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## **MEDICAID TRANSPORTATION**

**An Entitlement.** Federal rules provide that transportation providers participating in the Medicaid transportation program must take any and all Medicaid eligible individuals who are in need of such services. There is no ability to deny such transportation except for complete withdrawal of the program in its entirety.

**Description of Program.** For eligible persons, Medicaid will pay the cost of transportation to necessary medical services when, generally, there is not transportation available in the household. Of note:

- Trips must be prior authorized by contacting your regional public transportation provider.
- Transportation is limited to medical services available at the closest location.
- Trips must use the most suitable and cost-effective mode, which may be via a public transportation bus route, volunteer driver, or cab.
- The program ensures eligible residents have access to non-emergency transportation for medically necessary trips, including:
  - methadone treatments;
  - kidney dialysis;
  - cancer treatment;
  - regular health care appointments;
  - children vaccinations;
  - pharmacies; and
  - all other types of general and specialized medical care.

Medicaid recipients rarely have their own transportation and, if they do, it is either unreliable or is used by another family member to get to work. This transportation is critical to ensuring the basic health needs of some of Vermont's most vulnerable citizens.

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.** There are approximately 6,500 Medicaid-eligible individuals in the transportation program, a number that can and does fluctuate from week-to-week. These numbers reflect a reduction from pre-COVID levels of 8,300 members per week.

Between SFY2021 and SFY2022, the average annual number of rides per Member jumped from 33 to 49.6, an increase of 50%. VPTA members are paid \$34.75 per member, per week ("PMPW") regardless of the number of rides, location, distance, and mode of transport provided to a member in that week.

**Use of the Funds.** The federal and state Medicaid dollars support a variety of services connected to the Medicaid transportation program. These include the:

- amount reimbursed to volunteers (which has always been based on the GSA mileage rate)
- amount reimbursed to taxis for their services
- amount reimbursed for operation of wheelchair vehicles
- amount provided for administration and operation of the program (i.e., the work done by VPTA providers to take ride information, arrange the rides, recruit and train volunteers, do background and other safety checks, ensure program integrity, reimburse volunteers, bill, track and report, insurance, overhead, etc.)

**Deficit and Cost Drivers.** The VPTA is projecting a \$1.7 million deficit in the current SFY23. There are a number of reasons or factors contributing to this deficit and overall solvency of the program, including:

- Declining Membership – Membership reached at all-time peak of 8,400 in the weeks of March and April, 2020, but with the onset of the pandemic had dropped to 5,162 by the end of March, 2021. Reasons include:
  - the increased use of telemedicine resulting in lower demand for transportation for medical trips
  - the pandemic hit lower-income people disproportionately
  - bus fares were suspended in March, 2020 and have not been reinstated. Medical trips that involved a bus fare were sufficient to keep a Member of the active roster, but if a Member rode free on buses and did not use any demand response trips within a year, that Member would no longer be a member for PMPW purposes
  - federal income supplements may have given Medicaid-eligible individuals more transportation options or pushed them above eligibility thresholds.
- Increasing Utilization – Among the Members remaining in the program, there is an increase in utilization that has resulted in an increase in the number of rides per Member. Between SFY 2021 and SFY 2022, the average annual number of rides per Member jumped from 33 to 49.6, an increase of 50%. For additional context, the number of rides per Member for SFY 2019, which was unaffected by the pandemic, was 37.7. Thus, the rides per Member for the most recent fiscal year was 31% higher than the pre-pandemic average.
- Increasing Numbers of “Super-Users” – A “super-user” is defined as a member who takes at least 120 trips during the year (10 per month on average). The number of super-users jumped from 467 in SFY 2021 to 603 in SFY 2022, now representing 8.6% of the total users, the highest it has been in the past four years.
- Increasing Costs – The costs for fuel, mileage reimbursement, wages, and general costs have risen significantly over the past year. Thus, not only are VPTA members and subcontractors operating more rides per member, each trip they operate is more expensive than it had been previously. The expense per Member rose 33% from SFY 2021 to SFY 2022 and is significantly higher than at any time over the past four years.

### **Impact of Deficit.**

VPTA members have no ability to cost-shift as may be possible for other Medicaid providers.

At its most extreme, losses are unsustainable and may force individual providers to leave the NEMT program, potentially leaving Medicaid-eligible individuals unable to obtain their necessary, and entitled, health care rides.