



Region 10
2201 Sixth Avenue, MS/RX 43
Seattle, Washington 98121

JUN 01 2011

Mr. Richard Armstrong, Director
Idaho Department of Health and Welfare
Towers Building – Tenth Floor
Post Office Box 83720
Boise, Idaho 83720-0036

RE: Idaho State Plan Amendment (SPA) Transmittal Number 10-016

Dear Mr. Armstrong:

The Centers for Medicare & Medicaid Services (CMS) Seattle Regional Office has completed its review of State Plan Amendment (SPA) Transmittal Number 10-016. Under this SPA, Idaho is changing its delivery system and reimbursement methodology for non-emergency medical transportation from fee-for-service to a per member per month fee paid to a transportation broker in accordance with 1902(a)(70). The broker was competitively selected and the state has given assurances that it meets the requirements at 42 CFR 440.170(a)(4). The state estimates this change will result in federal savings of \$33,655 in Federal Fiscal Year 2010 and \$403,860 in Federal Fiscal Year 2011.

This SPA is approved effective September 1, 2010.

If you have any additional questions or require any further assistance, please contact me or have your staff contact Tania Seto at (206) 615-2343 or by email at Tania.seto@cms.hhs.gov.

Sincerely,

Carol J.C. Peverly
Acting Associate Regional Administrator
Division of Medicaid and Children's Health
Operations

cc: Leslie Clement, Administrator
Idaho Department of Health and Welfare

Rachel Strutton, State Plan Coordinator
Idaho Department of Health and Welfare

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
10-016

2. STATE
IDAHO

FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
9-1-2010

5. TYPE OF PLAN MATERIAL (Check One):

- NEW STATE PLAN
- AMENDMENT TO BE CONSIDERED AS NEW PLAN
- AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 440.170
45 CFR 92.36 (b)-(f)

7. FEDERAL BUDGET IMPACT:

Federal Budget Impact - Savings

| | |
|---|----------------------------|
| FFY 2011 - 10 months (9/1/2010 - 6/30/2011) | \$336,550 (P&I) |
| Five year saving (SFY 2011 - 2015) | \$2,019,300 |
| Total Federal Budget Savings | \$2,355,850 |

See Remarks below - P&I would not fit in box 7

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 3.1-A, pages 9a, 9b and 9c
Attachment 3.1-B, page 8a, 8b and 8c
Attachment 3.1-C, Basic Benchmark page 37
Attachment 3.1-C, Enhanced Benchmark page 44
Attachment 4.19-B, page 35

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 3.1-A, pages 9a, 9b and 9c
Attachment 3.1-B, page 8a, 8b and 8c
Attachment 3.1-C, Basic Benchmark page 37
Attachment 3.1-C, Enhanced Benchmark page 44
Attachment 4.19-B, page 35

10. SUBJECT OF AMENDMENT:

Idaho is requesting this amendment to our State Plan to change our reimbursement methodology for NEMT from fee-for-service to a Per Member Per Month (PPPM) plan through a selectively contracted transportation brokerage,

11. GOVERNOR'S REVIEW (Check One):

- GOVERNOR'S OFFICE REPORTED NO COMMENT
- COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
- NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
- OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:
LESLIE M. CLEMENT

14. TITLE:
Administrator

15. DATE SUBMITTED:

[Redacted Signature]

9/27/10

16. RETURN TO:

Leslie M. Clement, Administrator
Idaho Department of Health and Welfare
Division of Medicaid
PO Box 83720
Boise ID 83720-0036

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: **SEPTEMBER 28 2010**

18. DATE APPROVED: **JUN 01 2011**

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: **SEP 01 2010**

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:
CAROL JC PEVERLY

22. TITLE: **Associate Regional Administrator**
Division of Medicaid &
Children's Health

23. REMARKS: 5/09/2011 - State authorized the following Pen & Ink change to box 7: Federal Budget Impact - Savings
FFY 2010 - 1 month (9/01/2010 - 9/30/2010) \$ 33, 655
FFY 2011 - 12 months (10/01/2010 - 9/30/2011) \$403, 860
Total Federal Budget Savings \$437, 515

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

State/Territory: Idaho

SECTION 3 – SERVICES: GENERAL PROVISIONS

3.1 Amount, Duration, and Scope of Services

Medicaid is provided in accordance with the requirements of sections 1902(a), 1902(e), 1903(i), 1905(a), 1905(p), 1905(r), 1905(s), 1906, 1915, 1916, 1920, 1925, 1929, and 1933 of the Act; section 245A(h) of the Immigration and Nationality Act; and 42 CFR Parts 431, 440, 441, 442, and 483.

