

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-NINTH SESSION**

**S.F. No. 1292**

(SENATE AUTHORS: SHERAN)

| DATE       | D-PG | OFFICIAL STATUS  |
|------------|------|--|
| 03/02/2015 | 504  | Introduction and first reading<br>Referred to Health, Human Services and Housing       |
| 03/12/2015 | 771a | Comm report: To pass as amended and re-refer to Transportation and Public Safety       |
| 03/16/2015 | 844  | Comm report: To pass and re-referred to Finance<br>See SF1458, Art. 11, Sec. 21-23, 60 |

A bill for an act

1.1 relating to human services; regulating nonemergency medical transportation  
 1.2 providers; modifying payment rates for nonemergency medical transportation  
 1.3 services; amending Minnesota Statutes 2014, sections 174.29, subdivision 1;  
 1.4 174.30, subdivisions 3, 4, by adding a subdivision; 256B.0625, subdivisions 17,  
 1.5 17a, 18a, 18e; Laws 2014, chapter 312, article 24, section 45, subdivision 2.  
 1.6

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. Minnesota Statutes 2014, section 174.29, subdivision 1, is amended to read:

1.9 Subdivision 1. **Definition.** For the purpose of sections 174.29 and 174.30 "special  
 1.10 transportation service" means motor vehicle transportation provided on a regular basis  
 1.11 by a public or private entity or person that is designed exclusively or primarily to serve  
 1.12 individuals who are elderly or disabled and who are unable to use regular means of  
 1.13 transportation but do not require ambulance service, as defined in section 144E.001,  
 1.14 subdivision 3. Special transportation service includes but is not limited to service provided  
 1.15 by specially equipped buses, vans, taxis, and volunteers driving private automobiles.  
 1.16 Special transportation service also means those nonemergency medical transportation  
 1.17 services under section 256B.0625, subdivision 17, that are subject to the operating  
 1.18 standards for special transportation service under sections 174.29 to 174.30 and Minnesota  
 1.19 Rules, chapter 8840.

1.20 Sec. 2. Minnesota Statutes 2014, section 174.30, subdivision 3, is amended to read:

1.21 Subd. 3. **Other standards; wheelchair securement; protected transport.** (a) A  
 1.22 special transportation service that transports individuals occupying wheelchairs is subject  
 1.23 to the provisions of sections 299A.11 to 299A.18 concerning wheelchair securement  
 1.24 devices. The commissioners of transportation and public safety shall cooperate in the

2.1 enforcement of this section and sections 299A.11 to 299A.18 so that a single inspection  
2.2 is sufficient to ascertain compliance with sections 299A.11 to 299A.18 and with the  
2.3 standards adopted under this section. Representatives of the Department of Transportation  
2.4 may inspect wheelchair securement devices in vehicles operated by special transportation  
2.5 service providers to determine compliance with sections 299A.11 to 299A.18 and to issue  
2.6 certificates under section 299A.14, subdivision 4.

2.7 (b) In place of a certificate issued under section 299A.14, the commissioner may  
2.8 issue a decal under subdivision 4 for a vehicle equipped with a wheelchair securement  
2.9 device if the device complies with sections 299A.11 to 299A.18 and the decal displays the  
2.10 information in section 299A.14, subdivision 4.

2.11 (c) For vehicles designated as protected transport under section 256B.0625,  
2.12 subdivision 17, paragraph (h), the commissioner of transportation, during the  
2.13 commissioner's inspection, shall check to ensure the safety provisions contained in that  
2.14 paragraph are in working order.

2.15 Sec. 3. Minnesota Statutes 2014, section 174.30, subdivision 4, is amended to read:

2.16 Subd. 4. **Vehicle and equipment inspection; rules; decal; complaint contact**  
2.17 **information; restrictions on name of service.** (a) The commissioner shall inspect or  
2.18 provide for the inspection of vehicles at least annually. In addition to scheduled annual  
2.19 inspections and reinspections scheduled for the purpose of verifying that deficiencies have  
2.20 been corrected, unannounced inspections of any vehicle may be conducted.

