

Indiana Medicaid Transportation Services: Comprehensive Policy and Operational Briefing

Executive Summary

The Indiana Health Coverage Programs (IHCP) provides a multi-tiered system for transporting Medicaid members to and from covered medical services. Effective July 1, 2023, significant policy changes modified how non-emergency medical transportation (NEMT) is managed, specifically for members in nursing facilities and those requiring Advanced Life Support (ALS) or Basic Life Support (BLS) services.

Critical takeaways include:

- **Brokerage Model:** Verida serves as the primary NEMT broker for Fee-for-Service (FFS) members, managing scheduling, provider contracting, and reimbursement for most non-emergency trips.
- **Carve-Outs and Exemptions:** ALS/BLS non-emergency transports and all transports for nursing facility residents (excluding ALS/BLS) are exempt from the brokerage requirement.
- **Nursing Facility Responsibility:** Nursing facilities are now responsible for arranging, coordinating, and reimbursing non-emergency transportation for their residents. This cost is generally included in the facility's per diem rate.
- **Prior Authorization (PA):** PA is required for specialized services, including air ambulance, trips over 50 miles, and out-of-state transportation.
- **Least Expensive Mode:** Indiana Medicaid mandates the use of the least expensive type of transportation that meets the medical needs of the recipient.

1. Transportation Delivery Systems

Transportation is categorized based on the member's enrollment and the medical necessity of the trip.

1.1 Fee-for-Service (FFS) vs. Managed Care

- **Managed Care Members:** Members enrolled in risk-based managed care (e.g., Healthy Indiana Plan, Hoosier Healthwise) receive NEMT through a broker contracted directly with their Managed Care Entity (MCE).
- **FFS Members:** Most NEMT for FFS members is brokered through **Verida**. Members eligible for this service are identified in the IHCP Portal as "Fee for Service + NEMT."

1.2 Exempted NEMT Services

Certain services are bypassed by the Verida brokerage and must be billed directly to Gainwell Technologies (the FFS fiscal agent):

- **ALS and BLS Services:** If a member requires ALS/BLS care during transport or requires a stretcher, the trip is scheduled directly with an IHCP-enrolled ambulance provider.
- **Hospital-to-Hospital Transports:** Includes non-emergency wheelchair transports between facilities; these require the **HH modifier**.
- **Nursing Facility Residents:** Non-ALS/BLS transportation for these residents is coordinated and paid for by the facility.
- **Waiver Services:** Transportation for 1915(c) Home- and Community-Based Services (HCBS) for non-medical needs is outside the brokerage scope.

2. Non-Emergency Medical Transportation (NEMT) Operations

NEMT is defined as transportation for scheduled appointments, dialysis, chemotherapy, and pharmacy visits when needs are not immediate.

2.1 Scheduling and Logistics (Verida)

- **Advance Notice:** Non-urgent rides must be scheduled at least two business days in advance via Verida's reservation line (855-325-7586) or member portal.
- **Urgent Care:** Defined as an unscheduled episodic situation where treatment cannot be delayed until the next day, though there is no threat to life or limb. Urgent care requests must be verified with the medical provider.
- **Wait Times:** Drivers are authorized to wait 10 minutes for a member. For return trips, the provider has one hour from the "ready to return" call to arrive.
- **Shared Rides:** NEMT is a shared-ride service; members may travel with other passengers and make multiple stops.

2.2 Provider and Driver Standards

Providers, including Transportation Network Companies (TNCs), must meet minimum state requirements:

- **Licensing:** All drivers must possess a valid driver's license and wear an ID badge.
- **Compliance:** Providers must have processes to address state drug law violations and must disclose driver histories/traffic violations to the state.
- **Vehicle Identification:** Vehicles must be marked with the company name.
- **Exclusions:** Drivers and providers must not be excluded from federal health care programs or listed on the HHS OIG exclusion list.

3. Specialized Levels of Care

Reimbursement is based on the level of service rendered, not the vehicle type.

3.1 Advanced Life Support (ALS) vs. Basic Life Support (BLS)

The IHCP adheres to definitions provided by the Indiana Emergency Medical Services Commission (EMSC):

Level	Definition and Key Services
ALS	Care provided by a paramedic or AEMT involving defibrillation, endotracheal intubation, parenteral injections, or ECG interpretation.
BLS	Care involving oxygen administration, CPR, splinting, glucose monitoring (non-invasive), and use of mechanical breathing devices.

