

Braided Service Model: Benefit & Risk Assessment

2024

PRESENTED BY ROSS MACDONALD AND CAMBRIDGE SYSTEMATICS

VERMONT AGENCY OF TRANSPORTATION

Overview

1. Project Understanding
2. Background
3. Findings
4. Recommendations
5. Questions & Discussion

Project Understanding

As required by Sec. 16 of Act 62 of 2023 this study contains:

- a benefit and risk assessment of the current systems for delivering public transit and nonemergency medical transportation services in Vermont
- a review of other public transit service approaches implemented in the US
- recommendations on modifications to the management of Vermont's statewide mobility service design to make Vermont's public transit system as efficient, robust, and resilient as possible and fully maximizes all available federal funding.

- Improve understanding of the benefits and risks associated with braided service delivery model for NEMT and USDOT-funded service
- Compare Vermont's braided service delivery to peer states' service models
- Assess the financial and service risks and benefits if Vermont were to adopt an alternative approach for NEMT service delivery
- Identify opportunities to enhance Vermont's demand-response service quality and efficiency, possibly including alternative models for service delivery
- Four-month timeframe

Major Tasks

Task 1: Existing Conditions

- Documentation and data review
- VPTA and transit operator interviews



Task 2: Risks and Benefits

- Alternative service model research
- National literature review
- Four (4) peer agency interviews



Task 3: Legal, Technical, and Programmatic Assessment

- Financial and operational impact analysis for unbraiding NEMT service
- Identification and analysis of potential solutions for improvement



Task 4: Recommendations

- Development of near-, medium-, and long-term recommendations

Background: Non-Emergency Medical Transportation and Medicaid

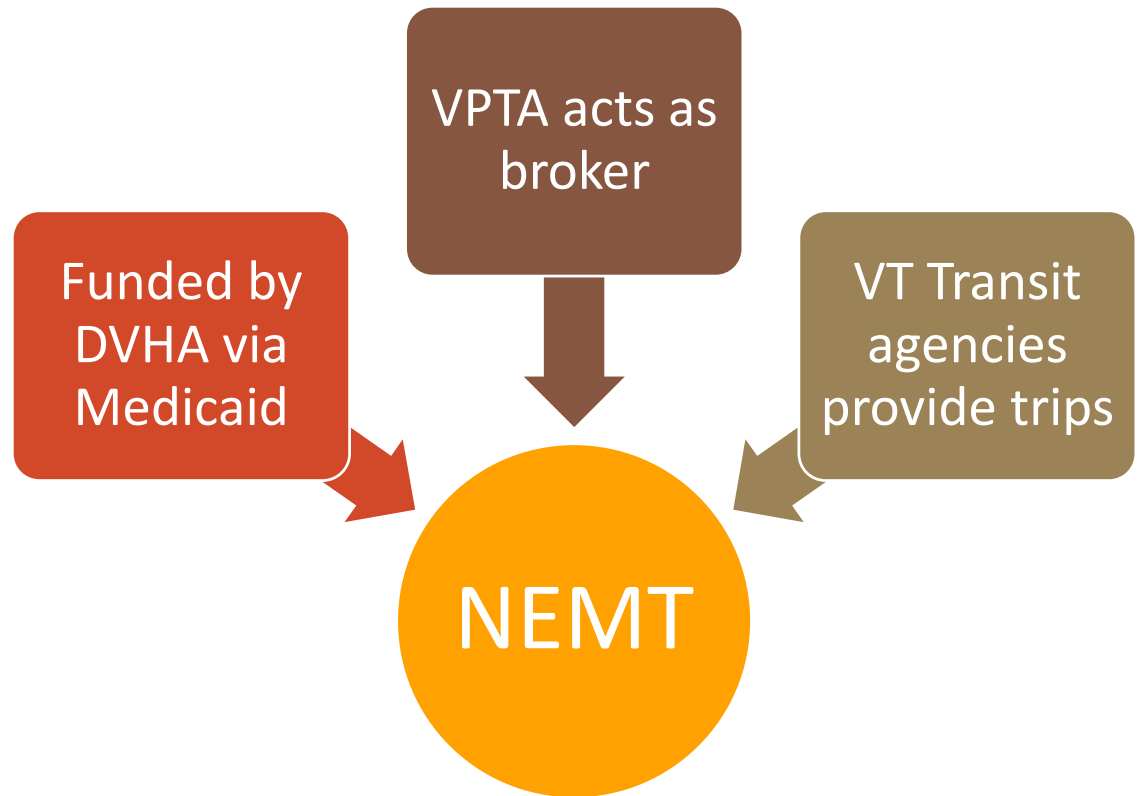
Transportation to and from non-emergency medical services (doctor's appointments, dialysis, pharmacy, etc.)

