

## ANNUAL MONITORING REPORT

Waive of Non-Emergency Medical Transportation (NEMT) for beneficiaries receiving Methadone treatment for Substance Use Disorder (SUD) Treatment

**State:** Kentucky

**Demonstration Year:** 2

**Reporting Period:** July 1, 2020 – June 30, 2021

**Approved start and end date of the Demonstration:** July 1, 2019 – September 30, 2023

### 1. Introduction/Background

A waiver of NEMT assurance was granted to Kentucky for Methadone Treatment Services to allow the state not to provide NEMT for methadone services to all Medicaid beneficiaries, except that NEMT for methadone services will be provided for children under age 21 who are subject to EPSDT, former foster care youth, and for pregnant women. (A waiver of the NEMT assurance for all other Medicaid covered services is granted for beneficiaries eligible through the new adult group, as defined in 42 CFR 435.119, except for beneficiaries in that group who are under age 21 and subject to EPSDT, pregnant, medically frail, survivors of domestic violence, or former foster care youth.)

Effective July 1, 2019, the Kentucky Department for Medicaid Services (KDMS) with a state plan amendment (SPA), added methadone coverage for SUD treatment. Offering methadone through the state plan was contingent upon the waiver of NEMT.

### 2. Metrics and Measurements

Table 1: DY2 NEMT Summary, July 1, 2020 – June 30, 2021

Metric #	Metric	Measurement	Data Source
1.	Unique number of beneficiaries who received methadone for SUD treatment	8553	FFS claims & Encounter Data
2.	Number of beneficiaries receiving methadone treatment eligible for NEMT	275	Encounter Data
3.	Statewide estimated total cost per region for eligible enrollees if NEMT was provided for Methadone treatment	\$5,252,941.30	Administrative & Encounter Data

Table 2: Metric #3 by Transportation Broker Region

<b>Region</b>	<b>Regional Cost</b>	<b>Number of Recipients with an NEMT Service</b>	<b>Total Cost</b>
1	\$64.72	5	\$100,963.20
2	\$77.02	6	\$144,181.44
3	\$66.96	3	\$62,674.56
4	\$68.54	3	\$64,153.44
5	\$65.50	9	\$183,924.00
6	\$49.42	68	\$1,048,494.72
7	\$60.85	29	\$550,570.80
8	\$58.62	55	\$1,005,919.20
9	\$56.78	13	\$230,299.68
10	\$57.70	19	\$342,045.60
11	\$61.13	12	\$228,870.72
12	\$76.52	20	\$477,547.80
13	\$79.54	12	\$297,797.76
14	\$72.38	19	\$429,068.64
15	\$92.34	3	\$86,430.24
<b>TOTAL</b>		<b>276</b>	<b>\$5,252,941.80</b>

### 3. Methodology

#### A. Data Sources and Collection:

KDMS contracts with the Department of Transportation (DOT) to provide NEMT services for eligible Medicaid recipients.

NEMT services are available through 15 transportation brokerage regions in Kentucky. KDMS pays a capitation payment for all Medicaid enrollees in each of these brokerage regions. The capitation payment is calculated on the costs of rides for eligible enrollees for NEMT. Medicaid enrollees qualify for NEMT if they do not have an available working vehicle in the household.

Transportation brokers provide information on rides, trips, and cost. DOT provides encounter data to KDMS contractor, Gainwell, where the information is entered into the Kentucky Medicaid Management Information System (MMIS). The annual capitation payment is calculated based on an actuarial review, involving encounter data from the previous state fiscal year.

## **B. Data Analysis Strategy**

KDMS utilized the following methodology to determine the number of recipients who qualified for NEMT and how KDMS obtained potential cost savings by waiving NEMT for methadone treatment.

### Metric 1: Number of beneficiaries who received Methadone for SUD Treatment for DY2.

Metric 1 Analysis: KDMS identified unique beneficiaries receiving methadone treatment for SUD by utilizing claims data. Methadone treatment is reimbursed in a weekly bundled payment utilizing procedure code H0020. Beneficiaries were identified if receiving a paid claim within DY2.

### Metric 2: Estimated number of beneficiaries receiving methadone treatment eligible for NEMT

Metric 2 Analysis: Based on identified beneficiaries from Metric 1, individuals were identified by claims data who received NEMT for another service, not including methadone treatment. KDMS concluded, beneficiaries receiving NEMT for another service would have qualified for NEMT for methadone treatment without the waive in place.

### Metric 3: Estimated cost for eligible enrollees if NEMT was provided for Methadone treatment

Metric 3 Analysis: To determine an annual total cost of NEMT, per Kentucky's 15 brokerage regions, not expended for Methadone treatment; KDMS determined the beneficiaries identified in Metric 2 would have utilized six (6) weekly NEMT round trips for their SUD treatment. The number of rides is based on the methadone treatment model.

The regional cost for eligible beneficiaries if NEMT was provided for methadone treatment was calculated utilizing individuals identified in Metric 2, according to their appropriate transportation region. Each trip is reported to DOT as a one-way trip. To determine the average round trip cost, DOT took the total cost of the trips for DY 2 (July 1, 2020 – June 30, 2021) divided by the number of round trips, in each of the 15 brokerage regions.

Regional cost for eligible recipients if NEMT was provided:

Daily average round trip per regional cost X 6 days a week X 52 weeks X # of eligible recipients per region in Kentucky.

## **4. Findings and Limitations**

Kentucky estimates with the waive of NEMT for methadone treatment services a cost savings of \$5,252,941.30. The estimated cost will not be applied to the calculation for the following years capitation payment which includes Medicaid enrollees in each brokerage regions receiving NEMT. Due to process of how KDMS reimburses for NEMT services, this limits reporting cost per region instead of cost per county.

During DY2, the state saw a 56% increase in the number of unique beneficiaries who received methadone for SUD treatment from DY1. While a 12% decrease in the number of beneficiaries

who received methadone treatment that were eligible for NEMT. The state estimate an 8% increase in the cost savings in DY2.

Reasons for the increase of the regional round trip cost in DY2 include:

- Impacts due on NEMT due to COVID-19 pandemic, include:
  - Social distancing resulting in fewer individuals per ride.
  - Increased additional cost to the provide for personal protective equipment (PPE), cleaning supplies, testing, etc.
  - Higher turnover rate and fewer filled positions for drivers and staffing.
  - Reduced number of riders requesting NEMT.
- Increase in general transportation costs.