3,871 trips where providers showed up either early or late but marked in EcoLane the recipient as a “no-show” for not answering the door or being ready for the trip.
 - ▶ 527 trips marked in EcoLane as cancelled because the providers did not pick up recipients.
 - ▶ 32,106 other no-show and cancelled trips marked in EcoLane, for which the data indicates the recipient did not show up for the trips. However, 13 complaints that IntelliRide received from recipients said NEMT providers never picked them up, but NEMT providers

reported to IntelliRide that they picked-up the recipient or that *recipients* did not show up for the trips, so there may be additional provider no-shows that were not tracked in EcoLane.

- **INACCURATE ON-TIME AND COMPLETION PERFORMANCE REPORTS.** IntelliRide’s analysis and monthly reporting of its data for on-time pick-ups of NEMT consistently over-reported to the Department the percentage of on-time pick-ups each month by an average of 20 percent for rides completed between July and December 2020. IntelliRide also over-reported the number of completed rides in each month by including some incomplete trips with the number of completed trips. This inflated the on-time pickup percentage since IntelliRide is not comparing untimely, completed trips to the number of completed trips. Additionally, IntelliRide does not factor the provider no-shows and provider cancellations into its calculation of NEMT on-time trip performance. The Department requires IntelliRide to report information that is “complete, accurate, easy to understand” and contains correct calculations [Contract Section 2.6.2]. EXHIBIT 2.7 shows the number and timeliness of NEMT trips that IntelliRide reported to the Department from July through December 2020, compared to the number and timeliness of trips that we calculated based on the pick-up times recorded in EcoLane.

EXHIBIT 2.7. COMPARISON OF INTELLIRIDE’S REPORTED TRIP TIMELINESS AND AUDITOR-CALCULATED TRIP TIMELINESS
JULY THROUGH DECEMBER 2020

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	6-MONTH TOTAL
Completed Trips Reported by IntelliRide	65,206	71,665	96,606	102,379	94,948	99,734	530,538
Completed Trips Calculated by Auditors using EcoLane	39,208	50,125	55,043	61,524	55,117	57,972	318,989
<i>Difference</i>	<i>25,998</i>	<i>21,540</i>	<i>41,563</i>	<i>40,855</i>	<i>39,831</i>	<i>41,762</i>	<i>211,549</i>
On-Time Rides Reported by IntelliRide	93%	93%	93%	92%	92%	92%	93%
On-Time Rides Calculated by Auditors using EcoLane	77%	77%	77%	76%	59%	75%	73%
<i>Difference</i>	<i>16%</i>	<i>16%</i>	<i>16%</i>	<i>16%</i>	<i>33%</i>	<i>17%</i>	<i>20%</i>

SOURCE: Office of the State Auditor analysis of IntelliRide’s EcoLane data.

- **NEMT RECIPIENT CALLS NOT ANSWERED TIMELY OR EFFECTIVELY.** IntelliRide did not meet any of its call center performance standards required in the contract for any month during the audit time period of July 2020 through February 2021, as summarized in EXHIBIT 2.8.

EXHIBIT 2.8. INTELLIRIDE’S CALL CENTER PERFORMANCE JULY 2020 THROUGH FEBRUARY 2021		
METRIC REQUIRED BY CONTRACT		
PROBLEM IDENTIFIED		ACTUAL PERFORMANCE
Speed to answer recipient calls was two-times slower than requirement.	Average speed of call answer must be 45 seconds or less during business hours (Monday-Friday, 8:00 a.m.-5:00 p.m.) [Contract Section 16.1.1.2.1].	Estimated average answer speed during business hours was at least 1 minute 42 seconds per month. Worst performing was Spanish-speaking line with 2 minutes 2 seconds average. ¹
No reporting on average speed of answering calls, and data not collected to determine average speed precisely.		
Some recipients waited more than 1 minute for their call to be answered before hanging up.	Less than 5 percent of callers should hang up after 1 minute of waiting for their call to be answered [Contract Section 16.1.1.2.4.1].	Estimated average of 9 percent of callers hung up after waiting more than 1 minute for their call to be answered. Range was 19 percent in August to 5 percent in December 2020. Worst performing was Priority line with 18 percent average during audit period. ²
No reporting on percentage of calls with caller hang ups after on hold 1 minute.		
Recipients were often on hold 5 minutes or more.	No call can be on hold more than 5 minutes [Contract Sections 16.1.1.2.2.1 and 16.1.1.2.3.1].	In most months (6 of 8 months reviewed), the average hold time for callers was 5 minutes. ³
No precise reporting on how long each call is on hold, and data not collected on the hold time for each call.		
SOURCE: Office of the State Auditor analysis of IntelliRide’s Genesys data.		
¹ Estimated using summarized call center data for each phone line showing calls answered in 30-second increments (e.g., 31-60 seconds, 61-90 seconds).		
² Estimate using monthly calculations of the number of calls where the caller hung up after waiting 1 minute.		
³ Based on IntelliRide’s calculation of the average amount of time calls were on hold for each 30-minute increment in a month (e.g., 8:00 to 8:30 AM).		

Second, we found that the Department could not provide any information on the quality of services of the trips from July 2020 through February 2021, which were associated with 86,528 claims submitted by the 119 NEMT providers that bypassed the IntelliRide statewide brokerage. For example, the Department does not track whether these providers that submitted NEMT

claims to and were paid by the Department directly, rather than through IntelliRide, pick up recipients on time, nor does the Department track the speed of answer or hold times when recipients call these providers to schedule rides. IntelliRide did not track the on-time performance of these providers' trips and the related recipient satisfaction because IntelliRide was not involved in brokering these trips or serving these recipients. We were not able to determine whether these providers provide prompt, efficient, and comparable transportation services statewide, as required [Section 42 USC 1396a(a)].

WHY DID THESE PROBLEMS OCCUR?

First, the Department has not sufficiently held IntelliRide accountable for meeting its contractual customer service performance standards and reporting requirements. State regulations require the Department to monitor its contract with IntelliRide for satisfactory performance [1 CCR 101-1 Rule 3-3 Section 10]. However, the Department does not:

- **ENFORCE PERFORMANCE STANDARDS AND MONITOR ITS CONTRACT WITH INTELLIRIDE.** The Department has not required IntelliRide to provide enough information in its monthly on-time performance and call center reports to demonstrate compliance with contractual performance standards. In the absence of receiving complete and accurate reports on performance metrics, the Department has not been able to hold IntelliRide accountable for the requirements in the contract.
- **REQUIRE INTELLIRIDE TO DOCUMENT THE REASONS FOR EARLY AND LATE PICK-UPS.** When we informed the Department that recipients are sometimes picked up earlier or later than 15 minutes from their scheduled pick-up times, the Department said that recipients can request early pick-ups for rides after a medical appointment, such as in situations where their appointments end early. However, IntelliRide does not track when recipients' request early pick-ups, so it cannot accurately report to the Department the number of NEMT trips that were picked up more than 15 minutes early without requests from recipients.

- **REQUIRE INTELLIRIDE TO ENSURE ECOLANE HAS CORRECT PICK-UP TIMES.** When we informed the Department of EcoLane data showing that NEMT providers picked up recipients more than 6 hours before or after their scheduled pick-up times, or showing no pick-up time, the Department said this result may be due to incorrect data or data entry errors. We could not determine whether recipients were picked up on time for these trips.
- **REQUIRE INTELLIRIDE TO CORRECT ISSUES WITH PROVIDERS NOT SHOWING UP FOR SCHEDULED TRIPS.** We found that nearly all of the trips that were identified as being cancelled due to the provider not showing up (11,008 out of 11,535, or 95 percent), were due to the providers reporting that they could not locate the recipients. We surveyed NEMT providers and 25 of the 46 (54 percent) providers that responded indicated they were dissatisfied or very dissatisfied with IntelliRide’s communication about updates to trips, such as changes to pick-up time and location, or the quality and accuracy of recipient contact information. This indicates that IntelliRide may give NEMT providers incorrect information on where to pick up recipients and/or how to contact recipients when the providers cannot locate them. Since IntelliRide has data on, but has not reported, the number of provider no-shows to the Department, it has not required IntelliRide to correct issues with providers to ensure recipients receive on-time services, as required in the contract.