- Medicaid guarantees transportation as an entitlement
 - No Medicaid member can be refused for a medical trip for which they are eligible
- Medicaid is Federally-funded but State-administered
 - Every State Medicaid program looks different
- Medicaid population has grown due to changes in eligibility and increases in poverty
 - NEMT demand has increased as a result
 - Service efficiency is extremely important to maintain financial sustainability

Background: Non-Emergency Medical Transportation

Most NEMT trips use **Demand-Response** service

- Trips are requested by customers or service providers in advance of travel
- Customers receive door-to-door service
- Transportation is provided as a shared-ride service



Background: Vermont's Braided Service Model

From the **customer's perspective**, there is no difference between a NEMT trip and another trip.

They simply call their transit agency to schedule a ride, and then use the service at the appointed time.

This makes transit service **easy to use** for all types of trips.

- **Coordinated Service:** NEMT trips are integrated with other demand-response trips (Older Adults & Persons with Disabilities, ADA Paratransit, etc.) and general public transit
- **Shared Resources:** All trips conducted on the same vehicles and supported by the same back-office equipment and staff
- **Management Across Programs:** All trips are managed by Vermont's public transit agencies
- **Benefits**
 - Increases operational efficiency
 - Reduces per-unit overhead costs
 - Streamlines customer experience

National Literature Review

“Public transit agencies are often utilized in state Medicaid transportation programs and recognized as one of the least costly options. State [DOTs] and Medicaid agencies should explore partnerships to better serve the Medicaid population.”

- CMS Medicaid Transportation Coverage Guide

1/17/2024

Overall findings from national best practices:

- No single model of NEMT service exists
- Coordinated service is widely-recognized as best practice
 - Medicaid regulations can complicate this effort
 - Coordinating Council on Access and Mobility (CCAM): Federal group providing policy guidance, cites coordination between NEMT and transit as a priority
 - CMS guidance
- Volunteer driver programs are critical to rural transit providers, but are struggling nationally due to availability, safety, and trip scheduling
- Vermont braided service model **compares favorably to peer states:**
 - Demonstrated partnership between funders, broker, operators
 - Strong coordination of services across programs
 - Seamless customer experience

NEMT Models

Service Delivery

- Many states rely on for-profit operators to deliver NEMT and separate their NEMT from public transit
 - Customers must take NEMT trips separate from other trips
 - Services often overlap between NEMT and public transit, but they are completely separated from each other (funding, administration, scheduling, etc.)

Service Administration

- Fee-for-Service
 - State-administered service
 - Contracted to third-party operators
 - Per-trip reimbursement
- Managed Care Organization
 - NEMT provided as part of Medicaid service network by third-party administrator
- Brokerage
 - Third-party administrator coordinates NEMT trips with contracted providers

NEMT Service Delivery Models

States	Structure	Reimbursement	Cost Management	Challenges
Vermont	Statewide broker	PMPW, broker may ask for adjustment	Volunteer driver program; Braided service model	See next slide
Kentucky	Multiple regional brokers	PMPM, annual adjustment	Trip distance management; Braided service model	No volunteer driver program
Massachusetts	Two statewide brokers	Per-trip, biweekly adjustment	Real-time cost bidding used by brokers	No pharmacy trips
Michigan	Multiple private & non-profit brokerages	Per-mile for most services, annual adjustment	Volunteer driver program	Service coverage
Minnesota	Decentralized service run at the county level	Base rate per trip plus per-mile reimbursement	Trip distance management	Service coverage

Existing Conditions

Challenges

- Long trip distances
- Superusers
- No-Shows*
- Disruptive passengers*
- Driver shortages, especially for volunteer program
- Medicaid regulations and entitlement structure
- Financial challenges

*DVHA and VPTA introduced new policies in Dec 2023 to address No-Show customers and disruptive passengers

