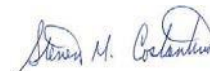


MEMORANDUM

To: Senator Jane Kitchel, Chair, Joint Fiscal Committee; Representative Janet Ancel, Vice Chair, Joint Fiscal Committee

From: Steven M. Costantino, Commissioner, Department of Vermont Health Access



Date: November 10, 2016

Re: Act 172, Sec. E.306.15 – Medicaid Non-Emergency Transportation

This memorandum is in response to the legislature's request in Act 172, Section E.306.15, that the Department of Vermont Health Access (DVHA) report on the contract for Medicaid Non-Emergency Transportation (NEMT) services.

Act 172, Sec. E.306.15 MEDICAID NON-EMERGENCY TRANSPORTATION

(a) In fiscal year 2017, when the General Assembly is not in session, prior to executing a contract to provide Medicaid Non-Emergency Transportation services, the Department of Vermont Health Access shall provide to the Joint Fiscal Committee for review and approval a detailed analysis that executing such a contract shall not compromise any State policy, including the coordinated delivery of transportation services of the Elderly and Disabled program and the Medicaid Non-Emergency Transportation program, that there will be no degradation of service to eligible individuals, and that the financial stability of the State's public transportation systems will be maintained. The analysis shall also include the impact of the Agency of Transportation investments in vehicles, technology, and other capital investments in the coordinated care delivery model.

Update on Contracting Process

Vermont's NEMT program provides transportation for Medicaid members to and from medical appointments for Medicaid covered services, when the member has no access to a vehicle. Since its inception, the NEMT program has relied on Vermont's network of public transit providers to coordinate and provide these rides.

In 2015, in accordance with the Agency of Administration procurement policy, DVHA released an RFP to seek proposals for a new NEMT contract to replace the contracts that were set to expire at the end of CY 2015. DVHA's RFP language emphasized to potential bidders that the department's new contract must use public transit services and coordinate with other transportation programs whenever possible. During the "question and answer" phase of the procurement, DVHA further emphasized that Vermont's rural nature would not be able to

support a Medicaid transportation network that does not also take advantage of our existing public transit network.

After a careful review of RFP responses, DVHA identified the Vermont Public Transit Association (VPTA) as the successful winner of our new contract. VPTA had several advantages over the other bidders, including their experience with providing NEMT services in Vermont and their close integration with other public transit programs and providers. VPTA's approach to coordinating transportation services will benefit the NEMT program as well as other transportation programs in Vermont. Vermonters who depend on transportation services will be able to access multiple programs through one central organization and VPTA's coordination will make these programs more cost-efficient for everyone.

In its directive, the Vermont Legislature asked for an analysis of the following specific items:

1. Impact on the Elderly and Disabled transportation program: VPTA has been directly involved with the Elderly and Disabled (E&D) transportation program since its first years and has an excellent understanding of the program's eligibility requirements, funding streams and transportation resources. The E&D and NEMT programs both benefit when the same vehicles can be used to transport people from both programs. VPTA will ensure that this coordination continues under the new contract and they have systems in place to ensure that the appropriate funding sources are used even when a vehicle is filled with people accessing different assistance programs.
2. Impact on the NEMT program: Medicaid members will see virtually no change in NEMT services because VPTA intends to rely very heavily on the same providers we already use for the Medicaid NEMT program. Medicaid members will receive better coordination for long-distance trips, a more consistent customer service experience when calling for rides, and better route management/coordination thanks to new software recently installed by transit providers.
3. Impact on the financial stability of Vermont's public transit system: Vermont's rural nature requires us to share transportation resources across programs, and VPTA's proposal fully embraces that requirement. In order to keep these programs financially sustainable, we need to do more than just share resources. We have to carefully allocate expenses to myriad funding sources without inadvertently charging one program for a ride delivered to another program. VPTA has been managing this challenging world of ride coordination and cost segregation for decades. DVHA believes that this contract will have no negative impact on the stability of our public transportation programs and that all programs will continue to benefit from this coordination under the new contract.
4. The impact of the Agency of Transportation's investments in vehicles, technology and other infrastructure investments: The Agency of Transportation (AOT) provides funds to support the purchase of vehicles and other infrastructure to keep our public transportation in place. AOT recently supported the procurement of software that will improve ride coordination and streamline the cost allocation process. These investments were designed to support *all* users of public transportation in Vermont. When NEMT riders use public transportation, they benefit from these investments. By choosing VPTA, the Vermont

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Medicaid program will benefit from a system that leverages the investments we have made in our state's transportation infrastructure.

DVHA is now in the final stages of contract negotiations with VPTA. The department is pleased with the progress it has made and believes that this contract will continue to improve upon the coordination with Vermont's public transportation system. Medicaid members will not be required to transition to a new system and their rides will still be provided by the same people and organizations they have counted on for years. Overall, DVHA believes that choosing VPTA to provide brokerage services is the best fit for Vermont.

Questions about this report or about the NEMT contract can be directed to Aaron French, Deputy Commissioner, DVHA.