Second, the Department does not have a method to independently assess recipient satisfaction to ensure the quality of services provided. As of the conclusion of our audit, the Department had not implemented a process to collect complaints from recipients served by providers that do not have rides brokered by IntelliRide, or from the 55 counties that, according to the Department, will begin directly brokering their NEMT services in September 2021. Additionally, the Department does not assess customer satisfaction for recipients who schedule NEMT trips through IntelliRide, aside from obtaining complaint reports.

WHY DO THESE PROBLEMS MATTER?

WHEN THERE ARE PROBLEMS WITH NEMT SERVICE DELIVERY AND CUSTOMER SERVICE, THE DEPARTMENT CANNOT ENSURE RECIPIENTS RECEIVE EQUITABLE NEMT TRANSPORTATION SERVICES. Untimely NEMT trips disproportionately affected recipients in the east and northeast corner of the state, such as in Kit Carson and Logan counties. For example, NEMT providers did not show up within 15 minutes, as required, for 47 percent of recipient trips during the audit period in those counties, which had the highest rate of untimely trips across the state. This means that these recipients likely missed more of their necessary medical appointments due to untimely trips than recipients in counties such as Denver, Mesa, or El Paso. The Department was not aware of this disparity in the quality of NEMT services in certain areas of the state until we brought it to its attention.

WHEN INTELLIRIDE DOES NOT MEET ITS CUSTOMER SERVICE PERFORMANCE STANDARDS OR CORRECT ON-TIME PERFORMANCE ISSUES WITH NEMT PROVIDERS, RECIPIENTS' HEALTH IS PLACED AT RISK. We identified several issues arising from IntelliRide's failure to correct performance issues that can negatively affect recipients' health. Of the 67 NEMT recipients who responded to our survey, 15 told us that drivers failed to pick them up on time or at all, requiring them to take actions such as cancelling their medical appointments. When providers arrive early, recipients may not be ready to leave their home or their medical appointment, which may result in the NEMT provider leaving without the recipient. For example, a recipient told us in our survey that an NEMT provider arrived 4 hours before the scheduled pick-up time, and the recipient was not able to wake-up and get ready to leave before the NEMT provider left, which resulted in the recipient needing to cancel their medical appointment that took months to schedule. When providers arrive late, recipients may miss or have to cancel their medical appointments, such as appointments for surgery, chemotherapy, or dialysis, or recipients may be left at medical facilities in unsafe conditions, such as when vulnerable recipients waited extended periods at medical facilities during the COVID-19 pandemic. Recipients may also be left to wait outside for extended periods of time, which could also pose health risks. For example,

a recipient submitted a complaint to IntelliRide saying that while they waited 3 hours for their NEMT ride home, the medical office closed for the day and the recipient had to wait outside in 100-degree heat.

In addition, long hold times at IntelliRide’s call center affect the ability of recipients to schedule and receive updates on their trips, providers to receive updates on trips, and medical facilities to schedule NEMT rides for recipients who need re-occurring rides, such as to weekly dialysis appointments. In addition, long hold times may discourage recipients from scheduling NEMT trips or from submitting complaints to IntelliRide about NEMT providers or IntelliRide’s services. Furthermore, when hospitals encounter long call hold-times when contacting IntelliRide to schedule NEMT trips, this can cause a delay in getting recipients discharged from hospitals home safely.

WHEN THE DEPARTMENT DOES NOT ASSESS RECIPIENT SATISFACTION WITH PROVIDERS THAT BYPASS INTELLIRIDE, IT CANNOT HOLD PROVIDERS ACCOUNTABLE FOR POOR PERFORMANCE. Since the Department does not have a method to track the on-time performance or call-answering performance of providers that bypass working with IntelliRide, it cannot correct performance issues with these providers and ensure the recipients they serve receive timely and safe NEMT services. This will become an even more significant issue for the Department beginning in September 2021, since the Department plans to allow NEMT providers in 55 of the 64 counties to broker directly for their NEMT services rather than going through its contractor.

RECOMMENDATION 2

The Department of Health Care Policy and Financing (Department) should improve its processes for monitoring non-emergent medical transportation (NEMT) service delivery and customer service brokered by its contractor and/or provided by NEMT providers by:

- A Ensuring its NEMT contractor provides the Department accurate, monthly reporting for on-time trip performance and call center performance.
- B Requiring its NEMT contractor to document the reasons why NEMT providers pick up recipients more than 15 minutes before or after the scheduled pick-up time, such as when recipients request early pick-ups from their medical appointments.
- C Ensuring its NEMT contractor documents correct pick-up times for scheduled NEMT trips.
- D Ensuring its NEMT contractor identifies and corrects issues with NEMT providers' on-time performance, including when NEMT providers do not show up for scheduled trips.
- E Developing and implementing a process to follow-up with its NEMT contractor to correct issues resulting in a lapse in meeting performance metrics, and correcting issues with NEMT providers, as appropriate.
- F Developing and implementing a process to assess NEMT service delivery and customer service when NEMT services are not brokered by its contractor.
- G Developing and implementing a process to assess recipient satisfaction with NEMT providers that do and do not broker trips through the NEMT contractor, including recipient satisfaction with NEMT providers' on-time performance and speed in answering calls.

RESPONSE

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

A AGREE. IMPLEMENTATION DATE: DECEMBER 2021.

The Department will work with IntelliRide on improved report quality. Department staff will partner with IntelliRide to ensure that all contractually mandated fields are present in each report. We will work with IntelliRide to ensure that on-time trip performance reports accurately capture performance by omitting data that distorts the overall metric. The Department has already begun working with IntelliRide to capture call center performance at regular intervals so that reports provide an accurate picture of call center operations.

B AGREE. IMPLEMENTATION DATE: DECEMBER 2021.

The Department will require that IntelliRide communicate to providers the expectation that they document why providers pick up recipients more than 15 minutes before or after the scheduled pick-up time. Many providers use tablet devices provided to them by IntelliRide, which contain driver manifests and other data. Providers who use tablet devices will be required to send an alert if they are more than 15 minutes late or early, and to explain why. Non-tableted providers will be required to enter a note when they clear trips (i.e., change a trip status to “completed” in EcoLane) that explains why they were late.

C AGREE. IMPLEMENTATION DATE: DECEMBER 2021.

The Department will require that its NEMT contractor communicate to providers that they are required to document correct pick-up times. The Department and its NEMT contractor will explore making correct documentation a performance metric, with reduced trip referrals for providers who routinely fail to meet the requirement.

D AGREE. IMPLEMENTATION DATE: DECEMBER 2021.

The Department will work with IntelliRide on a process to identify issues with on-time performance and missed trips. The primary focus will be a monthly review of trip data. We will implement a process to reduce the number of NEMT trips assigned to providers that have ongoing performance issues, and we will not increase volume until they demonstrate improvement.

E AGREE. IMPLEMENTATION DATE: DECEMBER 2021.

The Department will develop and implement a process to track contractual performance metrics and follow up with its NEMT contractor to correct issues with meeting those performance metrics. When the lapses result from the performance of NEMT providers (e.g., on-time performance), the Department and its contractor will notify the provider of the issue and reduce the number of trips assigned to those providers until they demonstrate compliance.

F AGREE. IMPLEMENTATION DATE: JULY 2022.

The Department will develop and implement a process to assess NEMT service delivery and customer service when NEMT services are not brokered by its contractor. That process could include a comparison of a provider's scheduled trips with submitted NEMT claims to ensure that a trip took place as scheduled. The process may also, as in Response 2G, include recipient surveys and an email inbox for feedback.