2.21 (b) On determining that a vehicle or vehicle equipment is in a condition that is likely  
2.22 to cause an accident or breakdown, the commissioner shall require the vehicle to be taken  
2.23 out of service immediately. The commissioner shall require that vehicles and equipment  
2.24 not meeting standards be repaired and brought into conformance with the standards  
2.25 and shall require written evidence of compliance from the operator before allowing the  
2.26 operator to return the vehicle to service.

2.27 (c) The commissioner shall provide in the rules procedures for inspecting vehicles,  
2.28 removing unsafe vehicles from service, determining and requiring compliance, and  
2.29 reviewing driver qualifications.

2.30 (d) The commissioner shall design a distinctive decal to be issued to special  
2.31 transportation service providers with a current certificate of compliance under this section.  
2.32 A decal is valid for one year from the last day of the month in which it is issued. A person  
2.33 who is subject to the operating standards adopted under this section may not provide  
2.34 special transportation service in a vehicle that does not conspicuously display a decal  
2.35 issued by the commissioner.

3.1 (e) All special transportation service providers shall pay an annual fee of \$45 to  
3.2 obtain a decal. Providers of ambulance service, as defined in section 144E.001, subdivision  
3.3 3, are exempt from the annual fee. Fees collected under this paragraph are appropriated to  
3.4 the commissioner to pay for administering the special transportation service program.

3.5 (f) Special transportation service providers shall prominently display in each vehicle  
3.6 all contact information for the submission of complaints regarding the transportation  
3.7 services provided to that individual. All vehicles providing service under section  
3.8 473.386 shall display contact information for the Metropolitan Council. All other special  
3.9 transportation service vehicles shall display contact information for the commissioner of  
3.10 transportation.

3.11 (g) Nonemergency medical transportation providers must comply with Minnesota  
3.12 Rules, part 8840.5450, except that a provider may use the phrase "nonemergency medical  
3.13 transportation" in its name or in advertisements or information describing the service.

3.14 Sec. 4. Minnesota Statutes 2014, section 174.30, is amended by adding a subdivision  
3.15 to read:

3.16 Subd. 4b. **Variance from the standards.** A nonemergency medical transportation  
3.17 provider who was not subject to the standards in this section prior to July 1, 2014, must  
3.18 apply for a variance from the commissioner if the provider cannot meet the standards  
3.19 within six months of the date of enactment of this subdivision. The commissioner may  
3.20 grant or deny the variance application. Variances, if granted, shall not exceed 60 days  
3.21 unless extended by the commissioner.

3.22 Sec. 5. Minnesota Statutes 2014, section 256B.0625, subdivision 17, is amended to read:

3.23 Subd. 17. **Transportation costs.** (a) "Nonemergency medical transportation  
3.24 service" means motor vehicle transportation provided by a public or private person  
3.25 that serves Minnesota health care program beneficiaries who do not require emergency  
3.26 ambulance service, as defined in section 144E.001, subdivision 3, to obtain covered  
3.27 medical services. ~~Nonemergency medical transportation service includes, but is not~~  
3.28 ~~limited to, special transportation service, defined in section 174.29, subdivision 1.~~

3.29 (b) Medical assistance covers medical transportation costs incurred solely for  
3.30 obtaining emergency medical care or transportation costs incurred by eligible persons in  
3.31 obtaining emergency or nonemergency medical care when paid directly to an ambulance  
3.32 company, common carrier, or other recognized providers of transportation services.

3.33 Medical transportation must be provided by:

4.1 (1) nonemergency medical transportation providers who meet the requirements  
4.2 of this subdivision;

4.3 (2) ambulances, as defined in section 144E.001, subdivision 2;

4.4 (3) taxicabs ~~and~~;

4.5 (4) public transit, as defined in section 174.22, subdivision 7; or

4.6 ~~(4)~~ (5) not-for-hire vehicles, including volunteer drivers.

4.7 (c) Medical assistance covers nonemergency medical transportation provided by  
4.8 nonemergency medical transportation providers enrolled in the Minnesota health care  
4.9 programs. All nonemergency medical transportation providers must comply with the  
4.10 operating standards for special transportation service as defined in sections 174.29 to  
4.11 174.30 and Minnesota Rules, chapter 8840, and in consultation with the Minnesota  
4.12 Department of Transportation. All nonemergency medical transportation providers shall  
4.13 bill for nonemergency medical transportation services in accordance with Minnesota  
4.14 health care programs criteria. Publicly operated transit systems, volunteers, and  
4.15 not-for-hire vehicles are exempt from the requirements outlined in this paragraph.

