

# OFFICE OF THE STATE AUDITOR

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# DIANA DIZOGLIO

Official Audit Report – Issued May 8, 2025

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## Office of Medicaid (MassHealth)—Review of Transportation Services

For the period July 1, 2020 through June 30, 2023



OFFICE OF THE STATE AUDITOR

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**DIANA DIZOGLIO**

May 8, 2025

Kate Walsh, Secretary  
Executive Office of Health and Human Services  
1 Ashburton Place, 11th Floor  
Boston, MA 02108

Dear Secretary Walsh:

I am pleased to provide to you the results of the enclosed performance audit of MassHealth. As is typically the case, this report details the audit objectives, scope, methodology, findings, and recommendations for the audit period, July 1, 2020 through June 30, 2023. As you know, my audit team discussed the contents of this report with agency managers. This report reflects those comments.

I appreciate you and all the efforts of your team at MassHealth. The cooperation and assistance provided to my staff during the audit went a long way toward a smooth process. Thank you for encouraging and making available your team. I am available to discuss this audit if you or your team has any questions.

Best regards,



Diana DiZoglio  
Auditor of the Commonwealth

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## LIST OF ABBREVIATIONS

CMR	Code of Massachusetts Regulations
CORI	Criminal Offender Record Information
GATRA	Greater Attleboro Taunton Regional Transit Authority
MART	Montachusett Regional Transit Authority
MMIS	Medicaid Management Information System
PT-1	Provider Request for Transportation

## EXECUTIVE SUMMARY

The Office of the State Auditor receives an annual appropriation for the operation of a Medicaid Audit Unit to help prevent and identify fraud, waste, and abuse in the Commonwealth's Medicaid program. This program, known as MassHealth, is administered under Chapter 118E of the Massachusetts General Laws by the Executive Office of Health and Human Services, through the Division of Medical Assistance. Medicaid is a joint federal-state program created by Congress in 1965 as Title XIX of the Social Security Act. At the federal level, the Centers for Medicare and Medicaid Services, within the US Department of Health and Human Services, administers the Medicare program and works with state governments to administer state Medicaid programs.

The Office of the State Auditor has conducted an audit of payments made by MassHealth for nonemergency transportation services for the period July 1, 2020 through June 30, 2023. During this period, MassHealth made approximately \$283.3 million in total payments to its two brokers, which were the Montachusett Regional Transit Authority (MART) and the Greater Attleboro Taunton Regional Transit Authority (GATRA). These brokers were responsible for arranging rides for MassHealth members to receive nonemergency services on a cost-savings basis. The purpose of this audit was to determine whether MassHealth ensured that its broker process provides equal opportunity to contracted transportation providers, whether transportation services were properly authorized and documented in accordance with Sections 407.421(D) and 450.205(A) of Title 130 of the Code of Massachusetts Regulations (CMR), and whether Criminal Offender Record Information checks were consistently completed and documented for transportation drivers in accordance with 130 CMR 407.405(B). The Office of the State Auditor conducted the audit as part of our ongoing independent statutory oversight of the state's Medicaid program.

Below is a summary of our findings, the effects of those findings, and our recommendations, with links to each page listed.

<b>Finding 1</b> <b>Page 9</b>	MassHealth paid for nonemergency transportation services when there was no qualifying medical service on the same day.
<b>Effect</b>	We extrapolated the test results related to the four unallowable nonemergency transportation claims to the entire population and estimate that MassHealth overpaid at least \$1,669,323 for nonemergency transportation services. Consequently, the claims submitted for these nonemergency transportation services represent unallowable costs to the Commonwealth.

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<b>Recommendation</b> <b>Page <u>9</u></b>	MassHealth should ensure that brokers maintain documentation for all transportation services provided to MassHealth members.
<b>Finding 2</b> <b>Page <u>10</u></b>	MassHealth paid for nonemergency transportation services that were not properly documented.
<b>Effect</b>	Without sufficient evidence of trips, MassHealth may be paying for transportation services that did not take place.
<b>Recommendations</b> <b>Page <u>11</u></b>	<ol style="list-style-type: none"><li>1. MassHealth should ensure that brokers maintain documentation for all transportation services provided to MassHealth members.</li><li>2. MassHealth should work with the brokers to determine the amount overpaid for nonemergency transportation services.</li></ol>

