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MEDICAID TRANSPORTATION

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.

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.

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.)

Revenue and Cost Drivers not Connected.

- Membership (revenue) – Revenue is calculated by the “number of members” times a “Per Member Per Week (or Month)” rate, regardless of the number of rides, location, distance, and mode of transport provided to a member in that week. However, Membership numbers can vary widely (for example, ranging between 8,400 in 2020 and 5,200 in 2021). This can lead to a significant effect on revenue, regardless of actual program utilization.
- Utilization (cost) – Historically, average use of the program has ranged as widely as 33 to 50 trips per year. This significantly impacts cost, without changing revenue.
- “High-Need Riders” (cost) – A “high-need rider” is defined as a member who takes at least 120 trips during the year (10 per month on average). These numbers have trended up significantly over the past 5 years, also significantly affecting cost, again, without changing revenue.
- External Factors (cost) – The costs for fuel, mileage reimbursement, wages, and general costs have risen significantly over the past few years. 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 with no impact on revenue.

No Ability to Cost-Shift. VPTA providers have no ability to cost-shift as may be possible for providers of Medicaid medical service. This is due to Federal cost-allocation requirements for public transportation providers. Costs must be strictly allocated by program and DOT revenues cannot be shifted. Thus, the cost of the program must be fully borne by Medicaid.

Cost Sharing. Cost savings are consistently achieved, however, due to cost sharing, including:

- VTrans funds 100% of the capital cost of dispatch/scheduling software critical for demand-response services.
- VTrans funds 90% of the capital cost of lift-equipped vehicles.
- VTrans funds 90% of the capital cost of facilities.
- VTrans funds 90% of other capital items.
- Rides can be shared by Medicaid and non-Medicaid riders (which then shares the cost)
- Audit and other oversight costs are shared with non-Medicaid programs