Medicaid Transportation Study of Policy and Practices in the Metropolitan Washington Region

DRAFT Final Report

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Prepared by
KFH Group, Inc.
Bethesda, Maryland

KFH GROUP

NOTE:

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EXECUTIVE SUMMARY

The *Medicaid Transportation Study of Policy and Practices in the Metropolitan Washington Region* is sponsored by the Washington Metropolitan Area Transit Authority (WMATA) and the National Capital Regional Transportation Planning Board (TPB). The study researched the different approaches to Medicaid's non-emergency medical transportation (NEMT) in D.C., Maryland, and Virginia, documenting demand and overlap with WMATA's ADA paratransit service, MetroAccess. Similar to many ADA paratransit systems across the country, MetroAccess is providing medical trips for riders who are eligible for Medicaid's NEMT, a practice with financial implications for the jurisdictions as well as WMATA.

This report summarizes the research and findings of the study and concludes with options that outline alternatives to current policies and practices. The report can serve as a catalyst for discussions with the jurisdictions in partnership with WMATA that could lead to more cost-effective use of both the region's specialized transportation services and funding sources.

Key findings of the study include:

- The District and Virginia contract with a private broker, paid on a captitated basis, to provide NEMT. Maryland allocates grant funding to its local jurisdictions to provide NEMT.

- Medicaid NEMT is funded by both the federal and state governments: the federal share is 70% for the District and 50% for Maryland and Virginia.

- The District's broker provided 82,404 Medicaid-eligible trips on MetroAccess in 2015 (6.4% of total NEMT trips). Some portion of 201 Medicaid recipients in Maryland's Montgomery County and some portion of 1,581 Medicaid recipients in Prince George's County were referred to MetroAccess in 2015 for their trips; the actual number of recipients and trips on MetroAccess is not known as the counties do not pay for or track those trips. Virginia's broker does not use ADA paratransit, including MetroAccess, to any degree for NEMT trips.

- There is cost transferring from Medicaid NEMT to MetroAccess. Had the District's 82,404 Medicaid-eligible trips provided on MetroAccess in 2015 instead been provided through the broker's paratransit providers, the cost to the District would have been 30% of $2.1 M but instead the District paid $4.2 M to WMATA. While the same calculation cannot be done for Montgomery and Prince George's Counties because the number of Medicaid-eligible trips on MetroAccess is not known, we can say that had the trips been provided through the counties' NEMT paratransit providers, the State of Maryland would have paid 50% for trips costing between $32-$40 but instead paid WMATA $51 for each trip.

- The alternative options to current NEMT policies and practices described in this report would improve the cost-effectiveness of medical transportation, specifically NEMT, and lead to better utilization of public resources in our region. These options may also include service quality enhancements for riders, such as same-day trips rather than advance scheduled trips.

Overview of the Medicaid Program and NEMT

Title XIX of the Social Security Act created the Medicaid program in 1965. Medicaid is an entitlement program funded by the federal and state governments, which pays for medical assistance for individuals and families with low incomes. The Medicaid program is administered in partnership with the states by the Centers for Medicare and Medicaid Services (CMS) within the federal Department of Health and Human Services (HHS).

Within broad federal guidelines established by federal statutes as well as regulations and policies established by the CMS, each state has flexibility in implementing its Medicaid program. The program's policies governing eligibility, services, and payment are complex and vary considerably among states.

Medicaid operates as a vendor payment program. States pay health care providers directly on a fee-for service (FFS) basis, or they may pay for Medicaid services through prepayment arrangements such as managed care organizations (MCOs).

The federal government pays its share of Medicaid costs in two different ways – the medical assistance percentage (known as the Federal Medical Assistance Percentage or FMAP), which is determined by a formula comparing the state's average per capita income with the national income average, and the administrative percentage, which is set at 50%. Federal payments to states for medical assistance do not have a limit or cap.

Non-emergency medical transportation (NEMT) was not specifically included in the original Medicaid legislation. However, provisions in the legislation and the body of case law that has evolved from the legislative language require that each state Medicaid program include provisions for necessary transportation of Medicaid recipients to and from providers of medical services.

In recent years, states are increasingly looking to NEMT brokers to manage their Medicaid transportation program as a way to address increasing costs and to prevent perceived fraud and abuse. There is considerable variation among states' brokerage programs. Currently, both D.C. and Virginia use an NEMT broker that is procured competitively and paid on a capitation basis. Capitated payment methods provide the states with known costs for the duration of the contract; the risk of fluctuations in costs and transportation use lie with the broker.

Under the capitated payment structure, the broker will typically seek the best rates it can from private providers, while adhering to Medicaid provisions that specify that those providers and their personnel are "licensed, qualified, competent and courteous." The broker will also seek to use public transportation for the beneficiaries needing NEMT, and such use will depend on the availability and extent of public transit services in the geographic area served.