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## OVERVIEW OF AUDITED ENTITY

Under Chapter 118E of the Massachusetts General Laws, the Executive Office of Health and Human Services, through the Division of Medical Assistance, administers the state's Medicaid program, known as MassHealth. MassHealth annually provides access to healthcare services for approximately two million eligible children, families, people over 65, and people with disabilities, all of whom have low or moderate incomes. In fiscal year 2024, MassHealth program expenditures totaled \$20.1 billion, of which approximately 39% was paid by the Commonwealth. Medicaid program expenditures represented approximately 33% of the Commonwealth's total fiscal year annual budget.

### Nonemergency Transportation Services

MassHealth provides nonemergency transportation services for its members who require an office visit to receive a covered medical service. These services are managed by the Human Services Transportation Office under the Executive Office of Health and Human Services.

A MassHealth member who requires nonemergency transportation services must reach out to their primary care physician or provider to obtain a Provider Request for Transportation (PT-1) form.<sup>1</sup> This form authorizes the member to receive transportation from their home to the provider's office and the return trip to their home. The member must obtain separate PT-1 forms for any additional providers that they may visit. Members may bring an additional person with them, designated as an escort, to assist with entering or exiting the vehicle, translation, or general support. These services are also available to some MassHealth members when they are discharged from the hospital or other inpatient/outpatient settings.

After the member is approved for nonemergency transportation services, they are assigned to a broker based on their location. During the audit period, there were two brokers facilitating these services: the Montachusett Regional Transit Authority (MART) and the Greater Attleboro Taunton Regional Transit Authority (GATRA). These brokers match the member with a contracted transportation company based on a number of factors, including the type of vehicle needed, pickup fees, and mileage rates. The brokers and the transportation companies conduct annual Criminal Offender Record Information checks to ensure that drivers qualify to provide the transportation service to the members, under MassHealth regulations.

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1. According to Section 407.402 of Title 130 of the Code of Massachusetts Regulations, a PT-1 form is "a form designated by and submitted to MassHealth, used to request brokered transportation for a member. The PT-1 form documents the medical necessity of the transportation requested and its authorization by appropriate personnel."

During the audit period, MassHealth paid \$283,336,169 for nonemergency transportation services. The amount paid by fiscal year is as follows:

	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Total
Amount Paid	\$51,823,426	\$98,117,009	\$133,395,734	<u>\$283,336,169</u>
Number of Claims	2,011,186	3,127,356	3,595,129	<u>8,733,671</u>

## Ride Selection

MART and GATRA are responsible for assigning rides to contracted transportation companies based on each member's needs and the total cost of the ride. Every three months, transportation companies submit their prices to MART and GATRA for the vehicle types they offer. Prices include the pickup fee and mileage rate for each vehicle type. Rates are made public after each quarter, once the bidding period is over, to allow companies to adjust their rates for the next quarter of new bids, which allows for more competitive prices. When a member has a standing medical order, the selected provider transports that member for three months, until new rates are set, because they go to the same location multiples times per week for multiple months at a time. Brokers consider additional factors when matching a member with a transportation company. Brokers consider the relationship between the member and the company, as well as the company's history of customer satisfaction. Additionally, the transportation company with the lowest cost may not be able to accommodate a member's schedule, in which case the broker moves to the next lowest-cost provider based on the same criteria. If a member files a complaint about the company, there are measures in place to ensure that the member is not matched with that company moving forward.

Brokers, MassHealth members, and transportation companies use a transportation software to facilitate all rides. In addition to standing orders, some members may need to request rides for medical appointments that are not recurring. In these cases, the member submits a request through the transportation software. Once it receives a request, the broker offers the ride to a transportation company based on the criteria above, and the company has the option to accept or decline the offer. When an offer is declined, the ride is offered to a different company. Transportation companies are responsible for maintaining documentation confirming that the ride took place, while the brokers are responsible for submitting monthly reports to the Human Services Transportation Office. Each of these reports includes a list of active transportation providers in their service area; the number of on-site inspections completed; the number of critical incidents; and the number of transportation requests processed, implemented, and not implemented.



## AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Section 12 of Chapter 11 of the Massachusetts General Laws, the Office of the State Auditor has conducted a performance audit of certain activities of MassHealth for the period July 1, 2020 through June 30, 2023.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Below is a list of our audit objectives, indicating each question we intended our audit to answer; the conclusion we reached regarding each objective; and, if applicable, where each objective is discussed in the audit findings.

Objective	Conclusion
1. Did MassHealth's nonemergency transportation broker process provide equal opportunity to contracted providers throughout the Commonwealth?	Yes
2. Did MassHealth determine that nonemergency transportation was properly authorized and documented in accordance with Sections 407.421(D) and 450.205(A) of Title 130 of the Code of Massachusetts Regulations (CMR)?	Not always; see Findings <u>1</u> and <u>2</u>
3. Did MassHealth ensure that Criminal Offender Record Information (CORI) checks were consistently performed and documented for transportation drivers and attendants in accordance with 130 CMR 407.405(B)?	Yes

To accomplish our audit objectives, we gained an understanding of the internal control environment relevant to our objectives by reviewing MassHealth's applicable policies, procedures, and internal control plan, and by conducting interviews with MassHealth officials and officials from the two brokers, the Montachusett Regional Transit Authority (MART) and the Greater Attleboro Taunton Regional Transit Authority (GATRA). In addition, to obtain sufficient, appropriate evidence to address our audit objectives, we performed the procedures described below.

## Sample Strategy

We obtained data from the Medicaid Management Information System (MMIS)<sup>2</sup> regarding all claims paid for nonemergency transportation for the audit period. We performed data analytics on the data to only include nonemergency transportation claims for fee-for-service members who did not have a qualifying medical service on the same day. We then selected a random, statistical<sup>3</sup> sample of 75 claims, which accounted for 57 unique transportation providers (totaling \$2,428) from the population of 8,733,671 claims (totaling \$283,336,169) for services. To select the sample, we used a 90% confidence level,<sup>4</sup> a 50% expected error rate,<sup>5</sup> and a 20% desired precision range.<sup>6</sup>

For our statistical sample, we projected the error related to claims that did not have a qualifying service and a trip sheet<sup>7</sup> to the entire population in order to estimate the potential overpayment.

## Review of Broker Process

To determine whether MassHealth's nonemergency transportation broker process provides equal opportunity to contracted providers, we met with officials at both MART and GATRA to gain an understanding of how transportation providers are selected for trips. We requested a list of rates for all transportation providers who were contracted with the brokers (MART and GATRA) during the audit period and Provider Request for Transportation (PT-1) forms for each claim in our sample. We calculated the rate for each claim by determining the miles for each trip from the PT-1 form and multiplying this by the provider's rate and fees. Next, we determined whether the transportation provider in our sample

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2. MMIS is the claim processing and data warehouse system that MassHealth uses. MMIS contains various types of information, such as healthcare information about services provided to MassHealth members and billing submission data. It is used for processing data, verifying eligibility, and running reports that identify medical treatments.
  3. Auditors use statistical sampling to select items for audit testing when a population is large and contains similar items. Auditors generally use a statistical software program to choose a random sample when sampling is used. The results of testing using statistical sampling, unlike those from judgmental sampling, can usually be used to make conclusions or projections about entire populations.
  4. Confidence level is a mathematically based measure of the auditor's assurance that the sample results (statistic) are representative of the population (parameter), expressed as a percentage.
  5. Expected error rate is the number of errors that are expected in the population, expressed as a percentage. It is based on the auditor's knowledge of factors such as prior year results, the understanding of controls gained in planning, or a probe sample.
  6. Desired precision range is the range of likely values within which the true population value should lie; also called confidence interval. For example, if the interval is 90%, the auditor will set an upper confidence limit and a lower confidence where 90% of transactions fall within those limits.
  7. According to the Reports and Billing section—Section 8.2(B)(1)—of the contracts MassHealth had with its brokers, “[a] daily trip sheet [identifies] each scheduled One-Way Trip with a check box indicating if the Consumer was transported, canceled or was no-show and signed by the driver (and by program staff, if required). Trip sheets must include the driver's name and vehicle license plate number listed, the date, the Consumer's name, pickup location, time of pickup, drop off location, and time of drop off.”

offered the lowest cost; if it did not, then we contacted the brokers for a reason why some of the providers were chosen when they did not offer the lowest cost.

