



**Vermont  
Public  
Transportation  
Association**

# NEMT Financial Challenges

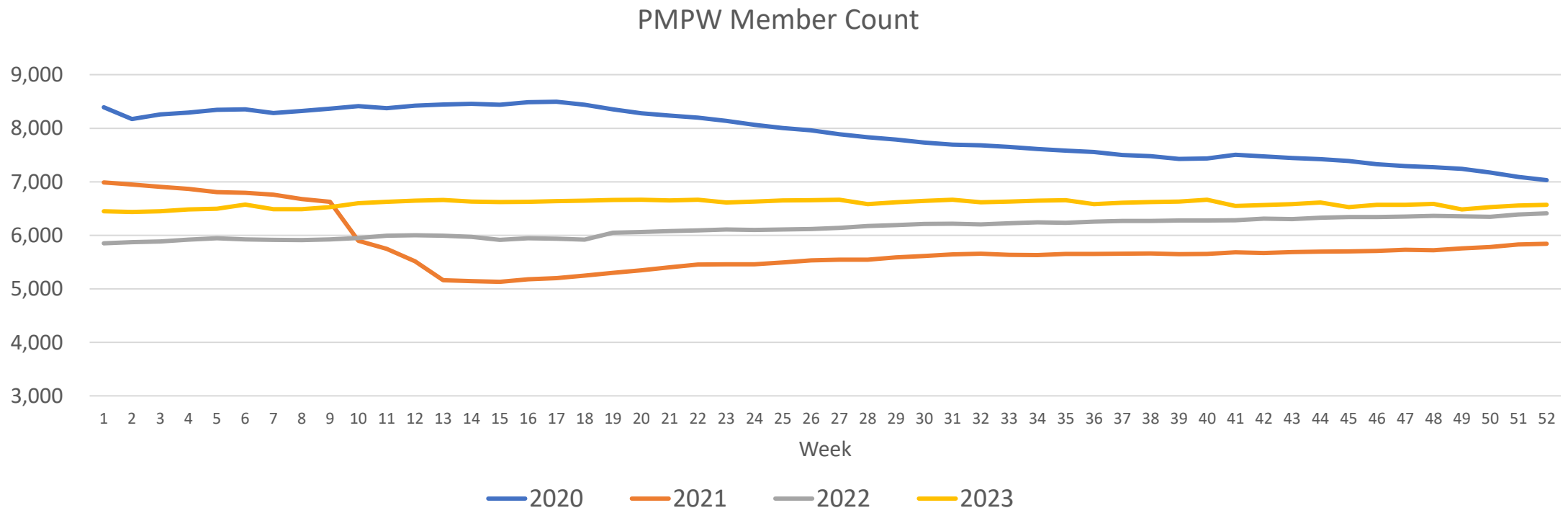


Presentation to House Health Care Committee

February 7, 2024

# Membership Is Down and Not Increasing

- Payments from DVHA to VPTA are based on a fixed rate times the number of NEMT-eligible members each week
- The number of members is well below pre-pandemic levels and has been essentially flat for over a year



# Unit Costs Have Been Rising

- Volunteer drivers are an essential part of the program, and the lowest-cost option, but mileage reimbursement rate has risen 20% over the last three years
- Staff wages have increased significantly
  - Labor market is extremely competitive
  - Union negotiations have resulted in large (30%+) wage increases to keep pace with inflation
  - Administrative staff salaries have also increased for reasons of equity and retention
- Administrative costs have risen
  - Additional burdens in new manual
  - Huge volume of paper communication (NOD letters, behavioral issues, no-shows)
  - Investigations of disruptive behavior by riders

Year	Monthly Expense per Member
SFY19	\$147.56
SFY20	\$132.37
SFY21	\$121.05
SFY22	\$161.41
SFY23	\$175.94
SFY24	\$195.76

# Usage Rates Have Been Rising

- PMPW structure makes NEMT essentially an insurance market
- Insurance markets fail when the pool is too small and usage rates are divergent
- NEMT pool has always been small but now 22% less than March 2020
- Number of and usage rates by super users (at least 10 trips per month) and hyper users (at least 20 trips per month) have been increasing

Year	Percent of Members Who Are Super Users	Percent of Trips by Super Users	Percent of Members Who Are Hyper Users	Percent of Trips by Hyper Users
SFY19	8%	52%	3%	31%
SFY20	7%	51%	3%	28%
SFY21	8%	55%	4%	35%
SFY22	9%	62%	5%	47%
SFY23	9%	64%	5%	46%
SFY24	11%	63%	7%	49%

- ***The pool of members is not large enough to buffer the impacts of these high-end users***

# Other Factors

- Long trips consume volunteer resources and push more trips onto agency vans
  - Pool of volunteers smaller than before the pandemic
    - Never recovered people who left the program because of Covid concerns
    - Others driven away by rider behavioral issues
- Priority given to in-bed treatment center discharges disrupts schedules and increases costs
- Long-distance trips involving lodging consume significant administrative resources but do not increase the number of members

# Conclusions

- Losses are mounting in FY24
  - Flat membership levels
  - Increased unit costs
  - Impacts of super and hyper users with inadequate buffer
- Immediate term adjustments needed
  - PMPW rate
  - Appropriation
- Longer term considerations
  - Increase pool to all members with a lower per member rate
  - Lower barriers to more frequent rate adjustments