G AGREE. IMPLEMENTATION DATE: JULY 2022.

The Department will develop and implement a process to assess recipient satisfaction with those providers outside of IntelliRide's service area. These processes may include recipient surveys or a dedicated email inbox for fielding this type of feedback. The implementation date reflects the time needed to develop and implement these processes, with the expectation that they will start at the beginning of State Fiscal Year 2022-23.

PAYMENTS TO NEMT PROVIDERS

As the statewide broker in Fiscal Year 2021, IntelliRide served as the fiscal agent responsible for submitting claims to the Department for each NEMT ride it brokered and paid those ride providers for their services. Specifically, after an NEMT provider completed a trip that IntelliRide brokered, the provider sent IntelliRide an invoice requesting reimbursement, and IntelliRide confirmed the invoice matched EcoLane data on completed trips, paid the provider the invoice amount, sent the Department a claim through interChange to request reimbursement, and kept accounting records of the date and amount it paid each provider. From July 1, 2020, through February 28, 2021, IntelliRide brokered NEMT trips for 119 providers and received reimbursement from the Department for provider payments it made for trip claims totaling about \$19.8 million.

HOW WERE THE RESULTS OF THE AUDIT WORK MEASURED?

The purpose of the audit work was to determine whether the Department has ensured that IntelliRide paid providers accurately. The Department’s statewide broker contract with IntelliRide — effective during the audit period July 1, 2020, through February 28, 2021— required IntelliRide to, “pay the transportation provider the full amount of the Colorado interChange payment” for each trip [Contract Section 15.1.6].

WHAT AUDIT WORK WAS PERFORMED, WHAT PROBLEMS WERE IDENTIFIED, AND WHY DO THEY MATTER?

Overall, we found that IntelliRide failed to pay some providers the full amounts that the providers were owed for NEMT services, even though the Department had paid the full amount as reimbursement to IntelliRide. We

compared the Department's interChange data on claims payments sent to IntelliRide for NEMT provider services with IntelliRide's accounting records of its payments to providers during the audit period. We found that IntelliRide may not have paid a total of \$126,840 to 28 NEMT providers for services rendered.

As shown in EXHIBIT 2.9, IntelliRide did not fully pay 28 of the 119 providers (24 percent) after the Department sent IntelliRide payments for the providers' services. When we brought this problem to IntelliRide's attention, its management indicated that it believed it had paid providers the amounts owed, but could not provide any evidence to support that the payments were made and did not plan to investigate the problem further, citing that it would be too resource intensive.

**EXHIBIT 2.9. DEPARTMENT PAYMENTS FOR NEMT PROVIDERS
THAT WERE NOT PAID BY INTELLIRIDE
JULY 1, 2020, THROUGH FEBRUARY 28, 2021**

PROVIDER	SERVICE AREA	AMOUNT NOT PAID TO PROVIDERS	TOTAL DEPARTMENT PAYMENTS TO INTELLIRIDE FOR PROVIDER	PERCENTAGE OF DEPARTMENT PAYMENTS NOT PAID TO PROVIDERS
1	Statewide	\$71,147	\$153,482	46%
2	Statewide	\$11,820	\$420,023	3%
3	Statewide	\$6,883	\$452,114	2%
4	Statewide	\$5,594	\$166,273	3%
5	1,3, and 4	\$4,532	\$152,690	3%
6	Statewide	\$4,460	\$205,327	2%
7	Statewide	\$3,877	\$294,248	1%
8	Statewide	\$3,000	\$252,818	1%
9	Statewide	\$2,462	\$183,257	1%
10	Statewide	\$2,274	\$103,858	2%
11	1,3, and 4	\$2,050	\$198,453	1%
12	Statewide	\$1,694	\$89,152	2%
13	Statewide	\$945	\$94,481	1%
14	1,3, and 4	\$830	\$43,643	2%
15	Statewide	\$805	\$163,027	<1%
16	1,3, and 4	\$701	\$117,416	1%
17	Statewide	\$543	\$136,573	<1%
18	1,3, and 4	\$514	\$10,971	5%
19	1,2, and 4	\$499	\$159,180	<1%
20	1,2, and 3	\$466	\$37,073	1%
21	1,2, and 3	\$419	\$12,541	3%
22	1,3, and 4	\$359	\$8,068	4%
23	Statewide	\$237	\$168,774	<1%
24	1 and 3	\$209	\$19,253	1%
25	3	\$172	\$31,826	1%
26	1,3, and 4	\$148	\$28,219	1%
27	1 and 3	\$126	\$16,330	1%
28	Statewide	\$72	\$29,320	<1%
TOTAL	-	\$126,840	\$3,748,390	3%

SOURCE: Office of the State Auditor analysis of the Department's interChange data on paid claims data and IntelliRide's accounting records.

According to IntelliRide, it did not actually underpay Provider 1, rather the discrepancy was due to an accounting reporting error. However, during the audit, Provider 1 told us that it believed it was underpaid by IntelliRide, but

not by the amount we calculated, and this provider did not have another estimate of the amount. IntelliRide was not able to provide evidence confirming that it had paid Provider 1 accurately.

When the Department's contractor, IntelliRide, does not pay NEMT providers for each service provided, it can affect the providers' business operations, such as their ability to pay their employees. We surveyed NEMT providers and 20 of the 45 (44 percent) providers that responded to payment questions told us they were dissatisfied with the accuracy of IntelliRide's payments for the trips they provided recipients; 10 of the 45 (22 percent) providers indicated that they were neutral. None of the providers in the western part of the state that responded to our survey indicated that they were satisfied with the accuracy of IntelliRide's payments. A majority of these providers (14 of 20) reported confusion or frustration with IntelliRide's accounting records and payment documents, including that it is difficult for providers to know what rides they have been paid for and if it was for the full amount.

Additionally, there is a risk of fraud, waste, and abuse of Medicaid funds when the Department's contractor does not pay providers accurately based on the payments it has received from the Department or keep accurate accounting records of its payments to providers for each Medicaid claim paid by the Department. When we provided the Department and IntelliRide information on the underpayments to providers that we identified, neither could determine how IntelliRide spent the Department's Medicaid funds received to reimburse providers for NEMT trips.

WHY DID THESE PROBLEMS OCCUR?

The Department has not ensured that its contractor has effective methods for paying providers accurately. Specifically, the Department has not held IntelliRide accountable for having accounting processes to accurately reimburse providers for their trips or maintaining accurate records of payments to providers. For example, neither the Department nor IntelliRide has a process in place to compare data on the claims payments the Department sends IntelliRide to the payments IntelliRide makes to providers,

such as quarterly reconciliations. Additionally, the Department does not require IntelliRide to provide any reporting to demonstrate that it pays providers accurately, such as evidence that IntelliRide's payments to providers reconcile with the provider invoices, so IntelliRide does not track the extent to which it pays each invoice.

RECOMMENDATION 3

The Department of Health Care Policy and Financing (Department) should ensure non-emergent medical transportation (NEMT) providers are paid accurately for the services they provide to recipients by:

- A Requiring its NEMT contractor to develop and implement effective processes and methods to pay providers accurately for their services, based on claims paid by the Department, and maintain accurate accounting records of payments to providers.
- B Investigating each instance identified by the audit where the Department's NEMT contractor did not pay a provider accurately or did not have accurate accounting records, and requiring the contractor to pay each provider the accurate amounts they are owed and correct accounting records, as appropriate.

RESPONSE

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

- A AGREE. IMPLEMENTATION DATE: DECEMBER 2021.

The Department will require its NEMT contractor will pay providers in fully and accurately by billing the Department first and then passing the full reimbursement amount on to providers. The Department will further require the contractor to maintain accurate accounting records of payments to providers. The Department will ensure full and accurate payment by performing a semi-annual comparison of IntelliRide's accounting data with the Department's paid claims data, and by requiring corrective action (e.g., additional reimbursements for underpayments) as appropriate. The Department's NEMT contractor will provide additional training to providers on how to use the provider portal, which contains complete records of trips and paid amounts for each trip.

