

TEXAS HEALTH AND HUMAN SERVICES COMMISSION
OFFICE OF INSPECTOR GENERAL
AUDIT REPORT

LOGISTICARE SOLUTIONS

*A Texas Medicaid Medical Transportation
Organization*



August 22, 2019

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INTRODUCTION

The Texas Health and Human Services Commission (HHSC) Office of Inspector General (OIG) Audit Division conducted an audit of LogistiCare Solutions (LogistiCare), a Texas Medicaid managed transportation organization (MTO).

During the audit period of September 1, 2016, through August 31, 2017, LogistiCare received \$69.1 million in capitation payments for providing non-emergency medical transportation (NEMT) services, defined in Appendix A and required by contract with HHSC,¹ to an average of 396,540 Medicaid recipients per month.

LogistiCare had operating expenses of \$50.3 million and administrative expenses of \$14 million. Net income was \$4.8 million.²

Demand Response (\$45.2 million) and Individual Transportation Participant (ITP) (\$2.5 million) represented the largest portion of LogistiCare's operating expenses during the audit period. After removing about \$6.1 million paid for transporting dual-eligibles³ and children enrolled in the Children with Special Health Care Needs (CSHCN) program, there remained \$41.6 million. Non-dual-eligible and non-CSHCN transportation encounters,⁴ representing payments LogistiCare made to Demand Response providers and ITPs during the audit period, included encounters totaling \$1.0 million associated with beneficiaries for whom there was no corresponding Medicaid medical claim or encounter within a range of 7 days before and 7 days after the transportation encounter.⁵ These transportation encounters are referred to in this audit as unmatched encounters.

Unless otherwise described, any year referenced is the state fiscal year, which covers the period from September 1 through August 31.

¹ Managed Transportation Organization Contracts, Exhibit G, Region 7, § 2.3 (Aug. 1, 2014), Region 8, § 2.3 (Aug. 1, 2014, amended June 1, 2015), and Region 11, § 2.3 (Aug. 1, 2014); and Full Risk Broker Services Contract, Attachment A, Service Delivery Area 1, § 1.09 (Apr. 16, 2012, amended Sept. 1, 2016).

² These amounts were compiled from the fiscal year 2017 financial statistical report (FSR).

³ "Dual-eligibles" is a term used to describe enrollees who are covered by both Medicaid and Medicare.

⁴ A "transportation encounter" is a detailed record an MTO submits to HHSC about a service delivered to a recipient by a transportation provider and represents key information about an adjudicated claim and the resulting payment from the MTO to the transportation provider.

⁵ A paid transportation encounter without a corresponding medical encounter may occur if the medical encounter was paid by an individual or entity other than Medicaid.

Objective and Scope

The audit objective was to determine whether LogistiCare's performance in selected areas was in accordance with contract requirements.

The audit scope included unmatched Demand Response and ITP encounters for the period from September 1, 2016, through August 31, 2017, activities related to complaint, accident, and incident management, and relevant activities and internal controls through the end of fieldwork in July 2019.

Methodology

The OIG Audit Division collected information for this audit through discussions and interviews with responsible staff at LogistiCare and by reviewing:

- Demand Response and ITP encounters
- Demand Response driver logs and ITP mileage reimbursement forms
- LCAD⁶ transportation authorization screen shots
- Policies and procedures
- LCAD system-generated reports of complaints, accidents, and incidents
- HHSC Medical Transportation Program (MTP) accident and incident reports
- Health and Human Services Enterprise Administrative Report and Tracking (HEART)⁷ complaints

The OIG Audit Division selected a random⁸ sample of 103 Demand Response encounters⁹ from the population of unmatched encounters and judgmentally¹⁰ selected 20 Demand Response encounters. All 20 of the judgmentally-selected encounters were selected because the recipients did not have any medical events in 2017.

The 123 total Demand Response encounters were associated with 82 driver logs. The OIG Audit Division conducted Demand Response testing to determine whether (a) transportation encounter data was supported by information in LCAD and driver

⁶ "LCAD" is LogistiCare's transportation management system used for storing authorizations, reservations, complaints, payments to transportation providers, and other operating functions.

⁷ "HEART" is a web-based application that is used by MTP to track and monitor complaints and compliments, document complaint resolutions, and generate reports to assess timeliness.

⁸ "Random sampling" is a method by which every element in the population has an equal chance of being selected.

⁹ An "encounter" for both Demand Response and ITP, refers to one leg of transport (i.e. transportation from an authorized pick-up address to an authorized drop-off address).

¹⁰ "Judgmental sampling" is a non-probability sampling method where the auditor selects the sample based on certain characteristics, such as dollar amount, timeframe, or type of transaction.

logs, (b) transportation encounters were supported by driver logs containing all required information, and (c) transportation encounters with dates of service after December 1, 2016, were supported by the required standardized Driver's Log.