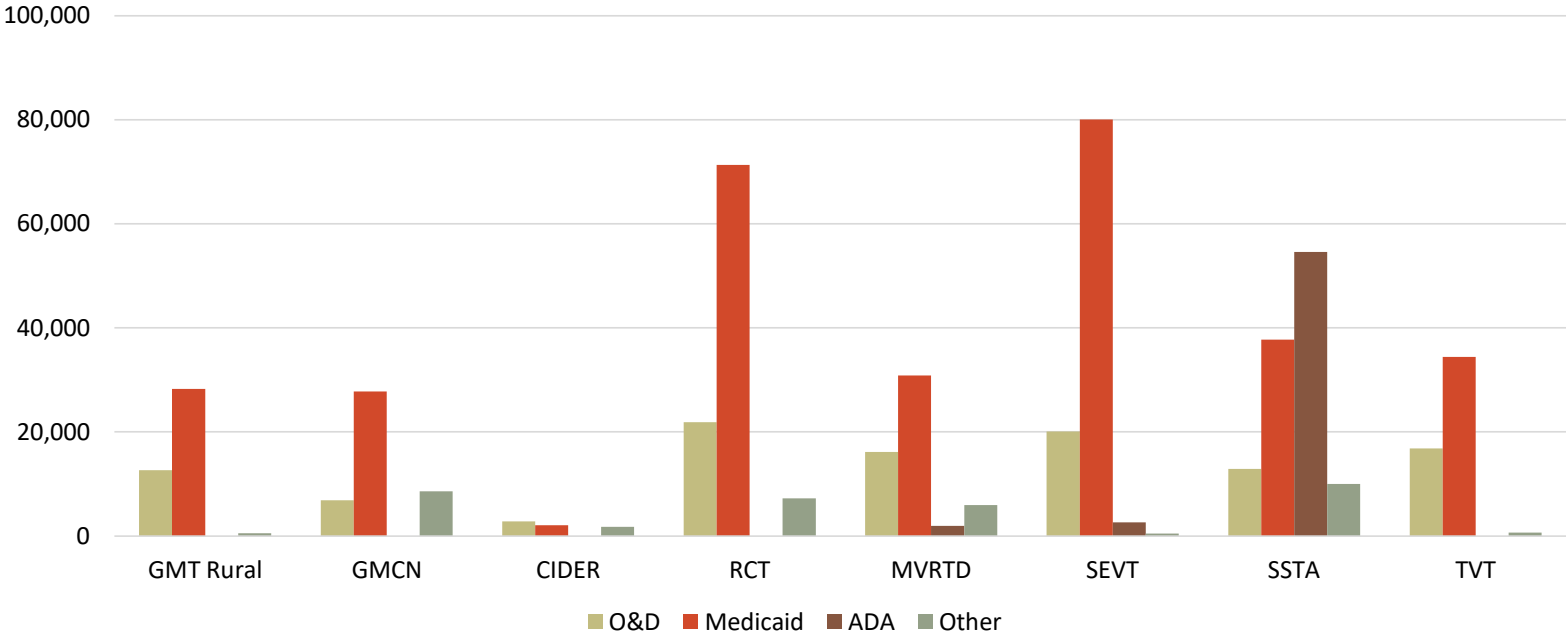
Existing Conditions

Successes

- General satisfaction with braided service model among operators
- Productive relationship between operators, VPTA, DVHA and VTrans
- FY23 Q4 Performance Report customer survey:
 - 95% of customers arrived on-time for appointments
 - 96% of respondents were able to book their ride and get information about their ride easily
- Shared administrative costs across programs
- Better coordination of transportation services across programs
- AHS recognizes the benefits of braiding transit with NEMT and has awarded contracts to the VPTA, which supports Vermont's transit system

