

Chair Tina Liebling and Committee Members

Health and Human Services Finance and Policy Committee

I am writing today to express concern about the Governors Budget recommendation as it relates to NEMT. Care Cab is a one call point of contact for NEMT and STS transportation needs 24 hours a day, 7 days a week. Care Cab’s corporate office is in St Cloud with satellite offices in Golden Valley and Calumet. It certainly comes as no surprise the Impact of the pandemic has had some devastating consequences to the NEMT industry. The proposed changes will devastate an already struggling industry.

The Governor’s budget coming from DHS recommends moving to Uniform Administration of NEMT. The idea is that DHS will take back all the NEMT recipients both as fee for service and MCO clients and various other programs. Then there will be implementation of a broker to handle all aspects of NEMT. In 2009 MS256b.0625 prohibited the use of a broker or coordinator for any purpose related to NEMT. This was legislation that went through the process of hearings, testimony and the debate that follows any proposed changes in legislation. This was in response to the significant disruptions to providers, recipients, and access that it was determined would happen when a broker is used. Now this budget recommendation, with the stroke of a pen, voids this carefully considered policy and reinstates what was previously deemed, as at best, a bad idea.

Currently there are several entities that have the task of scheduling and paying providers for these rides. The sheer volume of total number of these rides makes it unfeasible to expect that a single broker could handle this. The last thing that needs to happen is for history to repeat itself. This would be an example of doing the same thing again and expecting a different result. Blue Cross Blue Shield tried on two separate occasions, using two different brokers, to schedule, dispatch and reimburse providers. Each time this proved to be a colossal failure. As a result, Blue Cross brought the NEMT program back in house and invested in state-of-the-art equipment to do the job right.

The other MCO programs took a hard look at the results of using a broker and chose not to go down that path. Instead, they have also continued to improve their programs to provide the transportation to their rural insureds. The broker model has slick presentations extolling their capabilities and lofty promises of savings, but the delivery is lacking and so are the savings. Any promised savings using a broker will mean cutting reimbursements by 25%-50% to providers. Of course, this will lead to massive disruption and lack of services as providers will limit service or discontinue it altogether. The decrease in access to healthcare will disproportionally affect the elderly, disabled, poor and vulnerable Minnesota citizens in rural areas. This will be a population that will continue to grow over the next years as the population ages. The lack of accessibility will only increase if NEMT providers decrease.

Studies have shown that the savings come from providing the NEMT services. For every $1.00 spent on making sure clients get to their appointments with an NEMT provider, $11.00+ are saved in eliminating the need for emergency transportation and long hospitalizations. When appointments are missed, and preventive and early diagnosis and treatment do not occur resulting in increase costs in the long run.

This budget also removes the limited protection provided by having rates in statute.

My concern is there will be a rate reduction should a broker “negotiate” rates. Factoring

in their administrative costs there will be little left for providers.

I am asking you to look at the budget proposal and oppose the language and its implementation. With the current limitations in place, it limits in person meetings. However, rural NEMT providers have an association, R-80, that is represented by Buck McAlpin. He is an expert on NEMT and well versed on the current situation. He is working hard to make sure these proposed changes to the NEMT industry are brought to light and the impact of such changes are well known.

Regards,

Terry Markfort
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**Care Cab**
**Caring hands....Caring hearts**