B AGREE. IMPLEMENTATION DATE: APRIL 2022.

The Department will use instances of underpayment or inaccurate payment identified by OSA as a basis for its investigation. We will compare the Department's payments to IntelliRide with payments issued by IntelliRide and those received by an NEMT provider. The Department will then work with IntelliRide to ensure correct payment amounts to each provider, when appropriate, and update its accounting records.

COMPLAINT MANAGEMENT AND RESOLUTION

Recipients who arrange NEMT services through IntelliRide can submit complaints about services to IntelliRide by email, online chat request, in writing, or through a toll-free phone number. IntelliRide staff may also collect verbal complaints from recipients when they express dissatisfaction while scheduling NEMT services. IntelliRide tracks recipients' complaints in its EcoLane system and a spreadsheet, which includes staff's narrative notes on the complaint reported, any associated recipient and provider, IntelliRide's investigation, and the complaint resolution. IntelliRide staff who investigate complaints may review trip information and documentation from the provider, conclude on whether the problem noted in the complaint is substantiated, and address the complaint, such as by working with the recipient to address their concern or sanctioning a provider by reducing the number of NEMT trips it receives.

IntelliRide sends the Department a monthly report of complaints received, which includes information on how IntelliRide handled the complaints. From July 2020 through February 2021, IntelliRide's monthly reports to the Department showed 758 recipient complaints regarding 84 different transportation providers.

HOW WERE THE RESULTS OF THE AUDIT WORK MEASURED?

The purpose of the audit work was to evaluate complaint resolution and reporting processes based on the following requirements:

- **THE DEPARTMENT'S CONTRACTOR MUST MONITOR COMPLAINTS.** Federal law requires IntelliRide, as an NEMT broker for the State, to monitor NEMT complaints, and the Department must oversee IntelliRide to ensure quality services are provided [42 USC 1396a(70)(B)].

- **THE CONTRACTOR MUST TAKE ACTION TO RESOLVE SUBSTANTIATED COMPLAINTS TO PREVENT FUTURE OCCURRENCE.** According to the Department’s contract with IntelliRide that was in place during the audit review period, such action may include training IntelliRide staff or NEMT drivers, sanctioning a NEMT transportation provider, or educating an NEMT recipient, as appropriate [Contract Section 11.6].
- **THE CONTRACTOR MUST RESOLVE COMPLAINTS AND NOTIFY COMPLAINANTS OF RESOLUTIONS TIMELY.** According to the contract in place during the review period, IntelliRide was required to: 1) acknowledge the receipt of each complaint by responding to the complainant verbally or in writing within 2 business days of receipt, 2) resolve the complaint, and 3) provide information to the complainant about the resolution and the action taken within 10 business days of receipt [Contract Sections 11.3 and 11.5]. If IntelliRide’s resolution was delayed by factors outside its control, such as a delay in receiving a police report, then IntelliRide had 2 business days from the date of receiving all components to reach a resolution and notify the complainant [Contract Section 11.5]. To demonstrate compliance with these timeliness requirements, IntelliRide would have needed to track the date it acknowledged the receipt of each complaint and the date that it notified the recipient of the resolution.
- **THE CONTRACTOR MUST TRACK AND REPORT CERTAIN NEMT COMPLAINT INFORMATION MONTHLY.** According to the contract in place during the review period, IntelliRide was required to maintain a log of all verbal and written complaints [Contract Section 11.7]. IntelliRide was also required to provide the Department a monthly report with specific information on each complaint received that month, including the relevant recipient and provider; details of the complaint; the amount of time the driver was late if the complaint was about a late driver; the pick-up and drop-off location of the relevant trip; and any information about potential fraud, waste, and abuse of NEMT services [Contract Section 17.4]. Additionally, IntelliRide’s monthly complaint report was required to include summary statistics on the number of complaints received that month; number of

provider no-shows, which is when a driver does not pick up a recipient for a scheduled trip; total number of provider no-shows by county; and number of trips involving an accident with a recipient in the vehicle. The contract required IntelliRide to send the Department the monthly complaint report within 10 business days following the end of the month that the report covers [Contract Section 17.4].

WHAT AUDIT WORK WAS PERFORMED, WHAT PROBLEMS WERE IDENTIFIED, AND WHY DO THEY MATTER?

We reviewed the monthly complaint reports that IntelliRide sent the Department from July 2020 through February 2021, and identified the following problems:

- **MOST COMPLAINTS HAD NO RESOLUTION.** For 401 of the 594 (68 percent) complaints that IntelliRide noted as having completed investigations, it did not document a resolution, so there was no evidence that steps were taken to address the problems and prevent future occurrence, as required by contract. Specifically, we found:
 - ▶ For 159 complaints with completed investigations (27 percent), the resolution field was blank.
 - ▶ For 242 complaints with completed investigations (41 percent), IntelliRide only noted that it *would* resolve the complaint or that it forwarded the complaint to a division within IntelliRide, but no resolution was documented. For example, 29 of the complaints were about one provider that frequently arrived late, failed to send drivers to scheduled trips, and reported incomplete trips as completed, and one-half of these (15 complaints) had no resolution other than they were forwarded to another division of IntelliRide.

We also identified an additional 94 complaints that IntelliRide marked as pending in a monthly report to the Department. We found that IntelliRide does not provide the Department any follow-up information on pending

investigations in subsequent monthly complaint reports—they just fall off of the report, so we could not determine if any of the pending complaints had been resolved.

When the Department’s contractor does not take sufficient steps to demonstrate that it has addressed complaints, the problems that recipients report could continue to affect them and others, the quality of NEMT services are reduced, and recipients may experience difficulty accessing their healthcare.

- **COMPLAINTS WITH RESOLUTIONS HAD NO INDICATION THE RESOLUTIONS WOULD PREVENT FUTURE OCCURRENCE.** For the 193 complaints that had a documented resolution, it was not clear that the resolutions would prevent reoccurrence of the problems that recipients experienced, as required. For example:
 - ▶ For 84 resolved complaints (44 percent) reported by 81 recipients, IntelliRide documented that it resolved the complaint by changing the recipient’s provider for future trips. However, there was no indication that IntelliRide took action to prevent future occurrence, such as by contacting the relevant providers or sanctioning them. For example, one provider had 23 complaints filed against it in 7 months, which ranged from drivers picking up recipients late to dropping recipients off at the wrong location. The first complaint filed related to one of the provider’s drivers not picking up the recipient for a scheduled trip and IntelliRide documented that its resolution to the complaint was to not have the complainant ride with the provider again. This resolution did not address the problem because nine different recipients subsequently filed 10 additional complaints about this provider’s drivers for the same issue.
 - ▶ Eight providers had more than 20 complaints each over an 8-month period (a total of 198 complaints), and 75 of these complaints (38 percent) were about their drivers not showing up to pick up recipients for their medical appointments. However, there was no documented

evidence that IntelliRide monitored or contacted any of the providers to address this concern.

As shown by the previous examples, when appropriate action is not taken to address complaints about NEMT providers, some continue to provide substandard service. Recipients that experience poor resolutions to their complaints or ongoing problems with NEMT services may be discouraged from utilizing NEMT as a transportation resource, which would limit their transportation options for medical care.

- **INTELLIRIDE DID NOT COMMUNICATE WITH COMPLAINANTS ABOUT RESOLUTIONS.** For the 193 complaints that had some type of resolution noted, IntelliRide did not document that it followed up with any of the complainants to notify them of the resolution, as required. Additionally, when we surveyed a random sample of NEMT recipients, 10 of the 23 (43 percent) survey respondents who indicated they had filed a complaint told us they were unsatisfied with IntelliRide's response to their complaint.

