

# VPTA

Vermont Public Transportation Association



## NON-EMERGENCY MEDICAL TRANSPORTATION

**Transportation Network at Risk.** Vermont's well-established and nationally-lauded coordinated transportation network that provides rides for Vermont's most vulnerable citizens for a variety of health care needs is at risk of being dismantled, putting in jeopardy the viability of the transportation network, its providers, and resulting in degradation of service to those Vermonters.

**Description of Program.** Medicaid will pay the cost of non-emergency medical transportation ("NEMT") to eligible individuals' necessary medical services, which include kidney dialysis, cancer treatments, and regular health care appointments. Trips must use the most suitable and cost-effective mode, which may be via a public transportation bus route, volunteer driver, or cab. Members of the Vermont Public Transportation Association ("VPTA") have individually or collectively through the VPTA contracted with the Vermont Department of Health Access ("DVHA") to provide such transportation services since the inception of this program in 1986.

**Numbers.** In recent years, VPTA members provided rides to more than 400,000 Medicaid-eligible individuals. The total cost of the NEMT program is approximately \$13 million.

**DVHA Request for Proposal.** On June 1, DVHA issued a Request for Proposals seeking to establish service agreements to implement and operate a NEMT system in Vermont. The VPTA has submitted to DVHA a letter of intent to bid. We expect other entities to submit bids, including out-of-state for-profit entities.

**Coordinated Delivery of Transportation Services.** Transit providers transport Vermonters for a variety of health care needs, including preventative, addiction, and daily needs. Providers combine riders from Medicaid along with other health care transportation programs, such as the Elderly & Disabled and general public, to maximize coordination of trips paid for by various funding programs to be more efficient and lower costs for each program.

- State law directs and supports this coordinated delivery model: "The secretary of human services shall direct agency of human services programs to purchase client transportation through public transit systems in all instances where public transit services are appropriate to client needs and as cost-efficient as other transportation." (24 VSA § 5090)
- The Medicaid program makes use of vehicles paid for by the federal and state public transit program.
- \$4 million in federal and state transit dollars was recently invested in software for statewide route scheduling, dispatching, and reporting capabilities. Medicaid benefits without one penny of investment.

### **The Current System Works.**

"One state that has run a particularly efficient nonemergency medical transportation program is Vermont. The state is largely rural, and a lot of citizens live far away from medical facilities. As a result, many Medicaid recipients do not have easy access to health care. What's more, the number of transportation-needy Medicaid recipients has been growing as a result of Medicaid expansion and an increase in the number of patients with addiction-related problems. Vermont has taken a multiprovider

approach to managing the transportation challenge. It gives 12 separate providers wide latitude to provide rides.” (GOVERNING, May 2016)

“Vermont is exactly the model we should be using,” said Rep. Richard Farnsworth, D-Portland. (Portland Press Herald, October 12, 2013)

Vermont uses its NEMT funding to serve dual purposes for chronic care management. The state holds its chronic care management classes next to the physician’s office, where patients can go to their regularly scheduled appointment and then go to chronic care management class. By combining patients’ appointments into one trip, Vermont cost-effectively allocates scarce funding to provide two services in one trip. (NCSL, Non-emergency Medical Transportation: A Vital Lifeline for a Healthy Community, January 7, 2015)

**Degradation of Service and Financial Risk.** Contracting with an out-of-state for-profit broker will result in a separation of Medicaid from the Elderly & Disabled and general public that could lead to a shifting of costs and degradation of service to Vermonters. Other states’ experiences bear this out.

Two years ago Rhode Island contracted with a for-profit broker. The Rhode Island Transit Authority is now in financial deficit and looking to increase fares for its elderly and disabled, and eliminate free bus passes to balance its budget. (Warwick Beacon, November 19, 2015)

Maine “hired contractors to coordinate rides, but not provide them, in a regional system that started August 1, 2013. The result has been thousands of complaints about disjointed service and patients missing rides to medical appointments.” (Portland Press Herald, October 12, 2013)

“MaineCare’s nonemergency transportation program has experienced problems since new contractors started coordinating rides August 1 largely because volunteer drivers walked out to protest new driver reimbursement rates.” (Portland Press Herald, August 22, 2013)

The VPTA strongly believes there are several false premises behind the RFP.

**False Premise No. 1:** *Federal regulations require a competitive bid process.* Federal regulations are clear that the competitive bid process is not required, but just another option available. Moreover, DVHA changed its reimbursement methodology to reflect federal regulations and went from an administrative reimbursement rate to a Per Member, Per Week (PMPW) basis to deliver transportation services to eligible members: precisely the methodology proposed in the RFP.

**False Premise No. 2:** *For-profit brokerages save money.* The RFP implies that a private sector, for-profit brokerage will be able to find cheaper ways to transport Medicaid individuals. VPTA believes just the opposite: that shifting to a for-profit broker will cost the State money, or will result in overall degradation of service.

**False Premise No. 3:** *Brokers who are also providers represent a conflict of interest.* This is also false and without merit. As previously stated, DVHA revised its payment methodology to reflect federal regulations and VPTA is not aware of any issues raised by federal agencies. A flat fee to deliver service takes away any financial incentive to provide more rides. Further, VPTA providers are audited twice a year by DVHA and follow strict cost allocation plans overseen by the State.