Based on the results of our testing, we determined that MassHealth's nonemergency transportation broker process provides equal opportunity to contracted providers throughout the Commonwealth.

## **Review of Authorized Transportation and Documentation**

To determine whether MassHealth's nonemergency transportation claims were properly authorized and documented, we requested all PT-1 forms for the claims in our sample from the brokers (MART and GATRA) and gained an understanding of how the broker process works. In addition, we attempted to contact each transportation provider in our sample to gain an understanding of how the broker process works—from its perspective—and requested trip sheets as evidence that each trip occurred from both the broker and the transportation providers.

Based on the results of our testing, all trips were properly authorized; however, not all trips were properly documented. See Findings 1 and 2 for more details.

## **Review of Qualified Drivers and Attendants**

To determine whether MassHealth ensured that all nonemergency transportation services were provided by qualified drivers, we requested evidence of CORI checks of all drivers and attendants who facilitated a ride within our sample from the brokers (MART and GATRA).

Based on our testing, we determined that CORI checks were completed on all drivers and attendants, in accordance with MassHealth regulations.

## **Data Reliability Assessment**

We obtained claim data for transportation claims from MMIS. To determine the reliability of the data, we relied on the work performed by the Office of the State Auditor in a separate project, completed in 2023, that tested certain information system controls in MMIS. As part of that work, the Office of the State Auditor reviewed existing information, tested selected system controls, and interviewed knowledgeable MassHealth officials about the data. As part of our current audit, we performed validity and integrity tests on the transportation claim data, including (1) testing for duplicate records, (2) testing for blank fields, (3) testing for values outside of a designated range (e.g., negative paid amounts), and (4) testing for dates

outside the audit period. Additionally, we selected 25 claims from the transportation claim data and vouched<sup>8</sup> these to the hardcopy PT-1 forms and driver logs.

Based on the results of the data reliability assessment procedures described above, we determined that the information we obtained was sufficiently reliable for the purposes of our audit.

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8. Vouching is the inspection of supporting documentation to corroborate data.

## DETAILED AUDIT FINDINGS WITH AUDITEE'S RESPONSE

### 1. MassHealth paid for nonemergency transportation services when there was no qualifying medical service on the same day.

MassHealth paid for 10 nonemergency transportation claims out of 75 without a qualifying medical service, indicating that the transportation was not needed under MassHealth rules. Furthermore, 4 out of the 10 claims without a qualifying medical service also did not have trip sheets, indicating that the trip did not occur.

We extrapolated the test results related to the four unallowable nonemergency transportation claims to the entire population and estimate that MassHealth overpaid at least \$1,669,323 for nonemergency transportation services.

Consequently, the claims submitted for these nonemergency transportation services represent unallowable costs to the Commonwealth.

### Authoritative Guidance

According to Section 407.411(A) of Title 130 of the Code of Massachusetts Regulations (CMR),

*Covered Services. The MassHealth agency pays for transportation services that meet the requirements of 130 CMR 407.000 only when such services are covered under the member's MassHealth coverage type and only when members are traveling to obtain medical services covered under the member's coverage type.*

### Reason for Issue

MassHealth stated in an email dated March 3, 2025,

*MassHealth agrees that there appears to be no corresponding medical claim on the date of service of the transportation claim. MassHealth notes there still may be instances where the individual received medical services such as cases where a Medicare claim did not crossover into MassHealth's claims system or a medical provider's billing error resulting in the service appearing to have been delivered on a different date.*

### Recommendation

MassHealth should ensure that brokers maintain documentation for all transportation services provided to MassHealth members.

## Auditee's Response

*[The Executive Office of Human Services (EOHHS)] agrees with the [Office of the State Auditor's (OSA's)] recommendation. Brokers have implemented software that will collect and maintain trip logs, driver credentials, and vehicle credentials within a central repository which will ensure documentation for older claims are available upon request by EOHHS or external auditors. EOHHS will continue to audit brokers annually to ensure that all records and documentation are stored properly and accurately reflect the [nonemergency medical transportation (NEMT)] services billed to MassHealth and will explore expanding the scope of these audits to better enforce broker and transportation provider compliance.*