When there is no communication with complainants about complaint resolution, the Department's contractor lacks accountability to ensure an appropriate resolution, and recipients are unaware of whether their concerns were addressed. This lack of communication erodes trust and may discourage recipients from filing future complaints. For example, one recipient who responded to our survey told us that they submitted a complaint to IntelliRide about an NEMT provider driving recklessly at high speeds and not allowing the recipient to exit the vehicle at the recipient's request, which made the recipient concerned for their safety. The recipient stated they had not received any follow up from IntelliRide. According to IntelliRide's complaint documentation, it forwarded this complaint to its transportation division and no other action was noted.

- **INTELLIRIDE HAD NO EVIDENCE OF TIMELY COMPLAINT HANDLING OR RESOLUTION.** We could not determine if IntelliRide handled complaints within required timeframes because it did not consistently track the dates

it responded to recipients about complaints in any months except October 2020, nor did it track the dates it resolved any complaints.

When there is no evidence that complaints are resolved timely, the Department cannot ensure the contractor provides appropriate customer service for NEMT recipients. Delays in resolving complaints can adversely impact IntelliRide's ability to prevent the problems from reoccurring.

- **INTELLIRIDE DID NOT REPORT REQUIRED COMPLAINT INFORMATION TO THE DEPARTMENT.** We found that the monthly complaint reports that IntelliRide sent the Department did not include more than one-third of the required types of complaint data and statistics. Specifically, IntelliRide did not report any information on:
 - ▶ The recipient's pick-up and drop-off location
 - ▶ Information about potential fraud, waste, or abuse of NEMT services
 - ▶ The number of accidents with a recipient in the vehicle
 - ▶ The number of provider no-shows or no-shows by county

Additionally, IntelliRide did not consistently track or report complaint information about late drivers, including the amount of time they were late. We found that for 65 of 120 (54 percent) complaints related to late drivers, IntelliRide did not track enough information to determine the amount of time the driver was late and did not report this information to the Department.

When the Department's contractor does not provide the Department all required complaint information, the Department cannot ensure IntelliRide is taking appropriate action to address and resolve complaints, or monitor common problems that recipients experience. When the Department's contractor does not provide required summary statistics, such as the number of accidents with a recipient in the vehicle, the Department may be unaware of injuries and accidents or would have to read the detailed narrative of each complaint to determine if it involved an injury or accident. We were only able to identify complaints about accidents and injuries by reviewing IntelliRide's complaint narratives,

which would be an inefficient process for the Department to monitor complaints.

- **INTELLIRIDE DID NOT CONSISTENTLY CATEGORIZE COMPLAINTS.** IntelliRide classified complaints into six general categories—Driver, General, Vehicle, On-Time Performance, Office Staff, and Routing Issues—which did not identify the true nature of complaints or critical issues such as accidents; injuries; no-show drivers; or alleged fraud, waste, and abuse. For example, we reviewed IntelliRide’s complaint narrative for the 758 complaints it received and identified 255 complaints about no-show drivers, but IntelliRide assigned the complaints six different, inconsistent categories: Driver, General, Vehicle, On-Time Performance, Office Staff, and Routing. For 20 complaints related to accidents or injuries, IntelliRide categorized 16 of them as a Driver complaint, and the remaining four as General or Vehicle complaints. Based on our review of the complaint narratives, we re-categorized the 758 complaints into the eight categories shown in EXHIBIT 2.10.

EXHIBIT 2.10. AUDITOR’S SUMMARY OF
NEMT RECIPIENT COMPLAINT CATEGORIES
JULY 2020 THROUGH FEBRUARY 2021

CATEGORY IDENTIFIED BY AUDITORS	NUMBER OF COMPLAINTS ¹	PERCENTAGE OF COMPLAINTS
Driver Failed to Pick Up Recipient	295	33%
General Scheduling Errors by IntelliRide	186	21%
Driver Picked Up Early or Late	136	15%
Driver or Provider was Unprofessional	117	13%
Other Complaints About IntelliRide	79	9%
Safety Concern, Not an Accident or Injury	59	6%
Accident or Injury	21	2%
Alleged Fraud, Waste, or Abuse	12	1%
TOTAL	905 ¹	100%

SOURCE: Office of the State Auditor analysis of IntelliRide’s monthly complaint reports.

¹ The total is more than 758 complaints because some involved more than one category.

When the Department’s contractor does not consistently categorize complaints, the contractor cannot effectively monitor complaints to identify common problems, and the Department cannot monitor to

determine if it may need to take action to address ongoing service quality issues. For example, our review found that 33 percent of all complaints involved providers that repeatedly failed to pick up recipients, and 20 percent of complaints involved recurring scheduling errors by IntelliRide, which the Department could not identify without reading each complaint narrative and re-categorizing complaints.

WHY DID THESE PROBLEMS OCCUR?

Overall, the Department has not enforced federal or contract requirements related to the NEMT contractor's complaint tracking and management. The Department has not held IntelliRide accountable for complying with these requirements because the Department lacks processes to:

- Follow-up with IntelliRide on pending complaints or complaints without complete resolutions to ensure action is taken to address their causes in a manner that prevents reoccurrence.
- Ensure IntelliRide uses remedies to address recurring issues, such as by monitoring or sanctioning providers with recurring issues.
- Check that IntelliRide meets timeliness requirements.
- Ensure IntelliRide notifies recipients for complaint resolutions and tracks the date each recipient is notified.
- Review IntelliRide's complaint reports to ensure they are complete, accurate, and contain useful and required information.
- Ensure IntelliRide uses meaningful complaint categories that accurately and consistently reflect the nature of complaints.

Additionally, the Department has not developed contract provisions requiring IntelliRide to track the date it acknowledges complaints and the date it resolves them, which are needed for the Department to monitor timeliness of complaint management.

Lastly, IntelliRide has been inconsistent in collecting information about late drivers and the amount of time they were late because it has no complaint category related to late drivers and no field or process to record the amount of time a driver was late, and the Department has failed to require IntelliRide to create the field and related recording process.

RECOMMENDATION 4

The Department of Health Care Policy and Financing should ensure its non-emergent medical transportation (NEMT) contractor complies with federal and contract requirements for monitoring, managing, resolving, and reporting recipient complaints about NEMT services by:

- A Requiring the contractor to track and report the resolution of all complaints, including those that were still pending as of the date of the previous complaint report.
- B Developing and implementing a process to review monthly complaint reports for completeness and accuracy, and to follow up with the contractor when reports are missing required information and/or inaccurate.
- C Requiring the contractor to develop action plans to address complaints in a manner that prevents reoccurrence, and report the results of action plans to demonstrate resolutions are completed and appropriate.
- D Requiring the contractor to track and report the dates of complaint acknowledgement, resolution, and recipient notification of the resolution.
- E Developing and implementing procedures to monitor whether the contractor meets required timeframes for complaint acknowledgment, resolution, and recipient notification, and to take remedial action for noncompliance when appropriate.
- F Requiring the contractor to develop and use meaningful complaint categories that accurately and consistently reflect the nature of complaints.

RESPONSE

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

A AGREE. IMPLEMENTATION DATE: APRIL 2022.

The Department will require that its NEMT contractor dedicate sufficient staff to the complaint process, which will allow the contractor to track and report the resolution of all complaints. This includes tracking those complaints that were still pending as of the date of the previous complaint report. The Department will monitor the contractor by requiring regular staffing reports to ensure that the contractor dedicates sufficient staff to the complaint process.

B AGREE. IMPLEMENTATION DATE: DECEMBER 2021.

Department staff will create a process to review monthly complaint reports for completeness and accuracy. Department staff will survey other Department contract managers about tools and best practices for reviewing reports, as well as utilize the Department's existing contract management tool-kit. Further, Department staff will build steps into its process for checking for required and accurate information and, if errors are found, following up with the contractor.

C AGREE. IMPLEMENTATION DATE: DECEMBER 2021.

