



## WISCONSIN LEGISLATURE

P.O. BOX 8952 • MADISON, WI 53708

September 12, 2012

Senator Kathleen Vinehout  
Co-Chair, Joint Legislative Audit Committee  
Room 316 South, State Capitol

Representative Samantha Kerkman  
Co-Chair, Joint Legislative Audit Committee  
Room 315 North, State Capitol

Dear Co-Chairs Vinehout & Kerkman,

We are writing to you to request that as Co-Chairs of the Joint Legislative Audit Committee you will schedule a meeting of the Committee to include the topic of the Medical Assistance (MA) Non-Emergency Medical Transportation (NEMT) program. This is an MA waiver program and contract that is issued through the Department of Health Services. Since this contract was put in on July 1, 2011, we have heard multiple complaints from our constituents, NEMT users, elderly and disability rights groups, and transportation providers and advocates. Due to the large number of complaints and concerns from all across the state regarding the execution of the NEMT contract by the contractor LogistiCare, we ask that you direct the Legislative Audit Bureau to conduct a full audit of this program and contract pursuant to the Legislative Audit Committee's statutory duties outlined in s. 13.54(5).

As the State Legislature, we need to ensure that the NEMT contract is being properly executed by the provider, LogistiCare. In accordance to the contract there are inadequate measures for oversight. There is a Committee that the company, LogistiCare is required to meet with at least four times throughout the year. However, the input of the Committee is non-binding and LogistiCare unilaterally sets the agenda for the meetings without including items asked for by the Committee or its members. Additionally, the contract requires an ombudsman to advocate for the rights of the consumers who utilized the NEMT services, in this case however the ombudsman is a paid employee of the company, LogistiCare. Therefore the person responsible for overseeing the contract and advocating for the people is paid by the company with whom these consumers have disagreements or qualms. Lastly, LogistiCare is entirely responsible for managing and operating the complaint process. The complaint line is operated by the company and reports to the company. *This contract leaves the door wide open for fraud and abuse, not by the participants in the NEMT program, but by its administrator.*

In 2010 when the Department of Health Services sought proposals for this contract there were five key objectives and goals that a contractor would be required to meet. Documents and stories from throughout the state have shown that LogistiCare has failed to meet several of these objectives and the only entity that is making sure that LogistiCare is meeting those objectives is LogistiCare itself.

In the Request for Proposal (RFP) the first objective was to ensure that Medicaid members have reasonable and timely access to transportation to and from Medicaid covered services. Individuals and organizations have documentation of numerous and repetitive instances where individuals have not

CC: Members of Joint Legislative Audit Committee

received service because LogistiCare has stated there are no providers available, there are difficulties in scheduling trips or the ride arrives so late or not at all so that the appointments are missed altogether.

The second objective was to ensure that Medicaid members use the mode of transportation that is both the most economical and most appropriate. This has not occurred. There have been many documented instances where taxi trips are replacing public transit rides, where providers are being brought from distant counties to provide a short trip, and where the wrong type of vehicle is dispatched to complete the ride, most often failing to provide wheelchair accessible vehicles.

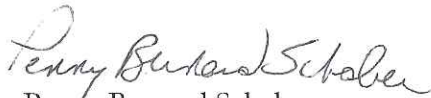
The third goal was to eliminate fraud and abuse in Medicaid transportation in Wisconsin. Although there have been some inappropriate uses of the Medicaid transportation reported through LogistiCare, the majority of reported abuse has occurred as a result of different interpretations of eligibility of the benefit. This could be resolved by clarifying the rules and guidelines. However most importantly, there is no independent oversight of LogistiCare's management and implementation of the system to insure that fraud and abuse are not taking place.


The fourth objective of the contract was to reduce Medicaid expenditures for NEMT. However this has not been the case in the documentation that has been made available. Rides that have been provided are done so with more expensive modes of transportation and with little effort to coordinate rides. Additionally, subcontractors have overcharged in their estimated flat rates, rather than charging the actual trip costs as in the past. These flat rates are being overestimated to make up for the payments that LogistiCare withholds and refuses to pay its subcontractors and service providers.