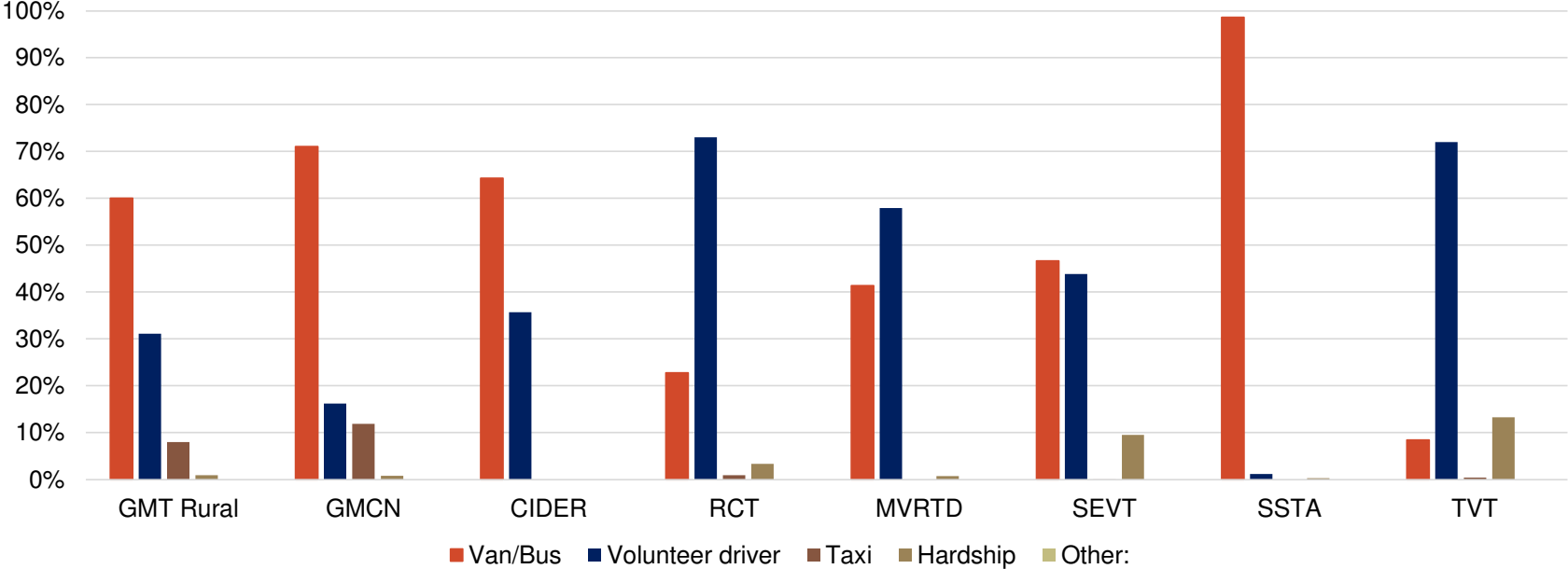
Existing Conditions

Demand-Response Ridership by Program Area, FY23



Existing Conditions

Demand-Response Ridership Share by Mode, FY23



Financial and Operational Impact of Unbraiding NEMT Service



- Significant loss of revenue, service levels, and ridership for fixed-route and demand-response services across providers
 - Revenue loss: -56% of statewide DR service and 22% of total
 - Revenue hour reduction: -61% of statewide DR and 34% of total
 - Avg. ridership loss: -56% of statewide DR and -7.3% of total
- Reduced service quality for riders
- Less efficient service provision and higher per-passenger costs
- Redundant investments in customer-facing scheduling technologies
- Staffing cuts among transit providers

Recommendations



- Maintain braided NEMT service delivery model
 - Adhere to all competitive bidding requirements in Vermont procurement regulations
- Make adjustments in three areas
 - Program Structure and Coordination
 - Reimbursement and Cost Management
 - Service Capacity
- Implementation Timeframe
 - Short: Less than 1 Year
 - Medium: 1 to 5 years
 - Long: More than 5 years

Recommendations: Program Structure and Coordination

Recommendation	Benefits	Risks	Implementation Timeframe
1. Consider expanding PTAC to include additional agencies	<ul style="list-style-type: none"> Improved capacity for coordination across social service providers Improved capacity to seek innovative funding opportunities 	<ul style="list-style-type: none"> Increased complexity for scheduling meetings, achieving consensus on policy, etc. 	Medium
2. Expand and maintain Mobility Management program	<ul style="list-style-type: none"> Improved customer experience Improved coordination across providers Greater awareness of benefits of Mobility Management 	<ul style="list-style-type: none"> Administrative costs Need to identify long-term funding for Mobility Manager position 	Medium

Recommendations: Reimbursement and Cost Management

Recommendation	Benefits	Risks	Implementation Timeframe
3. Assess feasibility and financial impacts of regular reimbursement rate adjustment on operating costs and administrative functions	<ul style="list-style-type: none"> Greater understanding of options to address financial sustainability concerns 	<ul style="list-style-type: none"> Administrative costs for Vermont transit providers, VTrans, the brokerage(s), and DVHA 	Short
4. Analyze financial impacts of a risk corridor framework on operating costs	<ul style="list-style-type: none"> Greater understanding of options to address financial sustainability concerns 	<ul style="list-style-type: none"> Administrative costs for Vermont transit providers, VTrans, the brokerage(s), and DVHA 	Medium

Recommendations: Service Capacity (pg. 1)

Recommendation	Benefits	Risks	Implementation Timeframe
5. Establish dedicated forum within PTAC to monitor volunteer driver programs and community partner transit options	<ul style="list-style-type: none"> Greater understanding of challenges and opportunities to maintain and expand volunteer driver programs 	<ul style="list-style-type: none"> Additional roles and responsibilities for PTAC members Additional administrative and/or programmatic costs for outreach and engagement activities 	Short
6. Establish dedicated forum within PTAC to coordinate with HHS providers on transportation options, resources, and challenges	<ul style="list-style-type: none"> Greater awareness of needs, priorities, and actions taken related to transportation provision among HHS partners 	<ul style="list-style-type: none"> Additional roles and responsibilities for PTAC members Additional administrative and/or programmatic costs for outreach and engagement activities 	Short

Recommendations: Service Capacity (pg. 2)

Recommendation	Benefits	Risks	Implementation Timeframe
7. Conduct a study of the December 2023 behavior policy to determine policy impact and assess if additional action is necessary	<ul style="list-style-type: none"> Greater understanding of impacts of disruptive and/or violent behavior on driver retention, especially in volunteer driver program 	<ul style="list-style-type: none"> Administrative costs 	Medium
8. Conduct a study on options and cost feasibility for Mobility-as-a-Service technology solutions	<ul style="list-style-type: none"> Greater understanding of costs and benefits of MaaS for transit providers and riders 	<ul style="list-style-type: none"> Administrative costs Need to update the Study to account for changes in MaaS 	Long

Questions & Discussion
