

Understanding Brokers in NEMT: What It Means for Transportation Providers

A Practical Companion to NEMTAC's Broker Guidance

Why providers need clarity on “brokers”

Transportation providers often work with organizations that assign trips, set requirements, process claims, and handle complaints—and many of these organizations refer to themselves as brokers.

The challenge is that not all “brokers” operate under the same authority, and the rules that apply to them—and to you—depend on who is paying for the transportation and under what program.

This document explains how those differences affect your operations, your risk, and your expectations.

Not all brokers are the same—and why that matters

The NEMTAC Broker Guidance distinguishes between different models that may look similar operationally but function under very different rules.

For providers, the most important distinction is this: program obligations are tied to the payer and program authority behind the ride—not just to the name of the company assigning the trip.

Regulated healthcare brokers

These brokers operate under Medicaid, Medicaid Managed Care, or Medicare Advantage authority.

They are required to:

- Arrange transportation to the most appropriate level of care
- Use the most appropriate mode of transportation
- Do so in a cost-appropriate manner, consistent with program rules
- Apply requirements consistently and document decisions for audit

These brokers are accountable to:

- State Medicaid agencies
- Managed care organizations (MCOs)
- Federal oversight bodies

Non-regulated coordinators

Other entities may arrange transportation but are not regulated healthcare brokers, including:

- Technology platforms
- Private-pay coordinators
- Hospitals arranging discharge transportation
- Workers’ compensation vendors

They may set contractual terms, but they are not bound by Medicaid or Medicare Advantage broker rules unless they are explicitly operating under those healthcare program authorities.

Why this matters to providers: the source of funding determines the rules. When transportation is paid for under a regulated healthcare program, requirements are not discretionary—they are program obligations.

A practical example: similar trip, different rules

Here is a common example.

A Medicaid-contracted transportation broker may assign a trip under state or managed care program rules that require use of an approved network provider, a specific mode of transportation, defined documentation, and compliance with audit expectations.

By contrast, a hospital arranging a discharge ride through a local transportation vendor, or a workers' compensation coordinator arranging transportation under a commercial contract, may look similar operationally because a third party is assigning the trip. But those arrangements are not necessarily regulated broker relationships, and the rules, oversight, and flow-down obligations may be very different.

To a provider, both situations may feel like “a broker sent me the trip.” But the obligations that apply are driven by the program and payer behind the ride, not just by the company name on the dispatch.

“Most appropriate” and “most cost-appropriate” explained

Providers sometimes hear phrases like:

- “This isn’t the most appropriate mode”
- “We have to use the least costly option”
- “This is what the state requires”

In regulated programs, these statements usually reflect real program requirements, not broker preference.

In practice, this means brokers must:

- Match the transportation mode to the beneficiary’s medical and functional needs
- Avoid over-utilization of higher-cost modes when lower-cost, appropriate options exist
- Document decisions to show compliance with program rules

For providers, this can affect:

- Trip assignments
- Mode approvals
- Authorization decisions

It does not mean:

- Providers are interchangeable
- Safety can be compromised
- Requirements are arbitrary

Understanding this framework helps providers engage more productively when questions arise.

What questions providers should ask

When entering a new relationship or receiving trips under a new arrangement, providers should ask:

- What program is paying for this transportation?
- Is this Medicaid, Medicaid Managed Care, Medicare Advantage, workers' compensation, or private-pay?
- Is the assigning entity operating as a regulated broker under that program, or as a non-regulated coordinator?
- What requirements flow down to us under this arrangement?
- What documentation, credentialing, claims, and audit expectations apply?
- What complaint, correction, or escalation process governs disputes?

These questions help providers separate program rules from company preference and understand what obligations actually apply.

The fiduciary misconception—and the contractual reality

Brokers are not fiduciaries to providers

A common misconception is that brokers owe providers a fiduciary duty. In most cases, they do not.

Regulated brokers' primary obligations are to:

- The healthcare program
- The beneficiary
- The payer (state or MCO)

They are not legally required to act in the provider's financial interest.

But contracts do create obligations

This is where nuance matters.

While brokers are not fiduciaries, they are often contractually bound by:

- State Medicaid contracts
- Managed care agreements
- Department of Labor requirements
- Provider agreements

These contracts may require brokers to:

- Apply payment rules consistently
- Follow defined claims adjudication standards
- Meet prompt-pay requirements
- Provide appeal or correction mechanisms

For providers, this means:

- Payment obligations usually come from contract and regulation, not discretion
- Disputes are resolved through contractual and procedural channels, not fiduciary ones

Understanding where obligations come from helps providers advocate effectively without assuming protections that do not exist.

Insurance and risk: what does not flow down

Another frequent misunderstanding is around insurance.

A broker's insurance:

- Covers the broker, not the provider
- Does not replace provider auto, liability, or workers' compensation coverage
- Does not automatically extend to provider operations

When brokers require certain insurance limits from providers, those requirements usually come from:

- Program rules
- Contractual risk allocation
- Payer requirements

They do not mean the broker is assuming provider risk.

Claims, audits, and accountability

Regulated brokers must:

- Process or facilitate claims in accordance with program rules
- Maintain documentation for audit
- Support clean-claim correction processes
- Demonstrate consistency and transparency

However:

- Brokers generally do not control funding
- Payment timing and rules are often set by regulation or payer contract

For providers, this means:

- Documentation and timeliness matter
- There are escalation paths
- Outcomes are procedural, not discretionary

Why this guidance exists—and when to read more

This provider summary is intentionally practical.

The full Broker Guidance Document goes deeper into:

- Legal authority
- Broker models
- Compliance obligations
- Audit expectations

Most providers do not need that level of detail day to day. But when:

- Entering a new program

- Disputing requirements
- Responding to audits
- Negotiating contracts

...the reference document explains why the rules exist, not just what they are.

What informed providers do differently

Providers who understand broker roles tend to:

- Ask better questions
- Separate regulatory requirements from contract terms
- Plan insurance and staffing more accurately
- Escalate issues through the right channels
- Reduce friction with brokers and payers

Clarity does not eliminate oversight—but it does reduce surprises.

Final takeaway

The word “broker” means different things in different contexts.

When transportation is paid for under a regulated healthcare program, that distinction matters—for brokers and providers alike. Program obligations are tied to the payer and program authority behind the ride, not just to the company assigning it.

Understanding how these roles fit together makes you a stronger, more informed participant in the NEMT ecosystem.