The OIG Audit Division also selected a random sample of 112 ITP encounters from the population of unmatched encounters, and judgmentally selected 12 ITP encounters. All 12 of the judgmentally-selected ITP encounters were selected because the recipient did not have any medical events in 2017.

The 124 total ITP encounters were associated with 61 mileage reimbursement forms. The OIG Audit Division conducted ITP testing to determine whether (a) ITP encounter data was supported by information in LCAD and mileage reimbursement forms, (b) ITP encounters were supported by mileage reimbursement forms containing all required information, and (c) ITP encounters were supported by the required ITP Service Record.

The OIG Audit Division evaluated LogistiCare's management of complaints, accidents, and incidents by (a) interviewing responsible personnel, (b) reviewing and comparing LogistiCare's database of complaints to HEART complaints, (c) reconciling LCAD's accidents and incidents with those reported to MTP, and (d) reviewing policies and procedures.

The OIG Audit Division reviewed the reliability of transportation encounter data by tracing unmatched encounters to LogistiCare's transportation management system, LCAD, and interviewing LogistiCare employees knowledgeable about the data.

The OIG Audit Division presented audit results, issues, and recommendations to LogistiCare in a draft report dated July 31, 2019. LogistiCare was provided with the opportunity to study and comment on the report. The LogistiCare management responses are included in the report following the recommendations.

LogistiCare concurred with the OIG Audit Division recommendations outlined in this report and is implementing action plans.

Criteria

The OIG Audit Division used the following criteria to evaluate the information provided:

- 42 C.F.R. § 438.230 (2015)
- 1 Tex. Admin. Code §§ 371.1655 (2016) and 380 (2014)
- HHSC Uniform Terms and Conditions § 5.02, v. 1.5 (2014)

- Managed Transportation Organization Contracts, Region 7 (2014), Region 8 (2014, amended 2015), and Region 11 (2014); and Full Risk Broker Services Contract, Service Delivery Area 1 (2012, amended 2016)
- LogistiCare Mileage Reimbursement Training Manual (2016)
- LogistiCare, “NEMT Program Transportation Provider Manual Texas Operations” (2016)
- LogistiCare, “Subcontractor Monitoring Plan” (2014)

Auditing Standards

Generally Accepted Government Auditing Standards

The OIG Audit Division conducted this audit in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the issues and conclusions based on our audit objectives. The OIG Audit Division believes the evidence obtained provides a reasonable basis for our issues and conclusions based on our audit objectives.

RESULTS

Information contained in LogistiCare's LCAD system indicated that selected transportation services for Medicaid recipients, represented by 247 transportation encounters, including 123 Demand Response encounters and 124 ITP encounters, were appropriate, even though there were no corresponding Medicaid medical claims or encounters for these Medicaid recipients within 7 days of the day transportation was provided.

The transportation encounter data was accurate and supported by information in LCAD, and the data used to form audit conclusions was reliable.

Issues related to Demand Response driver logs, ITP mileage reimbursement forms, and LogistiCare's management of complaints are detailed in the sections that follow.

DEMAND RESPONSE DRIVER LOGS

Demand Response transportation services are provided when fixed route services are either unavailable or do not meet the needs of recipients.

Driver logs for Demand Response transportation services must contain certain data elements in order to support a paid claim.¹¹ In a written policy notification on October 9, 2016, HHSC instructed the MTOs to use the standardized Driver's Log developed by HHSC for all MTOs and their transportation providers, beginning no later than December 1, 2016.¹² A copy of the standardized Driver's Log can be found in Appendix B.

Issue 1: Payments to Transportation Providers Were Not Always Supported by Complete Information or the Correct Version of the Driver Log

LogistiCare paid Demand Response transportation providers for claims that were not supported by driver logs containing all required information and did not always ensure a standardized Driver's Log was used and fully completed before approving claims for payment.

¹¹ Managed Transportation Organization Contracts, Exhibit G, Region 7, § 2.7.5.10 (Aug. 1, 2014), Region 8, § 2.7.5.10 (Aug. 1, 2014, amended June 1, 2015), and Region 11, § 2.7.5.10 (Aug. 1, 2014); and Full Risk Broker Services Contract, Attachment A, Service Delivery Area 1, § 5.5.10 (Apr. 16, 2012, amended Sept. 1, 2016).

¹² 1 Tex. Admin. Code § 371.1655 (May 1, 2016); See also HHSC Uniform Terms and Conditions § 5.02, v. 1.5 (May 21, 2014).

