



Final Report of the Non-Emergency Transportation  
Rideshare Expansion Study Workgroup

December 31, 2023

# Final Report of the Non-Emergency Transportation Rideshare Expansion Study Workgroup

## **Introduction**

In early 2023, the Arkansas General Assembly passed Act 484 directing the Arkansas Department of Human Services (DHS) to convene a workgroup known as the “Non-Emergency Transportation Rideshare Expansion Study Workgroup.” The Act mandated that the workgroup study and report on:

1. Need for expanded rideshare services to healthcare facilities for Medicaid beneficiaries.
2. Benefits of using rideshare services versus traditional nonemergency transportation providers.
3. Cost, including potential cost savings, of expanded rideshare services within the Non-Emergency Transportation program; and
4. Use of other operational and non-emergency transportation program flexibilities to expand services and improve cost effectiveness.

Act 484 also required DHS to present a report on the workgroup’s findings to the Senate Committee on Public Health, Welfare and Labor and the House Committee on Public Health, Welfare and Labor no later than December 31, 2023.

The Act took effect in July 2023, and DHS convened the first workgroup meeting on July 12, 2023. A list of workgroup members is attached as Appendix A. The workgroup addressed the topics specified by Act 484 as well as other related topics, including rates/cost of TNCs, safety standards compared with traditional non-emergency transportation services, and current usage of TNCs. The workgroup met monthly for the next four months and concluded its work on [November 8, 2023.

## **Non-Emergency Medical Transportation Background**

Non-emergency medical transportation (NET) is a federally required Medicaid benefit that provides transportation to and from health care appointments that are not emergencies. The Arkansas Medicaid Non-Emergency Transportation program provides eligible Medicaid beneficiaries with this federally required benefit. (CMS Medicaid Transportation Coverage Guide 2023, can be found at this link: [SMD 23-006 - Assurance of Transportation: A Medicaid Transportation Coverage Guide.](#))

Statewide, the NET program served 20,932 Medicaid beneficiaries in calendar year 2022 and provided more than 543,000 trips during the year.

NET is a critical Medicaid benefit for three reasons:

1. Many Arkansas beneficiaries would not be able to access the care they need without it.<sup>1</sup>
2. Getting beneficiaries to routine medical appointments helps them get preventive care that reduces costly medical emergencies and hospitalizations.<sup>2</sup>
3. Rural residents, in particular, face more challenges and longer distances to get care than residents who live in urban areas.<sup>3</sup>

In Arkansas, 41% of the population live in rural counties. In contrast, only 14% of the United States population live in nonmetropolitan counties.<sup>4</sup> Rural residents are, on average, older and generally experience worse health outcomes than urban residents, according to the U.S. Government Accountability Office (GAO).<sup>5</sup>

The DHS Division of Medical Services (DMS) contracts with three transportation brokers to provide NET services across the state's seven regions. The brokers include a for-profit national company, a non-profit community action agency and a non-profit area agency on aging. DMS pays each broker a monthly per-member rate based on the number of months eligible Medicaid beneficiaries reside in each broker's region(s). A map of the regions and contracted brokers for those regions is attached as Appendix B.

The brokers can subcontract with qualified transportation providers in their regions. Brokers must serve as gatekeepers between subcontractors and beneficiaries. This includes processing all transportation requests, providing gas cards, bus passes, mileage reimbursement, and monitoring complaints to ensure service quality.

The Broker must obtain from the beneficiary or the beneficiary's authorized representative sufficient information to decide the beneficiary's need for NET services. During this process, the Broker must determine:

- Is there an operational vehicle in the household available to the beneficiary?
- Is there public transit available to the beneficiary?
- Are there other means of transportation available to the beneficiary?

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<sup>1</sup> Fraade-Blanar, Laura, Tina Koo, and Christopher M. Whaley, *Going to the Doctor: Rideshare as Nonemergency Medical Transportation*. Santa Monica, CA: RAND Corporation, 2021.