The Department has tasked its NEMT contractor with placing providers on Performance Improvement Plans, which will be communicated to offending providers, with the goal of discouraging repeat violations and preventing reoccurrence. The Department and its NEMT contractor will discuss which providers require corrective action during their monthly performance review meeting. These meetings will include discussions about provider and call center performance, as well as the development of action plans to address performance concerns.

D AGREE. IMPLEMENTATION DATE: DECEMBER 2021.

The Department will require that its NEMT contractor begin dedicating sufficient staff to the complaint process, which will allow the contractor to track and report dates of complaint acknowledgement, resolution, and recipient notification of the resolution. The Department will follow up with the contractor when reports show that complaints have not been resolved or that recipients have not been notified. The Department will monitor the contractor by requiring regular staffing reports to ensure that the contractor dedicates sufficient staff to the complaint process.

E AGREE. IMPLEMENTATION DATE: DECEMBER 2021.

Department staff will, as part of its report review process, ensure that each report contains complete data on dates of complaint acknowledgement, resolution, and recipient notification. If the contractor does not meet required timeframes, the Department will take remedial action by placing the contractor on a Corrective Action Plan until the contractor comes into compliance.

F AGREE. IMPLEMENTATION DATE: APRIL 2022.

The Department will require that the contractor come up with a defined set of meaningful complaint categories that are subject to Department approval. These categories will be based, in part, on a review of previous complaints. The categories will be expanded or otherwise revised as needed, depending on complaints received.

INCIDENT MANAGEMENT AND RESOLUTION

An incident is a situation that occurs during an NEMT trip that risks a recipient's health and safety, such as an accident when an NEMT provider is driving a recipient, or when a driver has an accident on their way to pick up a recipient. Typically, IntelliRide learns of incidents from providers and from complaints submitted by recipients. Sometimes the Department informs IntelliRide of incidents when recipients contact the Department directly to report an incident. IntelliRide is responsible for tracking, investigating, and resolving incidents, and reporting them to the Department. From July 2020 through February 2021, IntelliRide reported 17 incidents to the Department.

WHAT AUDIT WORK WAS PERFORMED?

The purpose of the audit work was to evaluate the Department's oversight of IntelliRide's processes for identifying, resolving, and reporting incidents to the Department during the audit period, July 2020 through February 2021. We reviewed IntelliRide's internal incident tracking document, as well as all incident documentation compiled by IntelliRide and reported to the Department during the audit period. We also reviewed IntelliRide's monthly complaint reports submitted to the Department for July 2020 through February 2021 to identify recipient complaints that indicated an incident occurred that IntelliRide should have reported to the Department.

WHAT PROBLEMS WERE IDENTIFIED, HOW WERE THE RESULTS MEASURED, AND WHY DO THE PROBLEMS MATTER?

The Department's contractor, IntelliRide, has not consistently complied with contractual requirements for incidents. We identified the following problems:

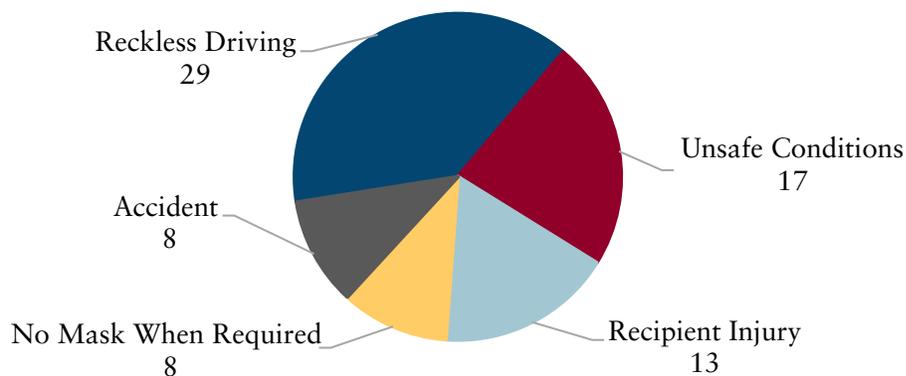
- **MOST INCIDENTS WERE NOT IDENTIFIED OR REPORTED TO THE DEPARTMENT.** IntelliRide reported to the Department that 17 incidents occurred during our audit review period. However, we identified an

additional 75 incidents that occurred based on complaint information and IntelliRide’s internal tracking document. During the audit period, IntelliRide was required to identify and report to the Department incidents that [Contract Section 17.4.1]:

- ▶ Involved a recipient and “prevent[ed] the provider from completing the trip or in which the driver or [recipient’s] health or safety may [have been] in jeopardy.”
- ▶ Involved an automobile accident while an NEMT provider was driving a recipient or that prevented or delayed a provider’s ability to perform NEMT services timely.
- ▶ Involved potential incidents identified by the Department that required “the Contractor’s urgent action to correct.”

The 75 incidents that IntelliRide did not identify and report to the Department involved vehicle accidents and risks to recipients’ health and safety, as shown in EXHIBIT 2.11. For example, IntelliRide did not identify and report incidents after a recipient complained that their NEMT driver got into an accident while driving them, which totaled the vehicle, or after another recipient complained that their NEMT driver dropped a wheelchair ramp on the recipient's foot, which broke their foot.

**EXHIBIT 2.11. CATEGORIES OF UNREPORTED NEMT INCIDENTS
JULY 2020 THROUGH FEBRUARY 2021**



SOURCE: Office of the State Auditor analysis of IntelliRide’s complaint and incident documents.

The incident reporting process helps to ensure serious events are documented and receive a higher level of scrutiny from IntelliRide and the Department. When IntelliRide does not track all incidents and report them to the Department, the Department is unaware of issues occurring within the NEMT program and cannot ensure that IntelliRide has taken the necessary steps to resolve incidents to minimize future risks to recipients. For example, the Department was unaware that there were 19 providers that were involved in two to five incidents each during the audit time period because IntelliRide did not submit incident reports. Therefore, the Department is unable to ensure quality NEMT services are provided to recipients consistently.

- **LACK OF PLANS AND ACTION TO RESOLVE SOME INCIDENTS.** For seven of the 17 incidents (41 percent) that were reported to the Department, IntelliRide did not include its plan to resolve the incidents. These seven incidents included an NEMT provider driving through a red light, recipients being improperly secured, and a minor vehicle accident. During the audit period, IntelliRide was required to report to the Department its planned resolution for each incident to minimize the impact on the recipient and the Department [Contract Sections 17.14.2.5 and 17.14.4.2].

When incidents are not resolved, the problems that resulted in incidents can continue to put recipients at risk and diminish the overall quality of NEMT services. If incidents that result from poor training or unsafe practices have no resolution, they may reoccur and can negatively impact more recipients over time. For example, five recipients submitted similar complaints to IntelliRide about one NEMT provider that did not safely secure them or their wheelchairs into vehicles. IntelliRide only provided an initial incident report to the Department for one of these incidents. If IntelliRide had reported and resolved the issue with the provider after the first incident, the other four recipients may not have suffered risks to their health and safety during their NEMT trips.

- **INCOMPLETE INCIDENT REPORTS.** IntelliRide submitted to the Department 17 initial incident reports and four final incident reports during the audit

time period, and all 21 reports (100 percent) lacked at least some information that was contractually required, such as recipient information and details of the incident, as shown in EXHIBIT 2.12 [Contract Sections 17.14.2 and 17.14.4].

