

Considerations when adding ride-sharing to a healthcare benefit plan

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Ambulance rides are a necessary and important service for patients in emergency situations, but as most people who have taken an ambulance can attest, it is a costly service even with insurance coverage.

As the public discourse continues to focus on the high cost of healthcare, an increasing number of payers and healthcare organizations are turning to ride-sharing services such as Uber or Lyft for non-emergency medical transportation.

An estimated 30% of ambulance use is inappropriate¹ as determined by emergency department doctors and attending nurses. Inappropriate ambulance use moves resources away from patients with actual emergency situations and creates longer ambulance and emergency room wait times. As a result of inappropriate ambulance use and high costs, many health plans include non-emergency medical transportation (NEMT) as a covered benefit, particularly Medicare Advantage² and Medicaid plans.³ NEMT can help beneficiaries who do not have access to transportation. Historically, NEMT companies provided taxis or specialized vehicles for transportation to medical services, but often struggled with schedule changes, on-demand transportation, and customer service.⁴

With the introduction of services like Uber Health and Lyft Concierge, ride-sharing companies have officially expanded into the area of NEMT. In fact, Lyft reports that nearly one-third

of its passengers use the service to get to or from a medical-related appointment.⁵ The healthcare industry has also seen the emergence of a number of third-party companies, such as Circulation and Roundtrip. These companies aim to manage the NEMT experience between patients and providers like social workers or clinics. As these options become more mainstream, numerous healthcare organizations—including health insurance plans, hospitals, provider groups, clinics, rehab centers, senior care facilities, home care centers, and physical therapy centers—have started offering ride-sharing services by partnering with these companies, with the goal of providing a meaningful benefit to beneficiaries and improving healthcare outcomes.

As ride-sharing services become a more prevalent mode of NEMT, health plans should take into account the following considerations before adding ride-sharing as part of a benefit plan.

The pros: Why a ride-sharing benefit may be a good option

- Lack of transportation to primary care is a common problem for beneficiaries and could be aided with the availability of ride-sharing.**⁶ According to a National Institutes of Health study, 59% of Medicaid beneficiaries and 41% of private beneficiaries who had least one emergency room visit in the last year had difficulty accessing transportation to primary care. Compared to traditional NEMT, ride-sharing services have the potential to be more timely and accommodating to schedule changes or last-minute scheduling.⁷ From a marketing perspective, ride-sharing companies are also becoming well-known, reputable, and popular for the transportation services they

1 Dejean D, Giacomini M, Welsford M, Schwartz L, Decicca P. Inappropriate Ambulance Use: A Qualitative Study of Paramedics' Views. *Healthcare Policy*, 2016;11(3):67–79.

2 Swanson, B. L., Friedman, J. M., & Kramer, A. D. (2016, February). *State of the 2016 Medicare Advantage industry changes as a result of continued rate pressure*. Retrieved on February 20, 2019, from <http://us.milliman.com/uploadedFiles/insight/2016/2016-medicare-advantage-industry.pdf>.

3 Kaiser Family Foundation Medicaid Benefits Survey (2018). *Medicaid Benefits: Non-Emergency Medical Transportation Services*. Retrieved on February 20, 2019, from <https://www.kff.org/medicaid/state-indicator/non-emergency-medical-transportation-services>.

4 Ganuza, A., & Davis, R. (2017, February). *Disruptive Innovation in Medicaid Non-Emergency Transportation*. Retrieved on February 20, 2019, from <https://www.chcs.org/media/NEMT-Issue-Brief-022317.pdf>.

5 Lyft. (2019, February 7). Addressing Health and Wellbeing Through Better Transportation [Blog Post]. Retrieved on February 20, 2019, from <https://blog.lyft.com/posts/2019/2/5/addressing-health-and-wellbeing-through-better-transportation>.

6 Cheung, P. T., Wiler, J. L., Lower, R. A., & Ginde, A. A. (2012, July). *National Study of Barriers to Timely Primary Care and Emergency Department Utilization Among Medicaid Beneficiaries*. Retrieved on February 20, 2019, from [https://www.annemergmed.com/article/S0196-0644\(12\)00125-4/fulltext](https://www.annemergmed.com/article/S0196-0644(12)00125-4/fulltext).

7 Ganuza, A., & Davis, R. (2017, February). *Ibid.*

offer, thereby offering additional ease-of-use for patients. Lyft reports that, according to an ongoing USC/AARP/UHC study, seniors who received unlimited access to Lyft services for three months reported a 90% increase in quality of life.⁸

2. **There are potential short-term cost savings from a beneficiary using ride-sharing instead of an ambulance in a non-emergency situation.** The 2018 Milliman Health Cost Guidelines™ show the nationwide average allowed cost per ambulance ride is just over \$500 in both Medicare and commercial lines of business. Uber estimates that the average cost per ride is \$15 to \$20, with an average distance of 15 to 20 miles.⁹ According to a Centers for Disease Control and Prevention (CDC) study, the average distance between a beneficiary's home and their emergency room of choice is seven miles,¹⁰ which is below the average distance of an Uber ride. Note there may be additional costs associated with a ride-sharing contract such as administration, but there is still potential for overall cost savings.
3. **There are potential long-term cost savings from better primary (or chronic condition management) healthcare using ride-sharing for less intensive medical services, such as doctor appointments or dialysis appointments.** Ride-sharing services can provide reliable and flexible transportation for beneficiaries, which is in the best interest of the healthcare organizations because missing these appointments could lead to complications and expensive hospital visits. For example, a study by the Medical Transportation Access Coalition estimated that Medicaid saves an estimated \$40 million per month using NEMT for dialysis and diabetic patients alone.¹¹ Health plans must consider the potential for increased utilization of non-medically necessary services (such as dental and vision) where the beneficiary now has access to ride-sharing. However, overall medical costs should still decrease with fewer costly medical services resulting from missed primary healthcare.