<sup>2</sup> Centers for Medicare & Medicaid Services (CMS), U.S. Department of Health and Human Services. 2006. Letter from Daniel Tsai, Deputy Administrator and Director, to state Medicaid directors regarding "Assurance of Transportation: A Medicaid Transportation Coverage Guide". September 28, 2023. Baltimore, MD.

<sup>3</sup> Centers for Medicare & Medicaid Services (CMS), U.S. Department of Health and Human Services. 2006. Letter from Daniel Tsai, Deputy Administrator and Director, to state Medicaid directors regarding "Assurance of Transportation: A Medicaid Transportation Coverage Guide". September 28, 2023. Baltimore, MD.

<sup>4</sup> Wayne Miller and Ellie Wheeler, *Rural Profile of Arkansas, UA Division of Agriculture*, 2021, p. 7, <https://www.uaex.uada.edu/business-communities/economic-development/rural-profile-of-arkansas.aspx>

<sup>5</sup> *Accessing Health Care in Rural America, US Government Accountability Office*, 2023, p. 1, <https://www.gao.gov/products/gao-23-106651>

NOTE: If the answers to all the questions above are NO, the Broker is required to transport. If the answers to any of the questions are YES, the Broker must deny transportation.

Beneficiaries with traditional Medicaid can utilize transportation services only if their appointment is with an enrolled Arkansas Medicaid provider. No co-payments are required, and there are no limits on the number of trips or mileage.

Beneficiaries enrolled in a qualified health plan (QHP) in the Arkansas Health and Opportunity for Me (ARHOME) program may be transported to any health care provider within their QHP's network plan. ARHOME beneficiaries must have a valid Medicaid number and are limited to eight legs/units per calendar year. The beneficiary may apply for an extension of transportation services after they exhaust eight legs/units.

Beneficiaries who are ineligible for the NET benefit include:

- Residents in nursing home facilities
- Residents in intermediate care facilities for individuals with intellectual disabilities
- Qualified Medicare Beneficiaries (QMB), Specified Low-Income Medicare Beneficiaries (SMB), Qualifying Individuals (QI-1) and Qualified Disabled and Working Individuals (QDWI)
- ARKids First B Beneficiaries

DMS contracts with Arkansas Foundation for Medical Care (AFMC) to administer the NET program, including inspecting vehicles, assessing drivers' eligibility and operating a toll-free NET Helpline. The Helpline is operational during state business hours. The NET Helpline receives and responds to any type of inquiry, problem, or complaint regarding NET services. Every day, AFMC reports to DMS on the complaints and issues received by the NET Helpline and follow up on incidents received by DMS. The data collected by the NET Helpline is used by DMS to evaluate:

- program effectiveness,
- service quality, and
- adherence to contract performance measures by the brokers.

Medicaid beneficiaries who use NET services generally rank NET services favorably, according to biennial beneficiary surveys completed by AFMC. The percentages below indicate the proportion of NET survey respondents who ranked the NET service component as 8, 9, or 10.

COMPOSITES AND RATINGS	2021	2019	2017
Total satisfaction	76%	68%	74%
Ease of getting a ride	94%	91%	87%
Timeliness and reliability	88%	86%	89%
Courtesy	92%	89%	91%
Safety	93%	91%	93%
Mean rating of NET broker	8.3	7.8	8.3
Mean rating of NET ride	8.3	7.8	8.3
Mean rating of NET service	8.5	7.9	8.4

However, other areas of the NET program indicate additional improvement may be needed. Statewide, brokers are meeting on-time pick up standards (within 15 minutes of scheduled pick up time) only about 61% of the time. For the first two quarters of CY 2022 (the most recent data available), the top three complaints received by AFMC’s NET Helpline from users of NET services in Arkansas were:

- No pickup at residence
- No pickup at appointment
- No provider/driver available