4.16 (d) The administrative agency of nonemergency medical transportation must:

4.17 (1) adhere to the policies defined by the commissioner in consultation with the  
4.18 Nonemergency Medical Transportation Advisory Committee;

4.19 (2) pay nonemergency medical transportation providers for services provided to  
4.20 Minnesota health care programs beneficiaries to obtain covered medical services;

4.21 (3) provide data monthly to the commissioner on appeals, complaints, no-shows,  
4.22 canceled trips, and number of trips by mode; and

4.23 (4) by July 1, 2016, in accordance with subdivision 18e, utilize a Web-based single  
4.24 administrative structure assessment tool that meets the technical requirements established  
4.25 by the commissioner, reconciles trip information with claims being submitted by  
4.26 providers, and ensures prompt payment for nonemergency medical transportation services.

4.27 (e) Until the commissioner implements the single administrative structure and  
4.28 delivery system under subdivision 18e, clients shall obtain their level-of-service certificate  
4.29 from the commissioner or an entity approved by the commissioner that does not dispatch  
4.30 rides for clients using modes of transportation under paragraph (h), clauses (4), (5), (6),  
4.31 and (7).

4.32 (f) The commissioner may use an order by the recipient's attending physician or a  
4.33 medical or mental health professional to certify that the recipient requires nonemergency  
4.34 medical transportation services. Nonemergency medical transportation providers shall  
4.35 perform driver-assisted services for eligible individuals, when appropriate. Driver-assisted  
4.36 service includes passenger pickup at and return to the individual's residence or place of

5.1 business, assistance with admittance of the individual to the medical facility, and assistance  
 5.2 in passenger securement or in securing of wheelchairs or stretchers in the vehicle.

5.3 ~~Nonemergency medical transportation providers must have trip logs, which include pickup  
 5.4 and drop-off times, signed by the medical provider or client attesting mileage traveled to  
 5.5 obtain covered medical services, whichever is deemed most appropriate. Nonemergency  
 5.6 medical transportation providers may not bill for separate base rates for the continuation  
 5.7 of a trip beyond the original destination. Nonemergency medical transportation providers  
 5.8 must take clients to the health care provider, using the most direct route, and must not  
 5.9 exceed 30 miles for a trip to a primary care provider or 60 miles for a trip to a specialty  
 5.10 care provider, unless the client receives authorization from the local agency. The minimum  
 5.11 medical assistance reimbursement rates for special transportation services are:~~

5.12 ~~(1)(i) \$17 for the base rate and \$1.35 per mile for special transportation services to  
 5.13 eligible persons who need a wheelchair-accessible van;~~

5.14 ~~(ii) \$11.50 for the base rate and \$1.30 per mile for special transportation services to  
 5.15 eligible persons who do not need a wheelchair-accessible van; and~~

5.16 ~~(iii) \$60 for the base rate and \$2.40 per mile, and an attendant rate of \$9 per trip,  
 5.17 for special transportation services to eligible persons who need a stretcher-accessible  
 5.18 vehicle; and~~

5.19 ~~(2) Nonemergency medical transportation providers must take clients to the health  
 5.20 care provider using the most direct route, and must not exceed 30 miles for a trip to a  
 5.21 primary care provider or 60 miles for a trip to a specialty care provider, unless:~~

5.22 ~~(1) for clients required to receive their level-of-service certificate under paragraph  
 5.23 (e), the client receives authorization from the commissioner or entity that issues the  
 5.24 certificate; or~~

5.25 ~~(2) for clients not required to receive their level-of-service certificate under  
 5.26 paragraph (e), the client receives authorization from the local agency.~~