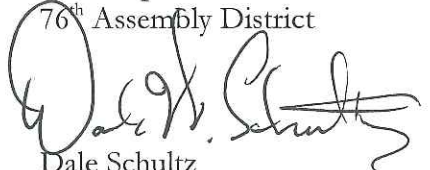
The final goal was to collect and report statewide transportation data from the provider. Previously this data was available from the counties, but the state did not ask for the data or use it to collect available federal matching funds.


We are very concerned by LogistiCare's handling and execution of this NEMT contract in Wisconsin and in the fact that the sole supervising entity of the contract is LogistiCare itself. We are concerned about senior citizens, veterans and people with disabilities not receiving the assistance they need to get to important medical appointments, with rides being denied for no apparent reason, people being deemed ineligible by misleading eligibility surveys and with rides being late or not showing up. We are concerned about the loss of local transportation providers who have had to lay off employees or shut down completely. Documented reports are available from providers who have worked for LogistiCare and have not received payments on time, not received the agreed upon amounts or have not been paid at all. We are concerned about the documented cases across the State of Wisconsin showing the negative impacts and harm that have occurred to Wisconsin's most needy and vulnerable populations through LogistiCare's administration of the Non-Emergency Medical Transportation contract.


Sincerely,


  
Penny Bernard Schaber  
State Representative  
57<sup>th</sup> Assembly District


  
Terese Berceau  
State Representative  
76<sup>th</sup> Assembly District


  
Dale Schultz  
State Senator  
17<sup>th</sup> Senate District


  
Chris Larson  
State Senator  
7<sup>th</sup> Senate District

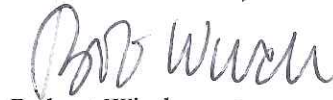
  
Chris Sinicki  
State Representative  
20<sup>th</sup> Assembly District


  
Steve Doyle  
State Representative  
94<sup>th</sup> Assembly District

  
Gary Hebl  
State Representative  
46<sup>th</sup> Assembly District

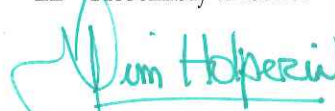
  
Dave Hansen  
State Senator  
30<sup>th</sup> Senate District

  
Chris Danou  
State Representative  
91<sup>st</sup> Assembly District


  
Robert Wirch  
State Senator  
22<sup>nd</sup> Senate District


  
Robert Turner  
State Representative  
61<sup>st</sup> Assembly District


  
Sandy Pasch  
State Representative  
22<sup>nd</sup> Assembly District

  
Jim Holperin  
State Senator  
12<sup>th</sup> Senate District


  
Janis Ringhand  
State Representative  
80<sup>th</sup> Assembly District

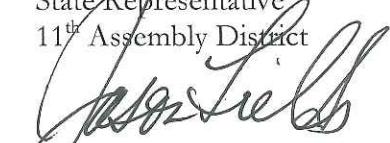
  
Richard Spanbauer  
State Representative  
53<sup>rd</sup> Assembly District

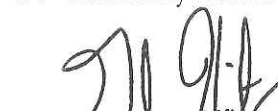
  
Amy Sue Vruwink  
State Representative  
70<sup>th</sup> Assembly District


  
Fred Clark  
State Representative  