### **Use of Rideshare Services Within the NET Program**

In 2021, DMS began allowing the use of Transportation Network Companies (TNCs). TNCs include the utilization of taxis, Uber, Lyft, etc. to assist brokers in fulfilling their obligation(s) of transporting beneficiaries to their medical appointments. A TNC can be used only if the NET Broker has exhausted all of their existing vehicles. The NET Broker must receive DMS approval to utilize a TNC. Brokers must submit a request to use a TNC. DMS then reviews each TNC request and approves, denies or questions the TNC request. TNC requests may be denied based on the following: beneficiary’s Medicaid eligibility has ended, beneficiary is a minor or incapacitated adult without an escort, beneficiary is in a nursing home, beneficiary is not assigned to the correct Broker, beneficiary is going to an Adult Developmental Day Treatment (ADDT) or Early Intervention Day Treatment (EDIT) facility.

Currently, TNCs are being utilized by only one of the three brokers, Verida (formerly Southeastrans). Verida verifies that the beneficiary is qualified to utilize a TNC by asking qualification questions. Per Verida’s policy, qualification questions are: 1) Do you suffer from Alzheimer’s or dementia? 2) If the driver needs assistance, can you provide directions? 3) Are

you able to walk to/from the vehicle with no assistance? If the beneficiary qualifies to ride with a TNC, the ride request is sent to DMS for approval.

## **Act 484 Study Objectives**

The following sections provide information the Rideshare Workgroup discussed regarding the statutory study objectives.

### **1. Need for Expanded Rideshare Services**

According to data maintained by DMS requests for TNC rides by Arkansas NET beneficiaries more than doubled from 13,629 requests in 2022 to 26,229 requests during the first three quarters of 2023. For the last quarter of 2022, TNC requests made up more than 7% of all NET trips.

Currently, Verida is the only Arkansas NET broker using TNCs as part of its transportation network. Verida utilizes TNCs only after all subcontractors and Verida drivers have booked trips for the next day and cannot add anymore to their manifest.

### **2. Benefits of Using Rideshare Services**

In a June 2021 report<sup>i</sup> issued by the Medicaid and CHIP Payment and Access Commission (MACPAC), “the effects of TNCs have not been studied in a systemic way because they are a relatively new NEMT provider type.” Nevertheless, a number of studies of TNCs in pilot programs documented:

1. Improvements in health outcomes and patient experience;
2. Decreases in unfulfilled trips, missed appointments, and emergency room utilization; and
3. Cost savings, in some cases.

A 2021 study<sup>6</sup> conducted by Elevance Health Public Policy Institute, an independent study examined the TNC pilot program that Tennessee’s Medicaid Agency, TennCare, launched in 2019. The program enabled TennCare’s contracted transportation vendor to add Lyft rides as an option. The program first launched in Shelby County in August and was expanded statewide in mid-January 2020.

In its study, Elevance found that for those who used Lyft via TennCare’s pilot program, the number of claims per client per month for PCP visits increased by 13 percent during the first

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<sup>6</sup> Elevance Health Public Policy Institute, *Improving Outcomes in Medicaid through Innovative Transportation Partnerships*, 2021, p.5, <https://www.elevancehealth.com/public-policy-institute/improving-outcomes-in-medicaid-through-innovative-transport>

three full months of the program (September–November 2019) compared to the three months prior to implementation (May–July 2019). The study also suggested a positive impact when looking at year-over-year changes in claim volume. Compared to the first quarter of 2019, claims per client per month for PCP services were 63 percent higher in the first quarter of 2020 among individuals who used the pilot program’s Lyft services.

The Elevance study also found that:

- over 96 percent of individuals who used the service indicated satisfaction with the Lyft program, based on a survey conducted by the Tennessee Medicaid health plan.
- the number of transportation-related grievances in Shelby County decreased.

