

What Healthcare Providers and Facilities Need to Know About NEMT Brokers

A Practical Overview for Hospitals, Clinics, and Care Organizations

Why this matters to healthcare organizations

Transportation is often the last mile of care delivery—and one of the most fragile.

Hospitals, clinics, and health systems routinely rely on third parties to arrange transportation for:

- Medicaid beneficiaries
- Managed care members
- Patients with mobility or access needs

Many of these third parties are described as “brokers.”

But not all transportation coordinators operate under the same authority, and that difference affects:

- Patient access and timeliness
- Compliance obligations
- Audit exposure
- Complaint and grievance handling
- Financial accountability

This overview explains what a Broker is—and is not—in regulated healthcare programs, and what that means for healthcare facilities.

Not all transportation “brokers” are the same

From a facility perspective, the most important distinction is how the transportation is funded and under what authority it is being arranged.

In this context, funding authority means the transportation is being arranged under a state or federal healthcare program that gives an entity formal responsibility for administering the transportation benefit. That authority—not simply the act of arranging a ride—determines whether an entity is functioning as a regulated Broker.

Regulated healthcare Brokers

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

They are required to:

- Ensure transportation to the most appropriate level of care
- Use the most appropriate and cost-effective mode of transportation
- Apply program rules consistently
- Document decisions for audit and oversight

They are accountable to:

- State Medicaid agencies
- Managed care organizations (MCOs)
- Federal program integrity requirements

Non-regulated coordinators

Other entities may arrange rides but are not regulated healthcare Brokers, such as:

- Technology platforms
- Private-pay vendors
- Facilities arranging transportation directly
- Workers' compensation coordinators

These arrangements may still be important operationally, but they are contractual, not regulatory, unless they are expressly tied to a healthcare program authority.

Example:

A hospital that arranges a discharge ride directly through a local transportation company or a technology vendor is coordinating transportation, but it is not functioning as a regulated Broker simply because it arranged the ride. By contrast, a Medicaid-contracted entity operating under state or managed care authority to administer transportation benefits may be functioning as a regulated Broker because the role is tied to formal program authority and oversight.

Why this matters for facilities:

When transportation is funded through a regulated healthcare program, Brokers are constrained by program rules—not by convenience, preference, or discharge pressure alone.

A practical scenario: why the distinction matters

Consider two similar discharge situations.

In the first, a hospital social worker arranges a ride for a patient through a private transportation vendor and the hospital pays for it directly. In that case, the hospital is acting as a facility coordinating transportation, not as a regulated Broker.

In the second, a patient's transportation is being arranged through the patient's Medicaid managed care transportation benefit. In that case, the transportation coordinator may be acting under regulated Broker authority and must follow the applicable program rules regarding mode, authorization, network participation, documentation, and oversight.

To staff, both situations may look similar because a third party is helping arrange a ride. But the regulatory framework, accountability structure, and operational constraints may be very different.

“Most appropriate” and “most cost-appropriate” in practice

Facilities often experience friction around transportation decisions, particularly when:

- Higher-acuity modes are denied
- Lower-cost options are required
- Authorization decisions feel restrictive

In regulated programs, Brokers must:

- Match transportation mode to medical and functional need
- Avoid unnecessary use of higher-cost modes
- Demonstrate cost stewardship without compromising safety or access

This framework exists to:

- Preserve program sustainability
- Ensure equitable access
- Meet federal and state oversight expectations

For facilities, this means:

- Transportation decisions may be constrained even when discharge urgency exists
- Documentation and communication are critical
- Escalation pathways exist, but they are procedural

Important note on discharge urgency:

An urgent discharge need does not, by itself, eliminate the Broker's obligation to follow program rules. Even when a facility is trying to move a patient safely and quickly, a regulated Broker may still be required to follow authorization criteria, mode requirements, network rules, and documentation expectations tied to the applicable healthcare program.

The fiduciary misconception—and what facilities should expect

Brokers are not fiduciaries to facilities

A common assumption is that Brokers act as fiduciaries for hospitals or clinics. In most cases, this is not true.

Regulated Brokers owe primary obligations to:

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

They are not required to act in the facility's financial or operational interest.

But contracts and regulations still matter

Although Brokers are not fiduciaries, they are often bound by:

- State Medicaid contracts
- Managed care agreements
- Prompt-pay rules
- Department of Labor or state-specific requirements

These obligations require Brokers to:

- Apply rules consistently
- Process and adjudicate claims according to defined standards
- Maintain grievance and appeal processes

Facilities should expect process integrity, not advocacy.

Insurance and risk: what does and does not flow

Facilities sometimes assume that:

- Broker insurance covers transportation risk
- Broker liability extends to provider or facility operations

In general:

- Broker insurance covers the Broker entity
- Transportation providers retain responsibility for their own operations
- Facilities remain responsible for discharge planning decisions

Insurance requirements are typically driven by:

- Program rules
- Contractual risk allocation
- Payer requirements

They do not shift operational liability upstream or downstream by default.

Complaints, grievances, and patient experience

Regulated Brokers must maintain:

- Complaint intake systems
- Grievance tracking
- Appeal pathways, primarily for beneficiaries

For facilities, this means:

- There are formal escalation processes
- Decisions must be documented
- Arbitrary denial of access is not permitted

However:

- These systems are designed primarily to protect beneficiaries
- Facility disputes are usually addressed through contract and operations channels

Why this guidance exists—and when to use it

This overview is meant to support:

- Discharge planning
- Case management
- Population health coordination
- Compliance review
- Vendor selection and oversight

The full Broker Guidance Document provides deeper detail on:

- Legal authority
- Broker models

- Compliance obligations
- Audit expectations

Facilities do not need to read it routinely, but it is a valuable reference when:

- Evaluating transportation partners
- Addressing recurring access issues
- Responding to audits or complaints
- Aligning transportation workflows with regulatory requirements

What informed facilities do differently

Facilities that understand Broker roles tend to:

- Plan transportation earlier in care workflows
- Set realistic discharge expectations
- Document medical necessity clearly
- Escalate issues through appropriate channels
- Reduce avoidable delays and readmissions

Clarity does not eliminate complexity—but it improves coordination.

Final takeaway

Transportation Brokers play a critical role in regulated healthcare programs, but that role is defined by funding authority, program rules, and compliance obligations—not by convenience or preference. Hospitals, clinics, and health systems may coordinate rides directly, and those activities can look similar operationally. But arranging transportation does not, by itself, make a facility or vendor a regulated Broker.

Understanding these distinctions helps healthcare facilities deliver care more effectively, set realistic expectations, and navigate transportation decisions with fewer surprises.