*Regarding the claims the OSA identified without a corresponding medical service, EOHHS notes that these cases may reflect circumstances where the member did receive the medical service but did not result in a claim that EOHHS or OSA can identify. For example, MassHealth members with Medicare or commercial health insurance may have a medical claim that is paid in its entirety by the third payer and does not cross over into MassHealth's claims processing system. In addition, providers' billing errors may result in the corresponding medical service being captured in a claim with a different, incorrect date of service. Finally, certain codes are billed as a bundle of services provided over a period of days, with only the first date of service appearing in [the Medicaid Management Information System] as the date of service (e.g. G2067: Medication-assisted treatment, methadone, Use to cover episodes of care lasting 7-days in a row). For these claims, the medical service's date of service may not match up with the transportation, even though the medical service was provided each of the seven days.*

## Auditor's Reply

Based on its response, MassHealth is taking measures to address our concerns regarding this matter. As part of our post-audit review process, we will follow up on this matter in approximately six months.

## **2. MassHealth paid for nonemergency transportation services that were not properly documented.**

During the audit period, MassHealth and its transportation brokers did not ensure that all nonemergency transportation services were adequately documented. Specifically, brokers could not provide trip sheets to support 18 out of 75 (24%) nonemergency transportation claims in our sample, totaling \$558.70.

Without sufficient evidence of trips, MassHealth may be paying for transportation services that did not take place.

## Authoritative Guidance

Section 8 (Reports and Billing) of the contracts MassHealth had with its brokers states,

*Daily trip sheet identifying each scheduled One-Way Trip with a check box indicating if the Consumer was transported, canceled or was no-show and signed by the driver (and by program staff, if required). Trip sheets must include the driver's name and vehicle license plate number listed, the date, the Consumer's name, pickup location, time of pickup, drop off location, and time of drop off.*

According to 130 CMR 450.205(A),

*The MassHealth agency will not pay a provider for services if the provider does not have adequate documentation to substantiate the provision of services payable under MassHealth. All providers must keep such records, including medical records, as are necessary to disclose fully the extent and medical necessity of services provided to, or prescribed for, members and must provide to the MassHealth agency and the Attorney General's Medicaid Fraud Division, the State Auditor and the United States Department of Health and Human Services on request such information and any other information about payments claimed by the provider for providing services or otherwise described in 130 CMR 450.205.*

## Reasons for Issue

According to several transportation providers and the brokers, some of the trips did not occur due to the member canceling, or some trip sheets were not completed. In addition, software updates prevented some providers from accessing the trip sheets.

## Recommendations

1. MassHealth should ensure that brokers maintain documentation for all transportation services provided to MassHealth members.
2. MassHealth should work with the brokers to determine the amount overpaid for nonemergency transportation services.

## Auditee's Response

*EOHHS Response [regarding Recommendation 1 for Finding 2]:*

*EOHHS agrees with the OSA's recommendation. As noted under Finding 1's recommendation, Brokers have implemented software that will collect and maintain trip logs, driver credentials, and vehicle credentials within a central repository which will ensure documentation for older claims are available upon request by EOHHS or external auditors. EOHHS will continue to audit brokers annually to ensure that all records and documentation are stored properly and accurately reflect the NEMT services billed to MassHealth and will explore expanding the scope of these audits to better enforce broker and transportation provider compliance. . . .*

*EOHHS Response [regarding Recommendation 2 for Finding 2]:*

*EOHHS agrees with the OSA's recommendation. When evidence suggests transportation may not have been provided as claimed, brokers are to only pay for transportation services where the vendor can provide trip logs or [Global Positioning System (GPS)] to verify trip occurrence. If trip logs or GPS are not presented, then payment will not be made to the vendor. EOHHS will review the OSA's findings and recoup any overpayments where the brokers and transportation providers were unable to produce documentation reflecting the transportation billed to MassHealth.*

*Conclusion*

*EOHHS is committed to addressing all findings identified in the OSA audit. We will continue to strengthen our oversight of the NEMT program through improved documentation requirements, expanded audit processes, and enhanced technology solutions. These efforts will ensure compliance with all applicable regulations while maintaining this essential service for MassHealth members.*

## **Auditor's Reply**

Based on its response, MassHealth is taking measures to address our concerns regarding this matter. As part of our post-audit review process, we will follow up on this matter in approximately six months.