Representatives of Verida, the one broker that has deployed TNCs as part of its provider network, stated during one of the workgroup meetings that there were opportunities to benefit the Arkansas NET program with TNC expansion. Specifically, in terms of urgent and recovery trips, Verida stated during one of the workgroup meetings that there is a shortage/high turnover with drivers in Regions A, D, and G. Verida also stated that it is difficult to bring on subcontractors in Arkansas because of the paperwork required, the price of insurance in Arkansas, and the process of obtaining a highway license.

### **3. Cost, Including Potential Cost Savings, of Expanded Rideshare Services**

According to Lyft, NET Brokers pay the “billed amount” for a NET ride. The billed amount is determined by fees, taxes, tolls, time of day and promotions. During the high demand times of the day, the billed amounts are higher. Brokers can use the Lyft Concierge option, which is an ordering platform where the upfront costs are made available when the ride is requested, so long as the destination does not change and there are no stops added. There are no set minimum or maximum prices when setting these rates.

Uber uses a similar dynamic model and scenarios are similar in terms of rides being scheduled ahead of time. Uber honors the amount shown, so long as the ride is booked under the same time frame and the destination parameters are the same.

According to the Elevance Study, the Amerigroup Tennessee health plan heard these same challenges and frustrations from its beneficiaries. To improve access to reliable and timely transportation services, the health plan led efforts to establish a partnership between Lyft and Tennessee Carriers, Inc.—the health plan’s transportation vendor. The State Medicaid Agency (SMA) was a strong supporter of this effort and played an important role during its development and eventual expansion. This partnership allows Tennessee Carriers, Inc. to utilize Lyft as an option for NEMT rides for a wide range of ambulatory services and supports—such as office visits and treatment (e.g., dialysis, chemotherapy)—in addition to its existing contracted vans.

Additionally, results from a Lyft Medicaid NEMT pilot conducted by Tennessee’s Medicaid agency, TennCare, found that there were some immediate and long-term increases in primary care visits. Lyft played a role in increasing access to essential medical services, reducing gaps in

primary care, and facilitating improvements in screening rates, all of which can help reduce downstream healthcare costs.

Furthermore, in 2016, CareMore (a physician-founded and led integrated care delivery system for Medicare and Medicaid patients) launched a pilot program to evaluate the impact of Lyft-based curb to curb rides on patient experience and costs. The pilot ran for two months at select CareMore locations in southern California. Results found that per-ride cost decreased by 32% and satisfaction rates were at about 80%.

As a whole, TNCs can reduce the cost of providing NET Services by bolstering the transportation network so that fewer trips need to be rescheduled. These rescheduled trips often represent avoidable costs. Broker partners typically report that rideshare costs about \$3 to \$5 less per ride compared to commercial transportation providers. Cost savings typically occur for ambulatory trips in the six-to-12-mile range.

However, Verida's experience in Arkansas was different. During the workgroup meetings, Verida stated that the average TNC trip for its beneficiaries is 9.5 miles and that using a TNC costs about .52 cents more per mile than traditional NET.

Uber agreed with this information, noting that the average cost will only be driven downward when there is a commensurate supply of drivers to meet the needs. The workgroup discussed many instances where there appear to be shortages of rideshare drives across the state; however, there is not a study analyzing this data.

#### **4. Use of Other Operational and Non-Emergency Transportation Program Flexibilities**

In addition to using TNCs, the Workgroup discussed brokers subcontracting with Federally Qualified Health Centers (FQHCs) to use the clinic vans to assist with transporting beneficiaries. Brokers can also provide bus passes, gas cards and mileage reimbursement.