42<sup>nd</sup> Assembly District


Fred Risser  
State Senator  
26<sup>th</sup> Senate District

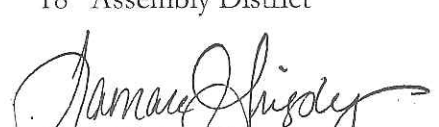
  
Jason Biels  
State Representative  
11<sup>th</sup> Assembly District

  
Gordon Hintz  
State Representative  
54<sup>th</sup> Assembly District

  
Tim Cullen  
State Senator  
15<sup>th</sup> Senate District

  
Julie Lassa  
State Senator  
24<sup>th</sup> Senate District

  
Tamara Grigsby  
State Representative  
18<sup>th</sup> Assembly District

  
Chris Taylor  
State Representative  
48<sup>th</sup> Assembly District





Janet Bewley  
State Representative  
74<sup>th</sup> Assembly District



Peter Barca  
State Representative  
64<sup>th</sup> Assembly District



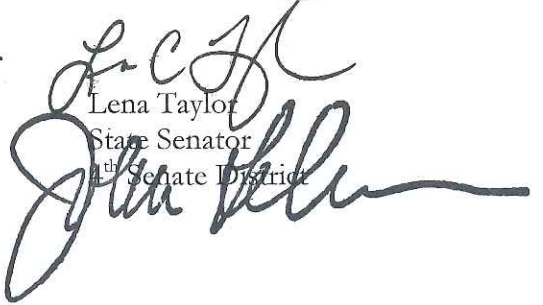
Joe Knilans  
State Representative  
44<sup>th</sup> Assembly District



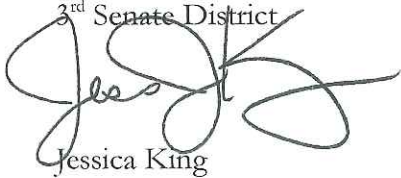
Tim Carpenter  
State Senator  
3<sup>rd</sup> Senate District



Louis Molepske  
State Representative  
70<sup>th</sup> Assembly District



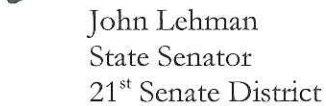
Lena Taylor  
State Senator  
4<sup>th</sup> Senate District



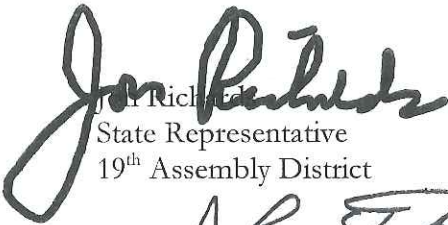
Jessica King  
State Senator  
18<sup>th</sup> Senate District



Brett Hulsey  
State Representative  
77<sup>th</sup> Assembly District



John Lehman  
State Senator  
21<sup>st</sup> Senate District



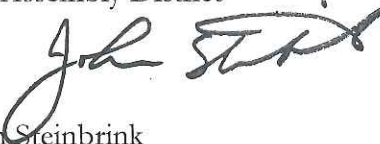
Jon Richards  
State Representative  
19<sup>th</sup> Assembly District



Kelda Roys  
State Representative  
81<sup>st</sup> Assembly District



Bob Jauch  
State Senator  
25<sup>th</sup> Senate District



John Steinbrink  
State Representative  
65<sup>th</sup> Assembly District



Cory Mason  
State Representative  
62<sup>nd</sup> Assembly District



Kathy Bernier  
State Representative  
68<sup>th</sup> Assembly District



Nick Milroy  
State Representative  
73<sup>rd</sup> Assembly District



Chad Weinger  
State Representative  
4<sup>th</sup> Assembly District



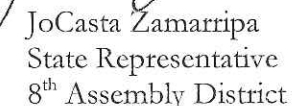
Alvin Ott  
State Representative  
3<sup>rd</sup> Assembly District



Spencer Coggs  
State Senator  
6<sup>th</sup> Senate District



Jennifer Shilling  
State Senator  
32<sup>nd</sup> Senate District



JoCasta Zamarripa  
State Representative  
8<sup>th</sup> Assembly District



Jon Erpenbach  
State Senator  
27<sup>th</sup> Senate District



Andy Joergensen  
State Representative  
37<sup>th</sup> Assembly District



Gary Bies  
State Representative  
1<sup>st</sup> Assembly District



Mark Miller  
State Senator  
16<sup>th</sup> Senate District



Sondy Pope-Roberts  
State Representative  
79<sup>th</sup> Assembly District



Frederick Kessler  
State Representative  
12<sup>th</sup> Assembly District