4. **From the beneficiary's perspective, ride-sharing offers more choice in destinations.** Ambulances will only take the beneficiary to the nearest hospital emergency room. Ride-sharing gives beneficiaries the option of riding to a doctor's office, urgent care, or hospital other than the nearest hospital, which may all be less costly than the nearest emergency room. Giving beneficiaries the option of where to go can also help beneficiaries choose doctors and hospitals that are in-network.
5. **Ride-sharing services such as Uber and Lyft are already successfully integrating their services with healthcare organizations.** For example, ride-sharing services and third-party providers are able to schedule rides for members once a medical appointment is made. Lyft has also recently announced its expanded partnership with Blue Cross Blue Shield Institute and Humana Medicare Advantage plans to expand its transportation to provide access to pharmacies and fitness centers.

The cons: Why a ride-sharing benefit may not be appropriate

1. **The most obvious: ride-sharing (or any NEMT service) should not be used in an actual emergency and may present a liability if used for emergency situations.** Ride-sharing vehicles are not equipped to help a person experiencing an emergency medical condition.
2. **Unlike traditional NEMT services, ride-sharing vehicles may be unable to transport beneficiaries with wheelchairs.**¹² Some wheelchair accessible vans are available as part of ride-sharing services but are usually more limited and may not be offered in all areas. Therefore, beneficiaries who require additional equipment may not be able to use ride-sharing services.
3. **Ride-sharing drivers lack the training or expertise required to address emergent medical conditions.** Reasonable expectations for services provided by ride-sharing drivers do not include extensive assistance for the passenger or exposing the driver to a contagious or actively bleeding person.
4. **Ride-sharing availability may be lower in some areas and may not be able to serve beneficiaries who live in rural areas.**¹³ Ride-sharing is most common in larger cities. Therefore, the addition of a ride-sharing benefit may not extend to beneficiaries who live outside of service areas. Health plans should have an understanding of the general geography of their populations to know whether ride-sharing might be a feasible service for their beneficiaries.

8 Lyft. (2019, February 7). *Ibid.*

9 Online Uber Fare Calculator. (n.d.). Retrieved on February 20, 2019, from <http://uberestimate.com/>.

10 Brown, A. M., Decker, S. L., & Selck, F. W. (2015, March). NCHS Data Brief No. 192. In *Emergency Department Visits and Proximity to Patients' Residences*, 2009-2010. Retrieved on February 20, 2019, from <https://www.cdc.gov/nchs/data/databriefs/db192.pdf>.

11 Medical Transportation Access Coalition. (2018, August 1). *Study Reveals Non-Emergency Medical Transportation (NEMT) Is Extremely Cost-Effective and Life-Saving to Medicaid Program*. Retrieved on February 20, 2019, from <https://mtacoalition.org/study-reveals-non-emergency-medical-transportation-nemt-is-extremely-cost-effective-and-life-saving-to-medicaid-program/>.

12 Powers, B., Rinefort, S., & Jain, S. H. (2018, September 13). *Shifting Non-Emergency Medical Transportation To Lyft Improves Patient Experience And Lowers Costs*. Retrieved on February 20, 2019, from <https://www.healthaffairs.org/doi/10.1377/hblog20180907.685440/full/>.

13 *Ibid.*

5. **Reimbursement for ride-sharing services can be tricky.** For Medicaid, NEMT services can be reimbursed as administrative expenses or medical expenses, with more restrictive terms for medical expenses.¹⁴ For other lines of business, it could be reimbursed by providers.¹⁵ The reimbursement structure should be discussed with the ride-sharing service.

14 Musumeci, M. & Rudowitz, R. (2016, February 24). *Medicaid Non-Emergency Medical Transportation: Overview and Key Issues in Medicaid Expansion Waivers*. Retrieved on February 20, 2019, from <https://www.kff.org/report-section/medicaid-non-emergency-medical-transportation-overview-and-key-issues-in-medicaid-expansion-waivers-issue-brief/>.

15 Arndt, R (2018, April 28). Need Non-Emergency Medical Transportation? These Companies are in the Driver's Seat. Retrieved on February 20, 2019, from <https://www.modernhealthcare.com/article/20180428/TRANSFORMATION01/180429937>.

Conclusion

With increasing medical costs associated with ambulance services, ride-sharing may be an additional benefit that can reduce costs while providing a valuable benefit to beneficiaries. For any payer or provider considering adding a ride-sharing benefit, it is important to carefully examine the patient population, need, service offerings, and benefit pricing before moving forward with a contract negotiation.



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