A. Categorically Needy

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

a. Transportation (provided in accordance with 42 CFR 440.170) as an optional medical service) excluding "school-based" transportation.

Not Provided:

Provided without a broker as an optional medical service:

(If state attests "Provided without a broker as an optional medical service" then insert supplemental information.)

Describe below how the transportation program operates including types of transportation and transportation related services provided and any limitations. Describe emergency and non-emergency transportation services separately. Include any interagency or cooperative agreements with other Agencies or programs.

X Non-emergency transportation is provided through a brokerage program as an optional medical service in accordance with 1902(a)(70) of the Social Security Act and 42 CFR 440.170(a)(4).

(If the State attests that non-emergency transportation is being provided through a brokerage program then insert information about the brokerage program.)

Medicaid has contracted with American Medical Response (AMR) to provide non-emergent transportation services. Medicaid pays AMR a per participant per month (PPPM) amount for each eligible Medicaid participant to cover their non-emergency transportation needs. These services are provided under a brokerage model which requires AMR to coordinate all services statewide.

Medicaid's brokerage arrangement shifts trip scheduling from being driven primarily by transportation providers to a process that is driven by the Medicaid participant's needs. The brokerage arrangement allows for greater efficiency in assigning trips and allocating transportation resources:

The shift to a brokerage is expected to save Idaho Medicaid a minimum of \$500,000 annually as compared to past yearly expenses for this service. \$100,000 of that amount comes from state general funds at current federal matching levels.

X The State assures it has established a non-emergency medical transportation program in accordance with 1902(a)(70) of the Social Security Act in order to more cost-effectively provide transportation, and can document, upon request from CMS, that the transportation broker was procured in compliance with the requirements of 45 CFR 92.36 (b)-(i).

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

(1) state-wideness (indicate areas of State that are covered)

(10)(B) comparability (indicate participating beneficiary groups)

X (23) freedom of choice (indicate mandatory population groups) for all groups

(2) Transportation services provided will include:

X wheelchair van

X taxi

X stretcher car

X bus passes

X tickets

X secured transportation

X other transportation (if checked describe below other transportation.)

Passenger vehicle

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

(i) is selected through a competitive bidding process based on the State's evaluation of the broker's experience, performance, references, resources, qualifications, and costs:

(ii) has oversight procedures to monitor beneficiary access and complaints and ensures that transportation is timely and transport personnel are licensed qualified, competent and courteous:

(iii) is subject to regular auditing and oversight by the State in order to ensure the quality and timeliness of the transportation services provided and the adequacy of beneficiary access to medical care and services:

(iv) complies with such requirements related to prohibitions on referrals and conflict of interest as the Secretary shall establish (based on prohibitions on physician referrals under Section 1877 and such other prohibitions and requirements as the Secretary determines to be appropriate.)

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

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

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

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

standard

- X Individuals receiving home and community based waiver services who would only be eligible under State plan if in a medical institution

- X Individuals terminally ill if in a medical institution and will receive hospice Care
- X Individuals aged or disabled with income not above 100% FPL
- Individuals receiving only an optional State supplement in a 209(b) State
- X Individuals working disabled who buy into Medicaid (BBA working disabled group)
- Employed medically improved individuals who buy into Medicaid under TWWIIA Medical Improvement Group
- X Individuals disabled age 18 or younger who would require an institutional level of care (TEFRA 134 kids).

(6) Payment Methodology

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

- X (i) risk capitation
- (ii) non-risk capitation
- (iii) other (e.g., brokerage fee and direct payment to providers) (If checked describe any other payment methodology)

(B) Who will pay the transportation provider?

- X (i) Broker
- (ii) State
- (iii) Other (if checked describe who will pay the transportation provider)

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

Describe below the source of the non-Federal share of the transportation payments proposed under the State plan amendment. If more than one source exists to fund the non-Federal share of the transportation payment, please separately identify each source of non-Federal share funding. State funds.

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

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

X (7) The broker is a non-governmental entity:

X The broker is not itself a provider of transportation nor does it refer to or subcontract with any entity with which it has a prohibited financial

relationship as described at 42 CFR 440.170(4)(ii).