3.2 Emergency Transportation

- **9-1-1 Dispatches:** All transports to an emergency department via 9-1-1 are considered emergency transports.
- **Treat-No-Transport (A0998):** Reimbursable when an ambulance responds to a 9-1-1 call and provides treatment, but the member is stabilized and not transported.

3.3 Air Ambulance and Neonatal Care

- **Air Ambulance:** Covered only for transport to an acute care hospital when ground transport is inappropriate due to distance or obstacles. PA is required.
- **Neonatal Transport (A0225):** Specialized services for inter-hospital transfers of high-risk or premature infants.

4. Billing and Reimbursement Framework

4.1 General Principles

- **Base Rate and Mileage:** Reimbursement typically includes a base rate (one-way trip) plus a per-mile rate for "loaded miles" (member present in the vehicle).
- **The 10-Mile Rule:** For CAS (Commercial Ambulatory) and NAS (Non-ambulatory/Wheelchair) services, the first 10 miles are automatically deducted from the mileage payment, though providers must bill all miles.
- **Waiting Time:** Reimbursable only for trips of 50 miles or more one-way, after the first 30 minutes of waiting.

4.2 Modifier Usage

Modifiers are essential for correct claim adjudication:

- **Origin/Destination:** Two-character modifiers (e.g., RH for Residence to Hospital).
- **HH:** Hospital-to-hospital transport.

- **XE or 59:** Used to indicate a "separate encounter" if multiple services (like treat-no-transport and a separate trip) occur on the same day.
- **TK:** Used to bill for an accompanying attendant.
- **U1/U2:** Modifiers to distinguish ALS and BLS levels on mileage and drug administration claims.

4.3 Naloxone Administration

EMS providers may bill for Naloxone administration even if no transport occurs.

- **Prefilled Nasal Spray (J3490):** Billed with modifier **96372 U1**.
- **Liquid Vial (J2310):** Billed with modifier **96372 U2**.
- **Documentation:** Providers must record the 11-digit National Drug Code (NDC) in a 5-4-2 format.

5. Nursing Facility and Hospital Specifics

5.1 Nursing Facility Resident Transportation

Nursing facilities are the payers for non-ALS/BLS NEMT for their residents.

- **Per Diem:** Reimbursement for these trips is included in the facility's per diem rate.
- **Standing Orders:** Facilities are responsible for establishing standing orders (recurring trips for treatments like dialysis).
- **Direct Billing:** Ambulance providers must bill the nursing facility directly for stretcher or wheelchair trips that do not meet ALS/BLS medical necessity.

5.2 Hospital Discharges

- **Coordination:** Hospitals must coordinate with Verida for non-emergency discharges. If the member requires ALS/BLS, the hospital coordinates directly with the ambulance provider.
- **Urgent Care Status:** Hospital discharges are treated as urgent care requests.

6. Prior Authorization (PA) and Caps

6.1 Trip Limits and PA Requirements

Reimbursement is available for up to 20 one-way trips of less than 50 miles per recipient per rolling 12-month period without PA. PA is required for:

- Trips exceeding the 20-trip cap.
- Trips of 50 miles or more one-way.
- Airline, air ambulance, and interstate transportation.

- Transportation to out-of-state providers (excluding "sister cities" like Louisville, KY or Cincinnati, OH).

6.2 Authorized Out-of-State "Sister Cities"

Providers in these areas are considered "in-state" for PA purposes:

- Louisville and Owensboro, KY.
- Cincinnati, Harrison, Hamilton, and Oxford, OH.
- Sturgis, MI.
- Watseka and Danville, IL.

7. Important Quotes and Policy Statements

- **Medical Necessity:** "Indiana Medicaid reimburses Medicaid-enrolled vendors for the least expensive type of emergency and non-emergency transportation available that meets the medical needs of the recipient."
- **Member Presence:** "The member being transported must be present in the vehicle for IHCP reimbursement to be available, with the exception of treat-no-transport services."
- **Nursing Facility Carve-out:** "Effective for dates of service on or after July 1, 2023, nursing facilities are responsible for coordinating and reimbursing transportation providers for non-ALS/BLS NEMT services for their IHCP residents."
- **Administrative Services:** "Transportation to and from an Indiana Medicaid covered service is also provided as an administrative service... family member services via mileage reimbursement."