5.27 ~~Nonemergency medical transportation providers may not bill for separate base rates  
 5.28 for the continuation of a trip beyond the original destination. Nonemergency medical  
 5.29 transportation providers must maintain trip logs, which include pickup and drop-off times,  
 5.30 signed by the medical provider or client, whichever is deemed most appropriate, attesting  
 5.31 to mileage traveled to obtain covered medical services. Clients requesting client mileage  
 5.32 reimbursement must sign the trip log attesting mileage traveled to obtain covered medical  
 5.33 services.~~

5.34 ~~(g) The covered modes of nonemergency medical transportation include  
 5.35 transportation provided directly by clients or family members of clients with their own  
 5.36 transportation, volunteers using their own vehicles, taxicabs, and public transit, or~~

6.1 ~~provided to a client who needs a stretcher-accessible vehicle, a lift/ramp equipped vehicle,~~  
 6.2 ~~or a vehicle that is not stretcher-accessible or lift/ramp equipped designed to transport ten~~  
 6.3 ~~or fewer persons. Upon implementation of a new rate structure, a new covered mode of~~  
 6.4 ~~nonemergency medical transportation shall include transportation provided to a client who~~  
 6.5 ~~needs a protected vehicle that is not an ambulance or police car and has safety locks, a~~  
 6.6 ~~video recorder, and a transparent thermoplastic partition between the passenger and the~~  
 6.7 ~~vehicle driver.~~

6.8 (h) (g) The administrative agency shall use the level of service process established  
 6.9 by the commissioner in consultation with the Nonemergency Medical Transportation  
 6.10 Advisory Committee to determine the client's most appropriate mode of transportation.  
 6.11 If public transit or a certified transportation provider is not available to provide the  
 6.12 appropriate service mode for the client, the client may receive a onetime service upgrade.

6.13 (h) The new covered modes of transportation, which may not be implemented  
 6.14 without a new rate structure, are:

6.15 (1) client reimbursement, which includes client mileage reimbursement provided to  
 6.16 clients who have their own transportation, or to family or an acquaintance who provides  
 6.17 transportation to the client;

6.18 (2) volunteer transport, which includes transportation by volunteers using their  
 6.19 own vehicle;

6.20 (3) unassisted transport, which includes transportation provided to a client by a  
 6.21 taxicab or public transit. If a taxicab or ~~publicly operated~~ public transit system is not  
 6.22 available, the client can receive transportation from another nonemergency medical  
 6.23 transportation provider;

6.24 (4) assisted transport, which includes transport provided to clients who require  
 6.25 assistance by a nonemergency medical transportation provider;

6.26 (5) lift-equipped/ramp transport, which includes transport provided to a client who  
 6.27 is dependent on a device and requires a nonemergency medical transportation provider  
 6.28 with a vehicle containing a lift or ramp;

6.29 (6) protected transport, which includes transport provided to a client who has  
 6.30 received a prescreening that has deemed other forms of transportation inappropriate and  
 6.31 who requires a provider: (i) with a protected vehicle that is not an ambulance or police car  
 6.32 and has safety locks, a video recorder, and a transparent thermoplastic partition between  
 6.33 the passenger and the vehicle driver; and (ii) who is certified as a protected transport  
 6.34 provider; and

7.1 (7) stretcher transport, which includes transport for a client in a prone or supine  
7.2 position and requires a nonemergency medical transportation provider with a vehicle that  
7.3 can transport a client in a prone or supine position.

7.4 (i) ~~In accordance with subdivision 18e, by July 1, 2016,~~ The local agency shall be  
7.5 the single administrative agency and shall administer and reimburse for modes defined in  
7.6 paragraph (h) according to ~~a new rate structure, once this is adopted~~ paragraphs (l) and  
7.7 (m) when the commissioner has developed, made available, and funded the Web-based  
7.8 single administrative structure, assessment tool, and level of need assessment under  
7.9 subdivision 18e. The local agency's financial obligation is limited to funds provided by  
7.10 the state or federal government.

7.11 (j) The commissioner shall:

7.12 (1) in consultation with the Nonemergency Medical Transportation Advisory  
7.13 Committee, verify that the mode and use of nonemergency medical transportation is  
7.14 appropriate;

7.15 (2) verify that the client is going to an approved medical appointment; and

7.16 (3) investigate all complaints and appeals.