EXHIBIT 2.12. MISSING INFORMATION FROM INCIDENT REPORTS SENT TO DEPARTMENT JULY 2020 THROUGH FEBRUARY 2021		
	NUMBER OF REPORTS MISSING REQUIRED FIELD	PERCENTAGE OF REPORTS MISSING REQUIRED FIELDS
MISSING FROM INITIAL INCIDENT REPORTS		
Recipient's ID Number	8 of 17	47%
Resolution Plan for Incident	7 of 17	41%
Location	10 of 17	59%
Impact of Incident on Recipient	7 of 17	41%
Description of Incident	3 of 17	18%
Recipient Name	2 of 17	12%
Applicable Police Reports	6 of 7	86%
Applicable Insurance Information	14 of 14	100%
MISSING FROM FINAL INCIDENT REPORTS		
Description of Incident	2 of 4	50%
Status of Resolution Plan	1 of 4	25%
Applicable Police Reports	2 of 3	67%
Applicable Attorney Information	1 of 1	100%
Applicable Provider Sanctions	2 of 4	50%
TOTAL INCOMPLETE INCIDENT REPORTS	21 of 21	100%
SOURCE: Office of the State Auditor analysis of incident documentation that IntelliRide sent the Department.		

When IntelliRide's incident reports to the Department are incomplete, it can inhibit the Department's ability to oversee the contractor's operations and enforce the provisions of the contract. The Department may be unable to determine the nature of the incident, who was affected, and if IntelliRide's plan to resolve the issues is appropriate. As a result, the Department is less informed and less able to act in the best interest of NEMT recipients.

- **UNTIMELY INCIDENT REPORTS.** IntelliRide sent 12 of the 17 (71 percent) initial incident reports to the Department later than contractually required, or between 2 and 26 business days after the incident occurred (an average of 7 days). IntelliRide failed to submit a final incident report at all for 13 of the 17 (76 percent) reported incidents; the four final incident reports that were submitted were provided within the required timeframe. During the audit period, the Department’s contract required IntelliRide to submit to the Department initial incident reports within 1 business day of the incident and final incident reports within 10 business days of the incident [Contract Sections 17.14.3.2 and 17.14.5.2].

When IntelliRide does not report incidents to the Department timely, there are delays in the Department learning about the problems with NEMT services, which can cause delays if the Department chooses to initiate corrective action with the NEMT provider. It may also indicate that IntelliRide is not responding to the incident timely. For example, IntelliRide documented an incident involving a provider that did not safely secure a recipient into a vehicle in June 2020, but reported it to the Department 21 business days later. During that delay in reporting, another recipient complained that the same provider also did not safely secure them during an NEMT trip. If IntelliRide had reported the first incident and implemented a resolution plan within 10 business days with the NEMT provider, as required, the second incident may have been avoided.

WHY DID THESE PROBLEMS OCCUR?

Overall, the Department has not enforced contract requirements related to the NEMT contractor’s incident reporting and resolution management. State regulations require the Department to monitor its contracts to ensure compliance with performance terms and applicable requirements [1 CCR 101-1 Rule 3-3 Section 10]. To monitor its contracts, the Department provides its contract monitoring staff a “tool-kit” that includes guidance on methods that staff should use to monitor contractor compliance and how to communicate with noncompliant contractors. However, the Department staff

responsible for monitoring the IntelliRide contract stated that they were not aware of the tool-kit and have not used it when monitoring IntelliRide's performance. In addition, the contract allows the Department to take remedial action against IntelliRide for noncompliance, but the Department has not utilized any remedies.

We identified the following areas where the Department lacks processes to hold IntelliRide accountable for meeting contract requirements:

- **IDENTIFYING INCIDENTS INVOLVING RISKS TO RECIPIENTS' HEALTH AND SAFETY WITHIN INTELLIRIDE'S MONTHLY COMPLAINTS REPORT.** The Department does not have a process to review IntelliRide's monthly complaint report, as discussed in the Complaints Management finding; identify complaints involving incidents; or ensure IntelliRide identifies, tracks, and reports complaints that need to be reported as incidents.
- **ENSURING INCIDENT RESOLUTIONS WILL PREVENT REOCCURRENCE.** The Department does not require IntelliRide to report its plan to resolve each incident as required by the contract, nor does the Department maintain or track incident reports in order to monitor the nature of incidents, how they are resolved, or whether the NEMT provider is at fault. The Department also does not have a process to review IntelliRide's initial and final incident reports to ensure they include the planned or final action taken to resolve each incident.
- **TRACKING AND MAINTAINING DOCUMENTATION FOR INITIAL AND FINAL INCIDENT REPORTS AND ENSURING REPORTS CONTAIN ALL REQUIRED INFORMATION.** When we asked the Department to provide all incident reports sent since July 2020, the start of the statewide broker contract with IntelliRide, the Department could not provide these to us because its staff did not save the incident documentation or emails that IntelliRide sent. The Department needed to ask IntelliRide to provide emails showing what was sent to the Department.

- **FOLLOWING-UP WITH INTELLIRIDE WHEN INITIAL AND FINAL INCIDENT REPORTS ARE UNTIMELY AND INCOMPLETE.** The Department does not perform any ongoing tracking of incidents to ensure IntelliRide adheres to the incident reporting requirements in the contract. The Department explained to us that staff read the emails sent by IntelliRide, but otherwise, there is no process in place to ensure timely, complete reporting and resolution of all incidents. The Department has not worked with IntelliRide to address its issues with timely reporting.

RECOMMENDATION 5

The Department of Health Care Policy and Financing (Department) should ensure its non-emergent medical transportation (NEMT) contractor complies with contract requirements for managing, resolving, and reporting incidents by developing and implementing procedures to:

- A Ensure Department staff use the Department’s contract monitoring tool-kit to monitor the performance of the NEMT contractor.
- B Review recipient complaints to ensure the NEMT contractor identifies and submits initial and final incident reports for complaints involving risks to recipients’ health and safety.
- C Track the providers involved in incident reports and the actions taken by the NEMT contractor to resolve the incidents to ensure the contractor’s resolution plans are effective in preventing reoccurrence.
- D Follow up with the NEMT contractor at least monthly to ensure it has provided the Department with all initial and final incident reports that may not have been reported as a complaint.
- E Review and monitor each incident report provided by the NEMT contractor to ensure the contractor submits timely and complete initial and final incidents reports.

RESPONSE

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

- A AGREE. IMPLEMENTATION DATE: SEPTEMBER 2021.

Department staff will use the Department’s contract monitoring tool-kit to monitor the performance of the NEMT contractor.

B AGREE. IMPLEMENTATION DATE: DECEMBER 2021.

Department staff will develop new processes for complaint report review to help them identify incidents for which the Department did not receive a report. Department staff will work with the contractor to obtain complete incident reports if they are not sent, and will track open incident reports until a final incident report is received.

C AGREE. IMPLEMENTATION DATE: DECEMBER 2021.

The Department will require that its NEMT contractor track the providers involved in incident reports and the actions it takes to resolve incidents to ensure that the contractor's resolution plans are effective in preventing reoccurrence. The Department has tasked the contractor's corporate safety team with tracking and reviewing incidents, which will allow the contractor to dedicate more resources to incident review than if it were handled locally by the contractor's limited Denver staff. The contractor's corporate safety team will measure incident frequency and analyze data to identify providers who have frequent incidents. From there, the contractor will offer the appropriate training to each provider, as needed, to help prevent reoccurrence.

D AGREE. IMPLEMENTATION DATE: DECEMBER 2021.

The Department will follow up with the contractor once per month to ensure that the contractor has provided the Department with all initial and final incident reports that may not have been reported as a complaint.

E AGREE. IMPLEMENTATION DATE: DECEMBER 2021.

Department staff will create a new process for reviewing NEMT incident reports. The process will include a check for report timeliness, as well as a review for all contractually required fields. Department staff will reject incomplete reports and require that the contractor resubmit complete, accurate reports.