Incomplete Driver Logs

Of the 82 driver logs tested, 80 (98 percent) were missing one or more contractually-required data elements, as detailed in Table 1.

Table 1: Driver Logs Missing Elements

Data Element	Number of Forms Missing Elements
Trip status	77
Driver's license number	50
Vehicle identification number	41
Pick-up address	34
Drop-off address	34
Attendant's first and last name	2
Attendant's signature	1
Miles driven per trip odometer	1
Recipient's signature	1
Driver's signature	1

Source: OIG Audit Division

LogistiCare did not follow contractual requirements, which specify that transportation provider claims must be supported by driver logs completed with all required elements. As a result, LogistiCare made payments totaling \$3,289.93 to Demand Response transportation providers for 121 unsupported claims associated with 80 driver logs. This represented 94 percent of the \$3,493.93 LogistiCare paid for claims associated with the 82 driver logs tested.

By not verifying Demand Response transportation providers included all required data elements on driver logs submitted as support for claims, LogistiCare was not in compliance with contract requirements, resulting in the approval and payment of unsupported transportation claims.

Out of Date Driver Logs

Of the sample of 82 driver logs, 48 occurred on or after December 1, 2016, and should have been documented on a standardized Driver's Log.

None of the 48 driver logs submitted by transportation providers to LogistiCare as support for payment on or after December 1, 2016, were on the required standardized Driver's Logs, but LogistiCare processed the corresponding payments.

LogistiCare did not follow the written policy notification from HHSC to implement the use of standardized Driver's Logs by transportation providers by

December 1, 2016. As a result, LogistiCare made payments totaling \$2,126.79¹³ to Demand Response transportation providers for 76 claims associated with the 48 outdated driver logs.

By not verifying Demand Response transportation providers used the standardized Driver's Log beginning on December 1, 2016, LogistiCare was not in compliance with requirements contained in HHSC's written policy notification, and resulted in the approval and payment of unsupported claims.

Recommendation 1

LogistiCare should pay transportation provider claims only when the claims are supported by driver logs that contain all required data elements and, for dates of service beginning on December 1, 2016, that are supported using the required standardized Driver's Log.

Management Response

Action Plan

LogistiCare will work with HHSC to create an approved HIPAA compliant trip log that incorporates the required data elements while also being user effective at collecting legible data and signatures in the field both in paper format and in electronic format as both media are currently utilized our MTO operations. LogistiCare will submit to HHSC our revised trip log for review feedback and approval.

Upon approval, LogistiCare will provide educational materials to the Transportation Subcontractors through email and also provide instructions at the next quarterly regional provider meetings. In addition the Transportation Provider Manual will be updated with the new trip log template and instructions.

The LogistiCare Claims Processing Training Manual will be updated with the revised trip log information and the claims processors will be trained to only pay claims that are supported by the new trip logs that have all required data elements as approved by HHSC.

Responsible Manager

Sr. Director Client Services

Provider Relations Director

Claims Manager

¹³ All 76 unsupported claim amounts are represented in more than one issue.

Target Implementation Date
Trip Log Submittal to HHSC - August 2019

*Claims and Provider Training and Implementation of New Trip Log -
October 2019*

ITP MILEAGE REIMBURSEMENT FORMS

ITP services are provided by individuals who volunteer to provide transportation services for recipients by entering into a participation agreement with an MTO. This service allows the flexibility for individuals to transport recipients in a personal vehicle to health care appointments. An ITP can transport themselves, a family member, or a non-family member.

In a written policy notification on February 24, 2015, HHSC instructed the MTOs to use a standardized mileage reimbursement form developed by HHSC for all MTOs and their ITPs, called the ITP Service Record, beginning no later than March 1, 2015.¹⁴ A copy of the ITP Service Record can be found in Appendix C. In the instructions accompanying the ITP Service Record, HHSC stated that it is the responsibility of the MTO, prior to processing a request for payment, to ensure the accuracy and completeness of information provided on the ITP Service Record.

Issue 2: Payments to ITPs Were Not Always Supported by Complete Information or Required ITP Service Records

LogistiCare paid ITPs for claims that were not supported by mileage reimbursement forms containing all required information and did not always ensure the ITP Service Record was used and fully completed before approving claims for payment.

Incomplete Mileage Reimbursement Forms

Of the 61 mileage reimbursement forms tested, 58 (95 percent) were missing one or more data elements required by HHSC's written policy notification, as detailed in Table 2.

¹⁴ 1 Tex. Admin. Code § 371.1655 (May 1, 2016); See also HHSC Uniform Terms and Conditions § 5.02, v. 1.5 (May 21, 2014).

