



Non-emergency medical transport

By Dan Springman

As the population of older Americans grows, so does the market for non-emergency medical transportation (NEMT) in communities around the country. The NEMT market is valued at \$5.2 billion, not including emergency ambulance services, and is expected to grow at 2.3% annually over the next 5 years. NEMT businesses range from small, privately held enterprises, to large public companies coordinating millions of rides annually. The medical transportation business may be hired directly by passengers or by a third party, such as a nursing home or medical center, that offers transportation to its patients.

As originally designed, NEMT was a required Medicaid benefit simply intended to provide transportation services to patients who face “extraordinary barriers” getting to their medical appointments. Over time, however, the clientele and their reason for using this service has expanded.

Today, NEMT may be required by individuals who are wheelchair-bound, disabled, or elderly. Transportation may be needed from private homes or residential nursing facilities to get to doctors’ appointments, medical treatments, or from healthcare facility to facility. While customers may use a walker, cane, or wheelchair, they are still considered ambulatory but do not have an urgent need for medical care that would necessitate an emergency call and an EMT-staffed ambulance.

Still, customers typically need assistance beyond that which a conventional taxi or transport service would provide. Consequently, drivers of NEMT vehicles have substantially more responsibility than regular taxi or limousine drivers. They typically help passengers to the vehicles, on board them, secure them into the vehicle, and unload and escort them into and out of their destinations.

Bumps in the road

There are substantial professional liability exposures to manage in this industry which can be severe, especially given the often frail and vulnerable nature of the clients. These pre-existing conditions and comorbidities of clients can lead to higher than average expected claims costs and longer tail exposures than one would expect. Loading and unloading passengers is a frequent source of claims. A wheelchair tips off the ramp. A slip getting out of the car turns catastrophic when an elderly patient hits their head or breaks a hip. If a wheelchair is not properly secured in the transport van, a passenger can suffer serious injury if a driver brakes abruptly.

Would this fall under a professional liability claim, a general liability claim, or an auto liability claim? Without clear underwriting intent, this gray area can be the source of carrier versus carrier or in the worst case, a broker error and omissions claim. The resulting headache is not only for the client but also for brokers where they thought they had one coverage and received another.

Along with professional liability, there is a risk of sexual abuse claims, as drivers interact with customers in close, private settings. Privacy liability comes into play: drivers are privy to customers' medical conditions. They may document the condition of a patient when picked up and/or brought into and out of facilities for specific treatments. In fact, a recommended risk management practice calls for drivers to carefully document factors along the way that could impact their exposure. For instance, if they arrived on time, but the customer was not ready – which is why the patient did not get to their appointment on time. Did the client fall but advise that they were “fine” at the time? It would be best to document this for the transportation company's and liability sake.

The right route to coverage

Beazley provides far-reaching miscellaneous medical professional and general liability insurance tailored for ambulance transport and NEMT providers. Our target businesses in these segments are enterprises handling more than 5,000 transportation runs a year.

What makes an attractive risk? Sound hiring practices, including background checks on all employees. Drivers should also have experience providing professional driving services and preferably CPR training, at a minimum. Since labor is typically the lion's share of expenses for this type of business, better funded businesses are typically better staffed, making them a better risk. Businesses run out of a public address are better risks than those run out of personal homes. Lastly, risks with a longevity of operation have a track record of proven results.

What makes Beazley's coverage sound? Along with broad professional and general liability insurance, our policy expressly covers claims arising from bodily injury a customer suffers during loading or unloading from the vehicle. This allows policyholders to avoid any ambiguity in what can be among the most frequent and severe area of claims. Our coverage also extends to punitive damages, where the law permits. We include coverage for sexual abuse liability and provide separate towers of coverage for our privacy and security liability coverage.

As companies expand to capture the opportunities of this promising sector, Beazley provides coverage that keeps up with the twists and turns of this exposure.

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