7.17 (k) The administrative agency shall pay for the services provided in this subdivision  
7.18 and seek reimbursement from the commissioner, if appropriate. As vendors of medical  
7.19 care, local agencies are subject to the provisions in section 256B.041, the sanctions and  
7.20 monetary recovery actions in section 256B.064, and Minnesota Rules, parts 9505.2160  
7.21 to 9505.2245.

7.22 (l) Payments for nonemergency medical transportation must be paid based on  
7.23 the client's assessed mode under paragraph (g), not the type of vehicle used to provide  
7.24 the service. The medical assistance reimbursement rates for nonemergency medical  
7.25 transportation services that are payable by or on behalf of the commissioner for  
7.26 nonemergency medical transportation services are:

7.27 (1) up to 80 percent of the Internal Revenue Service business deduction rate for  
7.28 client reimbursement;

7.29 (2) up to 200 percent of the Internal Revenue Service business deduction rate for  
7.30 volunteer transport;

7.31 (3) equivalent to the standard fare for unassisted transport when provided by public  
7.32 transit, and \$11 for the base rate and \$1.30 per mile when provided by a nonemergency  
7.33 medical transportation provider;

7.34 (4) \$13 for the base rate and \$1.30 per mile for assisted transport;

7.35 (5) \$18 for the base rate and \$1.55 per mile for lift-equipped/ramp transport;

7.36 (6) \$75 for the base rate and \$2.40 per mile for protected transport; and

8.1 (7) \$60 for the base rate and \$2.40 per mile for stretcher transport, and \$9 per trip  
 8.2 for an additional attendant if deemed medically necessary.

8.3 ~~The base rates for special transportation services in areas defined under RUCA~~  
 8.4 ~~to be super rural shall be equal to the reimbursement rate established in paragraph (f),~~  
 8.5 ~~clause (1), plus 11.3 percent, and for special~~ (m) The base rate for nonemergency medical  
 8.6 transportation services in areas defined under RUCA to be super rural is equal to 111.3  
 8.7 percent of the respective base rate in paragraph (l), clauses (1) to (7). The mileage rate  
 8.8 for nonemergency medical transportation services in areas defined under RUCA to be  
 8.9 rural or super rural areas is:

8.10 (1) for a trip equal to 17 miles or less, ~~mileage reimbursement shall be equal to 125~~  
 8.11 ~~percent of the respective mileage rate in paragraph (f) (l), clause clauses (1) to (7); and~~

8.12 (2) for a trip between 18 and 50 miles, ~~mileage reimbursement shall be equal to~~  
 8.13 ~~112.5 percent of the respective mileage rate in paragraph (f) (l), clause clauses (1) to (7).~~

8.14 ~~(m) (n)~~ (n) For purposes of reimbursement rates for ~~special nonemergency medical~~  
 8.15 ~~transportation services under paragraph (e) paragraphs (l) and (m), the zip code of the~~  
 8.16 ~~recipient's place of residence shall determine whether the urban, rural, or super rural~~  
 8.17 ~~reimbursement rate applies.~~

8.18 ~~(n) (o)~~ (o) For purposes of this subdivision, "rural urban commuting area" or "RUCA"  
 8.19 means a census-tract based classification system under which a geographical area is  
 8.20 determined to be urban, rural, or super rural.

8.21 ~~(o) Effective for services provided on or after September 1, 2011, nonemergency~~  
 8.22 ~~transportation rates, including special transportation, taxi, and other commercial carriers,~~  
 8.23 ~~are reduced 4.5 percent. Payments made to managed care plans and county-based~~  
 8.24 ~~purchasing plans must be reduced for services provided on or after January 1, 2012,~~  
 8.25 ~~to reflect this reduction.~~

8.26 Sec. 6. Minnesota Statutes 2014, section 256B.0625, subdivision 17a, is amended to  
 8.27 read:

8.28 Subd. 17a. **Payment for ambulance services.** ~~(a)~~ Medical assistance covers  
 8.29 ambulance services. Providers shall bill ambulance services according to Medicare  
 8.30 criteria. Nonemergency ambulance services shall not be paid as emergencies. Effective  
 8.31 for services rendered on or after July 1, 2001, medical assistance payments for ambulance  
 8.32 services shall be paid at the Medicare reimbursement rate or at the medical assistance  
 8.33 payment rate in effect on July 1, 2000, whichever is greater.