- The broker is itself a provider of transportation or subcontracts with or refers to an entity with which it has a prohibited financial relationship and:
- Transportation is provided in a rural area as defined at 42 CFR 412.62(f) and there is no other available Medicaid participating provider or other provider determined by the State to be qualified except the non-governmental broker.

Transportation is so specialized that there is no other available Medicaid participating provider Or other provider determined by the State to be qualified except the non-governmental broker.

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

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

- Maintain an accounting system such that all funds allocated to the Medicaid brokerage program and all costs charged to the Medicaid brokerage will be completely separate from any other program.
- Document that with respect to each individual beneficiary's specific transportation needs, the government provider is the most appropriate and lowest cost alternative.
- Document that the Medicaid program is paying no more for fixed route public transportation than the rate charged to the general public and no more for public para-transit services than the rate charged to other State human services agencies for the same service.

(9) Please describe below how the NEMT brokerage program operates. Include the services that will be provided by the broker. If applicable, describe any services that will not be provided by the broker and name the entity that will provide these services.

AMR operates a call center which receives requests from participants for transportation. AMR verifies participant eligibility and need for transportation services. AMR then schedules trips within its contracted transportation provider network.

AMR is prohibited from providing direct transportation services and does not compete with these providers.

AMR monitors the quality of service delivered by these providers and the safety of their vehicles.

AMR is paid a per member per month (PPPM) amount for each eligible participant to cover their claims administration costs, call center, payment to the transportation providers, and other operations required in the contract.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: Idaho

AMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL CARE
AND SERVICES PROVIDED TO THE MEDICALLY NEEDY

23. Any other medical care and any other type of remedial care recognized under State law and specified by the Secretary.

a 1. Transportation

- No limitations
- With limitations

a 2. Brokered Transportation

- ✓ Provided under section 1902(a) (70)

The State assures it has established a non-emergency medical transportation program in order to more cost-effectively provide transportation, and can document, upon request from CMS, the transportation broker was procured in compliance with the requirements of 45 CFR 92.36 (b)-(f).

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

- ✓ (23) Freedom of choice (All categorically needy Medicaid Beneficiaries)

(2) Transportation services provided will include:

- ✓ Wheelchair van
- ✓ Taxi
- ✓ Stretcher car
- ✓ Bus passes
- ✓ Tickets
- ✓ Secured transportation
- ✓ Passenger vehicle

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: Idaho

AMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL CARE
AND SERVICES PROVIDED TO THE MEDICALLY NEEDY

Such other transportation as the Secretary determines appropriate

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

(i) is selected through a competitive bidding process based on the State's evaluation of the broker's experience, performance, references, resources, qualifications, and costs;

(ii) has oversight procedures to monitor beneficiary access and complaints and ensures that transport personnel are licensed, qualified, competent, and courteous;

(iii) is subject to regular auditing and oversight by the State in order to ensure the quality of the transportation services provided and the adequacy of beneficiary access to medical care and services;

(iv) complies with such requirements related to prohibitions on referrals and conflict of interest as the Secretary shall establish (based on prohibitions on physician referrals under section 1877 and such other prohibitions and requirements as the Secretary determines to be appropriate);

(4) The broker contract will provide transportation to the following medically needy populations under section 1905(a)(i) – (xiii):

- ✓ Under age 21, or under age 21, 19, or 18 as the State may choose
- ✓ Relatives specified in section 406(b)(1) with whom a child is living if child is a dependent child under part A of title IV
- ✓ Aged (65 years of age or older)
- ✓ Blind with respect to States eligible to participate, under title XVI
- ✓ Permanently or totally disabled individuals 18 or older, under title XVI
- ✓ Persons essential to recipients under title I, X, XIV, or XVI
- ✓ Blind or disabled as defined in section 1614 with respect to States not eligible to participate in the State plan program under title XVI
- ✓ Pregnant women
- ✓ Individuals provided extended benefits under section 1925
- ✓ Individuals described in section 1902(u)(1)
- ✓ Employed individuals with a medically improved disability (as defined in section V)

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: Idaho

**AMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL CARE
AND SERVICES PROVIDED TO THE MEDICALLY NEEDY**

- ✓ Individuals described in section 1902(aa)
- ✓ Individuals screened for breast or cervical cancer by CDC program
- Individuals receiving COBRA continuation benefits

- (5) The State will pay the contracted broker by the following method:
- (i) Risk capitation

BASIC PLAN
(For Low-Income Children and Working-Age Adults)
BENCHMARK BENEFIT PACKAGE

The Department operates a Brokered Transportation system. The State assures it has established a non-emergency medical transportation program in order to more cost-effectively provide transportation, and can document, upon the request of CMS, that the transportation broker was procured in compliance with the requirements of 45 CFR 92.36 (b)-(f).