Table 2: Mileage Reimbursement Form Missing Data Elements

Data Element	Number of Forms Missing Element
Managed transportation identifier number	43
Amount for each segment and total amount paid ¹⁵	41
Miles per segment ¹⁵	28
Title of health care provider	26
Health care provider national provider identifier	24
Appointment date and time ¹⁶	16
Total miles driven ¹⁵	16
Drop-off address	13
Pick-up address	12
Date of health care provider signature	10
Health care provider name and signature	4
Authorization number	3
Recipient telephone number	2

Source: OIG Audit Division

LogistiCare did not follow HHSC's written policy notification, which requires ITP claims to be supported by ITP Service Records completed with all required elements. As a result, LogistiCare made payments totaling \$1,587.19 to ITPs for 118 unsupported claims associated with 58 ITP Service Records.

By not verifying ITPs included all required data elements on mileage reimbursement forms submitted as support for claims, LogistiCare was not in compliance with requirements contained in HHSC's written policy notification and resulted in the approval and payment of unsupported claims.

Out of Date Mileage Reimbursement Forms

Of the 61 mileage reimbursement forms submitted by ITPs to LogistiCare as support for payment, LogistiCare processed 11 (18 percent) improper forms for payment. LogistiCare did not follow the written policy notification from HHSC to implement the use of standardized ITP Service Records by ITPs by March 1, 2015. As a result, LogistiCare made payments totaling \$233.56 to ITPs for 22 unsupported claims. By not verifying ITPs used the ITP Service Records, LogistiCare was not in compliance with requirements contained in HHSC's written policy notification and resulted in the approval and payment of unsupported claims.

¹⁵ Missing miles per segment and total miles driven did not impact the accuracy of ITP claims payments. LogistiCare paid claims based on the mileage calculated by LCAD. LCAD uses a mapping engine to determine the miles between the starting and ending locations to which the recipient was authorized and received transportation services and applies the system-determined mileage when calculating payments to transportation providers.

¹⁶ Appointment time was the only missing data element on the mileage reimbursement form.

Recommendation 2

LogistiCare should pay ITP claims only when the claims are supported by required ITP Service Records that contain all required data elements.

Management Response

Action Plan

As the targeted period of the audit began at the time that the former Full Risk Broker Contract was changing over to MTO processes including converting members from the Gas Reimbursement Process to the ITP process, we believe that members were still being educated on and acclimated to the new ITP forms and requirements.

We believe that we are currently complying with the HHSC ITP Service Record requirements, only paying ITP claims that are submitted on approved forms with all required elements. In support of our belief we will perform a random audit of 10 ITP paid claim forms from each region to ensure that this is in fact true. Any variance discovered would result in retraining of the ITP Claims processors responsible for the variance.

Responsible Manager

Sr. Director of Client Services

Claims Manager

Target Implementation Date

ITP Claim Audit completed by August 2019

Follow up actions and report completed by September 2019

Auditor Comments

During 2017, LogistiCare was not in compliance with ITP Service Record requirements which instructed MTOs to use a standardized mileage reimbursement form and to ensure the accuracy and completeness of the ITP Service Record prior to processing a request for payment. LogistiCare stated that they will be performing random audits to determine if they are currently meeting ITP Service Record requirements.

COMPLAINTS, ACCIDENTS, AND INCIDENTS

A complaint is an expression of dissatisfaction by a Medicaid recipient, the Medicaid recipient's representative, or a transportation provider, orally or in writing to MTP or the MTO, about any matter relating to NEMT services. An

accident is an unexpected and unfortunate medically important bodily event causing loss or injury to a person. Accidents may involve loss of property. An incident is an allegation of an incident substantiated by commission records, transportation or medical provider records, and witnesses of the incident to the satisfaction of department staff.¹⁷

MTP processes complaints it receives directly from complainants and also accepts complaints forwarded by the HHS Office of the Ombudsman or a legislator's office. MTP sends emails to the appropriate MTO containing the details of each complaint it receives.

An MTO must develop a system for receiving, retaining, managing, resolving, and reporting client inquiries, complaints, grievances, and appeals to MTP.¹⁸

All accidents, injuries, and incidents must be reported by the MTO on a prescribed HHSC form within the prescribed timeframes outlined in the MTO contract.¹⁹

An MTO must have written procedures detailing its plan for monitoring the performance of transportation services. The procedures must describe processes that, when performed, ensure that an appropriate corrective action is taken when inappropriate or substandard services are provided by transportation providers.²⁰ LogistiCare does have internal procedures for complaint, accident, and incident handling and a documented monitoring plan. However, there are discrepancies between the monitoring plan and LogistiCare's practices. LogistiCare requires all complaints to be tracked and trended monthly and presented to Regional Management for recommendations on follow up and Corrective Action Plans (CAP) if transportation providers are consistently not meeting LogistiCare quality expectations.

