



Non-Emergency Medical Transportation (NEMT) House Fraud Prevention Committee March 2, 2026

John Connoly | Deputy Commissioner

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DHS Anti-Fraud Measures



Minnesota will be the best state in the nation for Medicaid Program Integrity



DHS takes a zero-tolerance approach to fraud



We want Minnesotans to have access to quality services

NEMT Overview

- Federally-required Medicaid service
- Provides transportation to **medically necessary covered services**
- Covers seven modes of transportation, ranging from personal mileage to transportation by stretcher
- Administered by both local agencies (modes 1-4) and the state (modes 5-7), as well as managed care organizations
 - Beginning July 1, 2026, for fee-for-service, and January 1, 2027, for managed care, NEMT will be moving to a single administrator
- Prior authorization or approval required for long distance rides, modes requiring assistance or specialty transports (i.e., wheelchair, stretcher), and out-of-state transportation

2023-2024 Program Data

Year	Number of Unique Providers		Number of Unique Recipients	
	FFS	MCO	FFS	MCO
2023	567	1,089	40,150	203,980
2024	551	1,165	42,462	214,297

Year	Number of Trips		Paid Claims (Federal and State)	
	FFS	MCO	FFS	MCO
2023	1.3 million	5 million	\$26.3 million	\$108.6 million
2024	1.4 million	5.5 million	\$32.2 million	\$119.2 million

Provider Requirements

Enrollment

- To provide NEMT services, a provider must:
 - Be enrolled with Minnesota Health Care Programs (both transportation organizations and individual drivers)
 - MnDOT special transportation services (STS) certificate which include vehicle and driver requirements
 - Maintain documentation for each ride

Provider Requirements

Billing & Payment

- Providers are paid both a base rate and a per mile rate.
 - Payment is based on the individual's assessed mode of transportation, not the type of vehicle used.
 - Fee-for-service (FFS) rates are specified in state statute.
 - Payments may have add-ons or adjustments for transportation in rural areas or due to the cost of fuel.
- NEMT providers **cannot** bill for “no load” miles (i.e., miles in which there is not an enrollee in the vehicle, such as the drive time on their way to pick up an enrollee).

Program Integrity Actions Taken over the Last Year



Designating services as high-risk



Enhanced Prepayment Review



Disenrolling inactive providers



Revalidation Project



Enrollment and Licensing Moratorium



Increased Payment Withholds & Law Enforcement Referrals



Increased Site Visits

Governor's 2026 Recommendations

Prevention: Provider Pre-enrollment Risk Assessment (PERA)



Heightened surveillance and claims scrutiny: ongoing prepayment review, post payment review, and predictive analytics



Better Detection and Oversight: Electronic Visit Verification for NEMT and other services



Program Integrity Efforts

Program Improvements and Audits

- NEMT is classified as a *high-risk* provider type which requires background checks and site visits for pre-enrollment and revalidation every three years
- Effective January 2026, there is an NEMT provider moratorium in Metro counties
- NEMT is subject to enhanced pre-payment review
- DHS contracts with a private sector vendor to complete ongoing, post-payment audits of fee-for-service NEMT services.
 - Auditors review trip logs, driver and vehicle credentials, and billing (i.e., supported by mileage, authorization when necessary).
 - Results are used to inform policy changes, increase provider education, and administratively sanction providers when warranted.
 - Auditor reviewing 62 NEMT providers to-date.

NEMT Site Visits and Investigations

Managed Care Oversight of NEMT

- 80% of NEMT spending is overseen by MCOs
- MCOs are contractually responsible for:
 - Investigating fraud allegations that concern MCO recipients and MCO payments,
 - Referring providers to law enforcement,
 - Sanctioning providers (termination, suspension, monetary recovery).
- Each MCO is required to have a Special Investigations Unit (SIU) and each MCO crafts their fraud, waste and abuse detection and prevention practices within the scope of their contracts with DHS.

Off-Cycle Provider Revalidation (Minnesota Revalidate)

- NEMT is among the 13 high-risk provider types completing off-cycle revalidation
- Revalidation will occur between now and May 2026
- Providers must complete required enrollment and revalidation paperwork and background studies
- DHS will conduct unannounced onsite screening visits at each provider location
- Providers that do not complete the revalidation process will be terminated from Medicaid

DHS Investigations and Administrative Sanctions

71

Open investigations

14

Payment suspensions, 2025-2026

5

Monetary recovery actions, 2025-2026

Thank You!

Deputy Commissioner Connolly
Inspector General Clark