The Department will operate the broker system without regard to the freedom of choice requirements of section 1902(a)(23) of the Social Security Act. Recipients are required to use transportation providers with established agreements under the broker system.

Transportation services under the broker system will include:

- Wheelchair van;
- Taxi;
- Stretcher care;
- Bus passes;
- Tickets;
- Secured transportation; and
- Such other non-emergency transportation covered under the State plan.

The Department will assure the provision of necessary transportation of eligible persons to and from providers of Medicaid services.

Limitations. The following service limitations apply to the Basic Benchmark Benefit Package covered under the State plan.

Requests for transportation services will be reviewed and authorized by the Department or its designee. Authorization is required prior to the use of transportation services except when the service is emergency in nature. Payment for transportation services will be made, for the least expensive mode available, which is most appropriate to the recipient's medical needs.

Excluded Services. Transportation to medical facilities for the performance of medical services or procedures which are excluded under the Basic Benchmark Benefit Package are excluded.

ENHANCED PLAN
(For Individuals with Disabilities, Including Elders, or Special Health Needs)
BENCHMARK BENEFIT PACKAGE

Transportation Services permitted under sections 1905(a)(26), 1905(a)(6) and 2110(a)(17) of the Social Security Act.

These services include transportation services and assistance for eligible persons to medical facilities.

Necessary transportation includes transportation for full benefit dual eligible individuals to acquire their Medicare Part D prescription medications.

Payment for meals and lodging may be authorized where appropriate. Ambulance services will be covered in emergency situations or when prior authorized by the Department or its designee.

The Department operates a Brokered Transportation system. The State assures it has established a non-emergency medical transportation program in order to more cost-effectively provide transportation, and can document, upon the request of CMS, that the transportation broker was procured in compliance with the requirements of 45 CFR 92.36 (b)-(f).

The Department will operate the broker system without regard to the freedom of choice requirements of section 1902(a)(23) of the Social Security Act. Recipients are required to use transportation providers with established agreements under the broker system.

Transportation services under the broker system will include:

- Wheelchair van;
- Taxi;
- Stretcher care;
- Bus passes;
- Tickets;
- Secured transportation; and
- Such other non-emergency transportation covered under the State Plan.

The Department will assure the provision of necessary transportation of eligible persons to and from providers of Medicaid services.

Limitations. The following service limitations apply to the

24. Transportation –

a) Emergency Transportation:

- Payment rates for non-hospital based ambulance services, including air ambulance services, are limited to provider's stated reasonable and customary rates to the general public last surveyed on 8/10/2004. Payments to these providers will not exceed the lesser of the upper limits of Medicare's fee schedule at the end of the previous calendar quarter, or the actual provider charges, minus any third party payments.
- Payment rates for hospital based ambulance services are based on the provider's stated usual and customary rates to the general public, last surveyed on 8/10/2004, multiplied by the hospital's outpatient cost settlement reimbursement percentage for the claim dates of service.
- Payment rates for charter services are based on the lowest, most appropriate bid from 3 providers. Charter services are air ambulance services that are only used when other ambulance providers are unable to transport a participant long distances outside of the state.

b) Non-emergent transportation:

The Department operates a Brokered Transportation system. The State assures it has established a non-emergency medical transportation program in order to more cost-effectively provide transportation, and can document, upon the request of CMS, that the transportation broker was procured in compliance with the requirements of 45 CFR 92.36(b)-(f).

The Contractor is paid on a per eligible participant per month (PPPM) basis. The PPPM fees paid to the Contractor includes all services listed in the state plan. The contracted brokerage pays providers directly for authorized transportation and travel expenses.

b. Nursing Facility Services for Individuals Under 21 Years of Age – Refer to Attachment 4.19-D.

c. Emergency Hospital Services – Refer to Attachment 4.19A and 4.19B-2.