LogistiCare's performance monitoring practice for ensuring that appropriate corrective actions are taken sets the ratio of complaints per number of one-way

¹⁷ Managed Transportation Organization Contracts, Attachment B – Definitions and Acronyms, Region 7 (Aug. 1, 2014), Region 8 (Aug. 1, 2014, amended June 1, 2015), and Region 11 (Aug. 1, 2014); and Full Risk Broker Services Contract, Exhibit E – Definitions and Acronyms, Service Delivery Area 1 (Apr. 16, 2012, amended Sept. 1, 2016).

¹⁸ Managed Transportation Organization Contracts, Exhibit G, Region 7, § 2.7.6.2 (Aug. 1, 2014), Region 8, § 2.7.6.2 (Aug. 1, 2014, amended June 1, 2015), and Region 11, § 2.7.6.2 (Aug. 1, 2014); and Full Risk Broker Services Contract, Attachment A, Service Delivery Area 1, § 5.6.2 (Apr. 16, 2012, amended Sept. 1, 2016).

¹⁹ Managed Transportation Organization Contracts, Exhibit G, Region 7, § 2.14 (Aug. 1, 2014), Region 8, § 2.14 (Aug. 1, 2014, amended June 1, 2015), and Region 11, § 2.14 (Aug. 1, 2014); and Full Risk Broker Services Contract, Attachment A, Service Delivery Area 1, § 12 (Apr. 16, 2012, amended Sept. 1, 2016).

²⁰ Managed Transportation Organization Contracts, Region 7, § 2.18.1 (Aug. 1, 2014), Region 8, § 2.18.1 (Aug. 1, 2014, amended June 1, 2015), and Region 11, § 2.18.1 (Aug. 1, 2014); and Full Risk Broker Services Contract, Service Delivery Area 1, § 16.1 (Apr. 16, 2012, amended Sept. 1, 2016).

transports at 0.75 percent. According to LogistiCare's Transportation Provider Report Card set standards, a transportation provider's complaints per number of one-way transports ratio should not exceed 0.10 percent. LogistiCare's Regional Manager meets with the transportation provider to discuss the issues when the Key Performance Indicators listed on the report card are not met. Following the discussions, a CAP may be initiated with follow-up activities to determine if the CAP was effective. The transportation provider may be released from the CAP or terminated depending on the follow-up results.

Issue 3: LogistiCare Should Improve Its Management of Complaints, Accidents, and Incidents

One way to monitor the performance of transportation providers is by managing complaints, accidents, and incidents. LogistiCare has opportunities to improve its management of complaints, accidents, and incidents as detailed in the sections that follow.

Incomplete LogistiCare Complaint Data

LogistiCare maintains complaint information in LCAD. LogistiCare complaint data in LCAD did not include all of the complaints for the same period contained in the HEART system, the MTP system of record for transportation complaints.

To determine whether LogistiCare was managing complaints as required, including updating LCAD with complaint information and documenting the results of its reviews, the OIG Audit Division compared complaint data maintained in LCAD for the period of September 1, 2016, through August 31, 2017, with complaint data from HEART for the same period.

LCAD contains both complaint data and accident and incident data in the same database. LogistiCare begins the complaint note field with "HEART complaint" to differentiate between complaints and accidents and incidents. However, based on a review of the database, the OIG Audit Division identified where the use of the words, "HEART complaint," which is not utilized in the HEART system, was not always reliable in distinguishing between complaints or accidents and incidents.

HEART contained a total of 3,736 complaints and LCAD contained a total of 3,727 complaints, indicating that LCAD complaint data was not complete. The LCAD complaint data did not have HEART tracking numbers assigned by MTP to facilitate a reconciliation between the two systems. However, when comparing monthly complaint totals from HEART and LCAD, 11 out of 12 months had variances.

Incomplete Accident and Incident Reporting

LogistiCare maintains accident and incident information in LCAD. LogistiCare accident and incident data reported to HHSC did not include all of the accidents and incidents in LCAD for the same period.

To determine whether LogistiCare was reporting complete accident and incident data to HHSC, as required, the OIG Audit Division compared accident and incident data maintained in LCAD for the period of September 1, 2016, through August 31, 2017, with accident and incident data reported to HHSC for the same period.

LogistiCare enters complaints, accidents, and incidents in the same LCAD database and uses the “HEART complaint” notation to distinguish between a complaint and an accident or incident. Therefore, to complete the reconciliation process, the OIG Audit Division considered all data entries with the “HEART complaint” notation to be complaints and all others in the LCAD dataset to be accidents and incidents.