8.34 ~~(b) Effective for services provided on or after September 1, 2011, ambulance~~  
 8.35 ~~services payment rates are reduced 4.5 percent. Payments made to managed care plans~~



9.1 ~~and county-based purchasing plans must be reduced for services provided on or after~~  
9.2 ~~January 1, 2012, to reflect this reduction.~~

9.3 Sec. 7. Minnesota Statutes 2014, section 256B.0625, subdivision 18a, is amended to  
9.4 read:

9.5 Subd. 18a. **Access to medical services.** (a) Medical assistance reimbursement for  
9.6 meals for persons traveling to receive medical care may not exceed \$5.50 for breakfast,  
9.7 \$6.50 for lunch, or \$8 for dinner.

9.8 (b) Medical assistance reimbursement for lodging for persons traveling to receive  
9.9 medical care may not exceed \$50 per day unless prior authorized by the local agency.

9.10 ~~(c) Medical assistance direct mileage reimbursement to the eligible person or the~~  
9.11 ~~eligible person's driver may not exceed 20 cents per mile.~~

9.12 ~~(d)~~ Regardless of the number of employees that an enrolled health care provider  
9.13 may have, medical assistance covers sign and oral language interpreter services when  
9.14 provided by an enrolled health care provider during the course of providing a direct,  
9.15 person-to-person covered health care service to an enrolled recipient with limited English  
9.16 proficiency or who has a hearing loss and uses interpreting services. Coverage for  
9.17 face-to-face oral language interpreter services shall be provided only if the oral language  
9.18 interpreter used by the enrolled health care provider is listed in the registry or roster  
9.19 established under section 144.058.

9.20 Sec. 8. Minnesota Statutes 2014, section 256B.0625, subdivision 18e, is amended to  
9.21 read:

9.22 Subd. 18e. **Single administrative structure and delivery system.** The  
9.23 commissioner, in coordination with the commissioner of transportation, shall implement  
9.24 a single administrative structure and delivery system for nonemergency medical  
9.25 transportation, beginning the latter of the date the single administrative assessment tool  
9.26 required in this subdivision is available for use, as determined by the commissioner or by  
9.27 July 1, 2016.

9.28 In coordination with the Department of Transportation, the commissioner shall  
9.29 develop and authorize a Web-based single administrative structure and assessment  
9.30 tool, which must operate 24 hours a day, seven days a week, to facilitate the enrollee  
9.31 assessment process for nonemergency medical transportation services. The Web-based  
9.32 tool shall facilitate the transportation eligibility determination process initiated by clients  
9.33 and client advocates; shall include an accessible automated intake and assessment  
9.34 process and real-time identification of level of service eligibility; and shall authorize an

10.1 appropriate and auditable mode of transportation authorization. The tool shall provide a  
10.2 single framework for reconciling trip information with claiming and collecting complaints  
10.3 regarding inappropriate level of need determinations, inappropriate transportation modes  
10.4 utilized, and interference with accessing nonemergency medical transportation. The  
10.5 Web-based single administrative structure shall operate on a trial basis for one year from  
10.6 implementation and, if approved by the commissioner, shall be permanent thereafter.  
10.7 The commissioner shall seek input from the Nonemergency Medical Transportation  
10.8 Advisory Committee to ensure the software is effective and user-friendly and make  
10.9 recommendations regarding funding of the single administrative system.

10.10 Sec. 9. Laws 2014, chapter 312, article 24, section 45, subdivision 2, is amended to read:

10.11 Subd. 2. **Application for and terms of variance.** A new provider may apply to the  
10.12 commissioner, on a form supplied by the commissioner for this purpose, for a variance  
10.13 from special transportation service operating standards. The commissioner may grant or  
10.14 deny the variance application. Variances expire on the earlier of February 1, 2016, or ~~the~~  
10.15 ~~date that the commissioner of transportation begins certifying new providers under the~~  
10.16 ~~terms of this act and successor legislation~~ one year after the date the variance was issued.  
10.17 The commissioner must not grant variances under this subdivision after June 30, 2015.