MANDATORY REPORTING OF MISTREATMENT OF AT-RISK ADULTS

Statute requires certain organizations that provide healthcare services to vulnerable populations, including the Department, to report to law enforcement if someone who may be an at-risk adult is suspected of being mistreated [Section 18-6.5-108(1)(b)(XV), C.R.S.], and statute urges that this suspected mistreatment be reported to county departments of Adult Protective Services (APS) [Section 26-3.1-102(1)(b)(XV), C.R.S.]. Law enforcement defines an at-risk adult as someone either 70 years or older, or 18 years or older with a disability, including an intellectual or developmental disability (IDD) [Section 18-6.5-102, C.R.S.]. APS defines an at-risk adult as someone 18 years or older and susceptible to mistreatment because they are unable to perform or obtain services necessary for their health, safety, or welfare, or they lack sufficient understanding or capacity to make or communicate responsible decisions for themselves [Section 26-3.1-101(1.5), C.R.S.]. Medicaid recipients that use the NEMT benefit may be considered at-risk adults depending on their age or whether they have a disability.

Mistreatment includes the following acts against an at-risk adult [Sections 18-6.5-102 and 26-3.1-101, C.R.S.]:

- **ABUSE** is an act or omission resulting in the non-accidental infliction of bodily injury or death, unreasonable confinement or restraint, and unlawful sexual behavior.
- **CARETAKER NEGLECT** is not providing adequate and timely physical, medical, or psychological care; supervision; food; clothing; shelter; or other treatment for the person with a reasonable degree of care. Caretaker neglect also includes harassment or intimidation that creates a hostile or fearful environment.

- **EXPLOITATION** is the use of deception, harassment, intimidation, or undue influence to deprive a person of the use, benefit, or possession of anything of value.
- **HARMFUL ACT** is considered by APS as mistreatment, and is some other act not listed above that harms the person’s health, safety, or welfare.

HOW WERE THE RESULTS OF THE AUDIT WORK MEASURED?

The purpose of the audit work was to determine whether the Department fulfills its responsibility to report potential mistreatment of at-risk adults to law enforcement and APS, when such mistreatment by an NEMT provider is suspected. Specifically, statute requires Department staff who have “reasonable cause to believe” there has been mistreatment or risk of mistreatment of at an at-risk adult to report such mistreatment to law enforcement within 24-hours of the discovery [Section 18-6.5-108(1), C.R.S.], and urges Department staff to report such mistreatment to APS [Section 26-3.1-102(1), C.R.S.]. The Department can have a “reasonable cause to believe” mistreatment occurred by reading IntelliRide’s NEMT complaint or incident reports that involve potential mistreatment of at-risk adults. When determining whether to report acts of potential mistreatment of NEMT recipients to law enforcement or APS, the Department must have access to complete information from IntelliRide regarding the person who may have been mistreated and the nature of the mistreatment.

WHAT AUDIT WORK WAS PERFORMED, WHAT PROBLEM WAS IDENTIFIED, AND WHY DOES IT MATTER?

We found that the Department does not report potential mistreatment of NEMT recipients who are at-risk adults to law enforcement or APS. The Department told us that, as of May 2021, it had not reported any potential mistreatment of at-risk adults occurring during NEMT trips, although IntelliRide notified the Department of NEMT complaints and incidents that

involved potential mistreatment of at-risk adults. We compared the NEMT complaint and incident reports that the Department received from IntelliRide from July 2020 through February 2021, to recipient data in IntelliRide’s EcoLane system and the Department’s interChange system, to identify recipients who appeared to be mistreated and may be considered at-risk adults. Recipients that we identified as at-risk adults were aged 70-years or older; required permanent use of a wheelchair; or were enrolled in either the Department’s Elderly, Blind, and Disabled (EBD) or Brain Injury (BI) Medicaid program.

As shown in EXHIBIT 2.13, we identified 32 acts that IntelliRide noted in complaints and incidents that involved potential mistreatment of 31 at-risk adults, which the Department did not report to law enforcement; seven of these complaints and incidents also were not reported to APS.

**EXHIBIT 2.13. COMPLAINTS AND INCIDENTS INVOLVING
POTENTIAL MISTREATMENT OF AT-RISK ADULTS NOT REPORTED
JULY 2020 THROUGH FEBRUARY 2021**

AFFECTED RECIPIENTS’ BY AGE AND DISABILITY	NUMBER OF ACTS THAT SHOULD HAVE BEEN REPORTED TO LAW ENFORCEMENT	NUMBER OF ACTS THAT COULD HAVE BEEN REPORTED TO APS
Ages 18 to 69 with a Disability	23	23
Ages 70 and Up	9	7 ¹
TOTAL	32	30

SOURCE: Office of State Auditor analysis of NEMT complaint and incident reports sent to the Department, and the Department’s and IntelliRide’s Medicaid recipient profile data.

¹Number of acts of potential mistreatment of at-risk adults for recipients aged 70 years or older who have a disability or are enrolled in the EBD or BI Medicaid program.

Examples of the potential acts of mistreatment of at-risk adults that we identified included:

- 16 complaints or incidents where the NEMT providers did not properly secure recipients into vehicles, resulting in recipients falling out of their seats or having their wheelchairs unsafely move during transit. These included one recipient’s leg being injured and their wheelchair damaged when the NEMT driver accelerated at a traffic light and the wheelchair “popped up,” and another recipient falling from their wheelchair and

injuring their arm and ribs when the NEMT driver drove over a median to get to an exit ramp they missed. These acts could be considered caretaker neglect by law enforcement and/or APS for not securing or providing adequate physical care for the at-risk adults.

- 10 complaints involving recipients who reported fearing for their safety due to NEMT providers driving recklessly (e.g., speeding, running red lights and stop signs, talking on the phone). These included recipient complaints about an NEMT driver speeding 95 miles per hour; another driver who drove fast over speedbumps, causing the recipient's 400-pound electric wheelchair to move; and a driver who slammed on the brakes, causing the recipient to almost hit their head on the windshield. These acts could be considered caretaker neglect by law enforcement and/or APS for creating a hostile or fearful environment for the at-risk adults.

When the Department does not report potential acts of mistreatment of at-risk adults to law enforcement or APS, these agencies cannot appropriately address the mistreatment by holding those who committed mistreatment accountable for their actions, and mitigate the risk of future mistreatment.

WHY DID THIS PROBLEM OCCUR?

THE DEPARTMENT HAS NOT ESTABLISHED PROCESSES FOR NEMT STAFF TO COMPLY WITH MANDATORY REPORTING REQUIREMENTS. When we asked Department staff about their process to report potential mistreatment of NEMT at-risk adults to law enforcement or APS, they told us that they were not aware of the reporting requirement and do not have a process to identify or report these occurrences. Specifically, the Department:

- Does not require IntelliRide to flag mistreatment of adults in its complaint and incident reports or report demographic information on recipients, such as their age and if they have a permanent disability, so the Department can identify potential mistreatment of at-risk adults. The Department only requires IntelliRide to provide the recipient's name and Medicaid ID, and for incidents, also the recipient's phone number.

- Lacks a process to review its own Medicaid data to determine if NEMT recipients suspected of mistreatment may be at-risk adults, such as by determining the recipients' age, if they have documented disabilities, and if they are enrolled in programs for people with intellectual and developmental disabilities.

RECOMMENDATION 6

The Department of Health Care Policy and Financing should comply with statute to report potential mistreatment of at-risk adults to law enforcement and/or Adult Protective Services (APS) by establishing and implementing procedures to identify non-emergent medical transportation complaints and incidents that involve potential mistreatment of a recipient who may be considered an at-risk adult, and to report such potential mistreatment to law enforcement and APS, as appropriate.

RESPONSE

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

AGREE. IMPLEMENTATION DATE: DECEMBER 2021.

Department staff will familiarize themselves with statute to report potential mistreatment of at-risk adults to law enforcement and/or Adult Protective Services. Further, Department staff will establish and implement procedures to identify NEMT complaints and incidents that involve potential mistreatment of recipients who may be considered at-risk adults. These procedures will include detailed reviews of complaint and incident reports for instances of potential mistreatment. Department staff will work with the contractor to gather any additional information that will be needed to determine whether potential mistreatment occurred. Department staff will also develop a standardized process for reporting potential mistreatment to law enforcement and APS, as appropriate, including tracking Department contacts with law enforcement and APS.