Accidents and incidents reported to HHSC contained a total of 324 accidents and incidents and LCAD contained a total of 552 accidents and incidents. In some instances, the absence of the “HEART complaint” notation was not reliable in identifying an accident or incident. Since the absence of the “HEART complaint” notation was not always a reliable indicator of an accident or incident, it was impractical to complete a reconciliation between the accidents and incidents reported to HHSC and those in LCAD. However, when comparing monthly accident and incident totals reported to HHSC with those totals in LCAD, 11 out of 12 months had variances.

Non-Compliance With Monitoring of Transportation Provider Performance

LogistiCare uses LCAD complaint, accident, and incident data to monitor the performance of transportation providers. The OIG Audit Division identified instances where the “HEART complaint” notation was not always reliable in identifying LCAD entries as a complaint, accident, or incident. In addition, the Closing Code field was not limited to the appropriate entries of Inquiry, Valid, Invalid, or had Insufficient Information to Validate.

During the review of both the monthly complaint records and monthly accident and incident records, it was noted 179 out of 4,279 (4 percent) entries remained “Open”, with some entries going back as far as September 2016. Two ratios LogistiCare calculates on its report cards to monitor transportation providers use the total number of valid complaints. Not having LCAD data that appropriately identifies a complaint, accident, or incident, and not having entries in LCAD that determine a complaint’s validity, impedes LogistiCare’s ability to accurately identify trends and issues with its transportation providers.

Without accurate and complete data in LCAD, LogistiCare may not be able to effectively or consistently evaluate transportation providers to ensure quality expectations set by LogistiCare are met by its transportation providers.

By not (a) accurately tracking complaints, (b) accurately tracking accidents and incidents and reporting complete accident and incident data to HHSC, and (c) following its monitoring plan, LogistiCare was not in compliance with contractual requirements and was unable to act appropriately to improve services to recipients.

Recommendation 3

LogistiCare should:

- Record accurate and complete complaint information in LCAD.
- Record accurate and complete accident and incident information in LCAD and report accurate and complete accident and incident data to HHSC.
- Follow its defined monitoring plan that identifies when corrective actions are necessary.

Management Response

Action Plan

As the targeted period of the audit began at the time that the former Full Risk Broker Contract was changing over to MTO processes, we believe this impacted the complaint process as it had converted from complaint intake at the LogistiCare Call Center level to referral and intake at the HHSC Default Call Center. As we had anticipated that we would eventually convert to processing and responding to complaints within the HHSC HEART system we did not make modifications to our system to incorporate the HEART tracking numbers in a defined field.

While we believe that our complaint, accident/incident reporting accuracy and ability to reference HEART tracking numbers within our system has improved since the audit period. We did recently submit an IT project request to create a specific field in our complaint system to add the HEART tracking numbers so that reports can be utilized to track status of all HEART complaints received. Once this enhancement to our LCAD system is complete we will train the Customer Care Team on the functionality and begin utilizing this tracking process.

In order to ensure that the Subcontractor Monitoring Plan is understood and followed consistently, The Provider Relations Director will meet with the Regional Managers and the Customer Care Team Manager monthly to review provider performance using the provider performance scorecard and the complaint tracking

trend report. Providers that exceed performance metrics will be addressed based on the written Subcontractor Monitoring Plan criteria.

Responsible Manager

Regional Director Member Experience

Provider Relations Director

Customer Care Team Manager

Target Implementation Date

Implementation of Subcontractor Monitoring Monthly Meetings

- *Implement Monthly Meeting Process– September 2019*

Accurate and Complete Complaint/Accident/Incident Information in LCAD Initiative

- *IT Project Estimated Completion Date - October 2019*
- *Training and Implementation Date – October 2019*

CONCLUSION

Information contained in LogistiCare's LCAD system indicated that selected transportation services for Medicaid recipients, represented by 247 transportation encounters, including 123 Demand Response encounters and 124 ITP encounters, were appropriate, even though there were no corresponding Medicaid medical claims or encounters for these Medicaid recipients within 7 days of the day transportation was provided. The data contained in LCAD used to form audit conclusions was reliable.

There were exceptions related to Demand Response driver logs, ITP mileage reimbursement forms, and management of complaints, accidents, and incidents. Of the 82 Demand Response driver logs tested, 80 were missing one or more required data elements, and 48 were documented on the out of date logs. Of the 61 mileage reimbursement forms tested, 58 were missing one or more required data elements, and 11 were documented on out of date mileage reimbursement forms. In addition, LogistiCare did not comply with all contract requirements for managing complaints, accidents, and incidents.

For instances of noncompliance identified in this audit report, Medicaid and CHIP Services will consider tailored contractual remedies to compel LogistiCare to meet contractual requirements related to transportation claims, complaints, and accidents and incidents.