### **Other Concerns with Using TNCs within the Arkansas NET Program**

During the workgroup sessions, participants noted a number of concerns with deploying TNCs throughout the Arkansas NET program. Those concerns included:

- Different standards regarding vehicle safety checks between TNC vehicles and NET provider fleet vehicles (such as vehicles safety flooring and fire extinguisher or Biohazard kit or First-Aid)
- Different requirements for vehicle equipment, such as in-vehicle cameras
- Different insurance standards that impose substantial costs on provider fleets
- Brokers must insure all drivers are in a US Department of Transportation Drug and Alcohol Testing Program, or one that mirrors the DOT requirements, including having a negative pre-employment drug test before they can drive. However, the Arkansas



Transportation Network Company Services Act, A.C.A. 23-13-712, only provides that TNCs shall implement a zero-tolerance drug and alcohol policy while the driver is providing TNC services, and, after passenger complaints of suspected use, drivers are suspended from network access and investigated.

- It has been DHS/DMS's firm policy that brokers are not permitted to employ drivers who have **ever** been convicted of any of numerous offenses listed in A.C.A. 21-15-102 (f). The Arkansas Transportation Network Company Services Act at A.C.A. 23-13-713, under "Driver requirements," states TNCs shall not permit an individual to act as a driver if he or she "has been convicted **within the past seven (7) years** of driving under the influence of drugs or alcohol, fraud, a sexual offense, using a motor vehicle to commit a felony, or a crime involving property damage, theft, acts of violence, or acts of terror."
- The current process is for the NET Broker to receive DMS approval to use a TNC. The workgroup expressed concern for oversight if DMS is removed from this process.
- Lack of robust TNC networks in rural parts of the state.

### **Recommendations of the Workgroup**

The NET Rideshare Expansion Study Workgroup identified areas for consideration in an effort to ensure timely, reliable and safe means of transporting Arkansas Medicaid NET beneficiaries no matter where they reside in the state.

Workgroup recommendations are:

- Deploy TNC expansion in Craighead and Washington counties.
- Align requirements for use of TNCs within the Arkansas Medicaid NET Program to the Arkansas Transportation Network Company Services Act, A.C.A. § 23-13-701 (2020).
- Change program policy so that scheduled TNC trips do not require approval by DMS.
- Consider whether rural coverage by current providers could be improved by paying for deadhead mileage (miles driven without a passenger) rather than standing up new providers.
- Allow brokers to deploy public transit apps that facilitate payment for passes so that beneficiaries do not have to wait so long for passes sent via mail.
- Consider funding wheelchair accommodated vehicles through grants.
- Consider ensuring that safety requirements for TNCs align with those for other transportation providers who participate in the program.

## **Appendix A: NET Rideshare Expansion Study Workgroup and Meeting Attendees**

Representative Aaron Pilkington, Arkansas House of Representatives, District 45

### **AR Transit (Broker)**

Ann Gilbert  
Jennifer Hallum

### **AFMC (Oversight Vendor)**

Danae Mazzanti  
Karen Hisel

### **AAA of SE AR (Broker)**

Stephanie Bradshaw  
Ashley Kimbrell  
Heather Stroud

### **Verida (Broker)**

Cynthia Washington  
Jim Degliumberto

### **Central Arkansas Development Council (CADC) (Broker)**

Cindy Dedman

### **Arkansas Department of Human Services**

Elizabeth Pitman, Director, Division of Medical Services  
John Parke, Director, Office of Payment Integrity, and Quality Assurance  
Lori McDonald, Deputy Chief of Staff, Office of Governmental Affairs  
Nell Smith, Deputy Director, Division of Medical Services  
Chawnte Booker, Assistant Director, Plan Compliance, Division of Medical Services  
Karesha Taylor, Program Administrator, Division of Medical Services  
Debra Garrison, Program Administrator, Division of Medical Services  
Tiffany Chambers, Program Manager, Division of Medical Services  
Gavin Lesnick, Chief of Communications and Community Engagement, Director's office  
Keith Metz- Deputy Chief of Communications, office of Communications and Community Engagement  
Amber Al-Amin, Director's Office

### **Lyft**

Emily Fitts  
Kathy Lin

### **Uber**

Zachary Clark

## Appendix B: NET Region Map