The OIG Audit Division offered recommendations to LogistiCare which, if implemented, will correct deficiencies in compliance with contract requirements.

The OIG Audit Division thanks management and staff at LogistiCare for their cooperation and assistance during this audit.

Appendix A: Glossary of Required Services Provided by MTOs

Demand Response Transportation

Transportation services provided by contractors when fixed-route services are either unavailable or do not meet the health care needs of the recipient.

Mass Transit Tickets

Public transportation by intra-city, inter-city bus, rail, ferry, either publicly or privately owned, which provides general or special service transportation to the public on a regular and continuing basis.

Individual Transportation Participant (ITP)

Transportation services provided by individuals who volunteer to participate by entering into a participation agreement with HHSC's Claims Administrator. This service allows for the flexibility of individuals to transport recipients in personal cars to health care appointments.

Meals and Lodging

Provides an allowance for meals and lodging for a recipient and attendant, as applicable, when health care treatment requires an overnight stay outside of their resident county or beyond adjacent counties.

Advance Funds

Funds made available to recipients facing financial hardship and in need of transportation services to attend a health care appointment. These funds must be available to eligible recipients through age 20.

Out-of-State Travel

Transportation provided to contiguous counties or bordering counties in adjoining states (Arkansas, Louisiana, New Mexico, and Oklahoma) that are within 50 miles of the Texas border, if the services are medically necessary, and it is the customary or general practice of recipients in a particular locality within Texas to obtain services from the out-of-state provider. Out-of-state travel is also provided for recipients who need to travel to states outside of the adjoining states for medically necessary health care services that cannot be provided within the State of Texas.

Attendant Services

Transportation provided for an attendant for a recipient, when necessary. An attendant is an adult or service animal that accompanies the recipient with prior authorization. Attendants provide necessary help with mobility, language, or

personal assistance to the recipient during the time transportation services are provided.²¹

Commercial Airline Transportation Services

Services provided by a commercial airline for transportation to medically necessary medical care or other health care service that cannot be provided within the MTO regions where the recipient resides.

Call Center Operations

Call centers manage trip scheduling and authorizations for recipients.

²¹ A recipient 14 years of age and under must be accompanied by a parent, guardian, or other authorized adult to accompany the recipient on all trips. Recipients 15 to 17 years of age must be accompanied by a parent, legal guardian, or other authorized adults unless (a) parent or legal guardian has provided a signed written consent for the recipient to travel alone or (b) the treatment to which the minor is being transported is such that the law extends confidentiality to the minor for the treatment.

Appendix B: Demand Response Standardized Driver's Log

Figure B.1: Demand Response Standardized Driver's Log Sample

DO NOT CROSSOUT OR WHITE OUT INFORMATION ON THIS DOCUMENT.

MANAGED TRANSPORTATION ORGANIZATION NAME

Driver's Log

Appointment Service Date:

Subcontractor:	Driver's Full Name:	Beginning Odometer Reading:
Vehicle ID:	Driver's License No.:	Ending Odometer Reading:
Vehicle Type:		Total Daily Mileage:

Trip Leg	Authorization No.	Appointment Time	Client's Full Name	Attendant's Full Name	Pickup Address	Pick up Time	Destination Address	Drop Off Time	Signatures	Trip Outcome	PAF on File	Total Mileage Per Leg
A		<input type="checkbox"/> AM <input type="checkbox"/> PM				<input type="checkbox"/> AM <input type="checkbox"/> PM		<input type="checkbox"/> AM <input type="checkbox"/> PM	Client: _____ Attendant: _____	<input type="checkbox"/> Completed <input type="checkbox"/> No Show <input type="checkbox"/> Cancelled		
B		<input type="checkbox"/> AM <input type="checkbox"/> PM				<input type="checkbox"/> AM <input type="checkbox"/> PM		<input type="checkbox"/> AM <input type="checkbox"/> PM	Client: _____ Attendant: _____	<input type="checkbox"/> Completed <input type="checkbox"/> No Show <input type="checkbox"/> Cancelled		
A		<input type="checkbox"/> AM <input type="checkbox"/> PM				<input type="checkbox"/> AM <input type="checkbox"/> PM		<input type="checkbox"/> AM <input type="checkbox"/> PM	Client: _____ Attendant: _____	<input type="checkbox"/> Completed <input type="checkbox"/> No Show <input type="checkbox"/> Cancelled		
B		<input type="checkbox"/> AM <input type="checkbox"/> PM				<input type="checkbox"/> AM <input type="checkbox"/> PM		<input type="checkbox"/> AM <input type="checkbox"/> PM	Client: _____ Attendant: _____	<input type="checkbox"/> Completed <input type="checkbox"/> No Show <input type="checkbox"/> Cancelled		

Attestation: I certify that the information contained in this record is true and that the services were rendered.

Driver's Signature: _____ Date: _____

Source: HHSC

Appendix C: ITP Service Record

Figure C.1: ITP Service Record Sample

ITP Service Record (form name)			
Client Name:	Client Telephone:	Client Medicaid:	
	()		
ITP Name:	ITP Telephone:	ITP MTI Number:	
	()		
Trip #1			
From:	To:	Miles:	Amount:
From:	To:	Miles:	Amount:
Authorization Number:	Appointment Date/Time:	Total Miles:	Total Amount:
Health Care Provider NPI:	Health Care Provider Telephone:	Health Care Provider Name:	
	()		
I certify that this patient was seen for a Medicaid/CSHCN covered health-care service.	Signature & Title of Health-care Provider:	Date Signed:	
	➡		
Trip #2			
From:	To:	Miles:	Amount:
From:	To:	Miles:	Amount:
Authorization Number:	Appointment Date/Time:	Total Miles:	Total Amount:
Health Care Provider NPI:	Health Care Provider Telephone:	Health Care Provider Name:	
	()		
I certify that this patient was seen for a Medicaid/CSHCN covered health-care service.	Signature & Title of Health-care Provider:	Date Signed:	
	➡		

ITP Drivers: Please note that the allowable mileage that may be claimed for reimbursement is preprinted on the form.

AFFIDAVIT: This is to certify that the foregoing information is true, accurate, and complete. I understand that payment of this claim is from Federal and State funds, and that any falsification, or concealment of a material fact, may be prosecuted under Federal and State laws. I hereby certify that this claim contains no willful misrepresentation or falsification and that the information I have given is true and correct to the best of my knowledge and belief. I attest that I have complied with all of the provisions of the Individual Transportation Participant Agreement when providing the transportation services for which I am seeking reimbursement.

Signature of Individual Transportation Participant (ITP)

Date

All forms must be mailed to <MTO Name>
 ATTN: {INSERT}
 Street Address
 City, State, Zip Code
Note: Please retain a copy for your records

Source: HHSC

Appendix D: Report Team and Distribution

Report Team

OIG staff members who contributed to this audit report include:

- David Griffith, CPA, CIA, CGFM, Deputy IG for Audit
- Marios Parpounas, CIA, CISA, CGFM, CFE, Assistant Deputy IG for Audit
- Steve Sizemore, CIA, CISA, CGAP, Audit Director
- Anton Dutchover, CPA, Audit Manager
- Darrell Edgar, CFE, Audit Project Manager
- Jude Ugwu, CFE, Senior Auditor
- Erin Powell, Staff Auditor
- Bennie Hookfin, Staff Auditor
- Lisa Kanette Blomberg, CPA, CIGA, Quality Assurance Reviewer
- Kathryn Messina, Senior Audit Operations Analyst

Report Distribution

Health and Human Services

- Dr. Courtney N. Phillips, Executive Commissioner
- Cecile Erwin Young, Chief Deputy Executive Commissioner
- Victoria Ford, Chief Policy Officer
- Karen Ray, Chief Counsel
- Nicole Guerrero, Director of Internal Audit
- Stephanie Muth, State Medicaid Director, Medicaid and CHIP Services
- Katherine Scheib, Deputy Associate Commissioner, Medicaid and CHIP Services

LogistiCare

- Carter Pate, CEO
- Steven Feist, Senior Vice President
- Robert Riley, Senior Director Client Services

Appendix E: OIG Mission, Leadership, and Contact Information

The mission of OIG is to prevent, detect, and deter fraud, waste, and abuse through the audit, investigation, and inspection of federal and state taxpayer dollars used in the provision and delivery of health and human services in Texas. The senior leadership guiding the fulfillment of OIG's mission and statutory responsibility includes:

- Sylvia Hernandez Kauffman, Inspector General
- Susan Biles, Chief of Staff
- Dirk Johnson, Chief Counsel
- Christine Maldonado, Chief of Operations and Workforce Leadership
- Olga Rodriguez, Chief of Strategy and Audit
- Quinton Arnold, Chief of Inspections and Investigations
- Steve Johnson, Interim Chief of Medicaid Program Integrity

To Obtain Copies of OIG Reports

- OIG website: <https://oig.hhsc.texas.gov>

To Report Fraud, Waste, and Abuse in Texas HHS Programs

- Online: <https://oig.hhsc.texas.gov/report-fraud>
- Phone: 1-800-436-6184

To Contact OIG

- Email: OIGCommunications@hhsc.state.tx.us
- Mail: Texas Health and Human Services Commission
Office of Inspector General
P.O. Box 85200
Austin, Texas 78708-5200
- Phone: 512-491-2000