Medicaid NEMT in the Washington, D.C. Region: Structure and Demand

The District's NEMT Program

The Department of Health Care Finance (DHCF) is the District of Columbia's Medicaid agency. Since 2007, the District's DHCF has contracted with a private transportation broker to manage and provide NEMT for D.C.'s eligible fee-for-service (FFS) recipients. The department's Division of Clinician, Pharmacy, and Acute Provider Services oversees the operations of the broker, MTM, Inc.

The District has developed comprehensive requirements for its broker, including, among many elements, requirements for providers' vehicles, qualifications for drivers and attendants, and performance standards related to trip pick-ups and drop-offs.

According to the District's procurement document, the broker is to use a" systematic, objective process" that promotes "free and open competition" to select transportation providers. The broker uses a variety of transportation providers to provide NEMT, including van providers for ambulatory individuals, van providers for individuals using wheelchairs, and stretcher providers for those who must travel supine.

Public transportation is often used for NEMT trips, and the broker has a travel training program for those recipients deemed able to use fixed route service. The broker also uses WMATA's ADA paratransit service for recipients with disabilities who are ADA-eligible. The broker provides funds to the MetroAccess "EZ Pay" accounts to pay the fare for authorized Medicaid trips for those Medicaid recipients eligible for MetroAccess.[1]

Trip Demand According to data for CY 2015, the broker provided almost 105,000 trips on an average month, with an annual total of 1.26 M trips: 74% were provided through the broker's paratransit network, 17.4% on Metro fixed route, 6.4% on MetroAccess, and the remaining 2% through mileage reimbursement and stretcher trips. The trips include those for the Intellectual Disabilities and Development Disabilities (ID/DD) Medicaid waiver program.

The annual cost for NEMT provided through the District's broker was $25.6 M in CY 2015. Assessing all trips provided, the average cost per trip was $21.34 and average cost per paratransit trip through the broker's network of providers was $25.75.

Maryland

Maryland's Medicaid program is administered by the state's Department of Health and Mental Hygiene (DHMH). Medicaid is often called Medical Assistance in Maryland. Maryland provides NEMT as an administrative service, with grant funding to the state's 24 local jurisdictions to administer and provide the service. Providing NEMT as an administrative expense means that the federal matching rate is 50%. The jurisdictions function as a broker, screening trip requests, determining the appropriate mode of transportation, and, depending on the needs of the specific Medicaid beneficiary, sending the trips to a provider within the jurisdiction's network or providing the trip themselves.

DHMH requires the jurisdictions to submit a budget for NEMT. The jurisdictions may request modifications to their approved budget, including supplements or reductions, along with justification; transportation staff at DHMH must approve any modification.

[1] Research Results Digest 109.

Montgomery County's NEMT

The DHMH has an agreement with Montgomery County's Department of Transportation to provide NEMT. The county's Medicaid and Senior Transportation Section within the Department of Transportation's Division of Transit Services administers NEMT.

The county uses a variety of transportation providers, including taxis, accessible taxis, wheelchair vans, and more specialized providers for recipients who must be transported in a supine position. To select providers, the county has developed an open solicitation[2] that defines the county's requirements, including performance standards for service and the rates that the county will pay for NEMT trips. These rates are set by the county and are periodically updated.

When screening Medicaid recipients for NEMT, the county looks for other available transportation resources for the recipient, including fixed route service as well as MetroAccess if the recipient has a disability. For recipients who are referred to public transportation for their Medicaid trips, the county does not pay for the trips or reimburse recipients for the trips.

Trip Demand There were a total of 63,683 NEMT trips in Montgomery County in FY 2015, with the majority provided by taxi and a smaller portion provided by wheelchair van.

Montgomery County does not record data on NEMT trips provided by public transportation. The county records "Denied Services" which includes Medicaid recipients found to have other means of transportation for their medical trips such a family member with a car or fixed route or MetroAccess service. For FY 2015, the county reported 201 "Denied Services – Other Transportation."

What the data does not capture is how many specific trips the Medicaid recipient who is "Denied Services" may have taken to Medicaid-eligible medical services on some other transportation mode not sponsored by Medicaid NEMT. Some portion of those trips is taken on public transportation, including MetroAccess. There may also be recipients, denied service in prior years because public transportation was an appropriate and available option, who are not taking trips on NEMT but on some other transportation mode in FY 2015 – and those trips are also not captured.

Cost information is available for Montgomery County's taxi and wheelchair van NEMT trips. For FY 2015, costs for NEMT taxi trips totaled $1,020,507, with an average cost per taxi trip of $25.74. Costs for NEMT trips provided by wheelchair van totaled $1,009,259 and averaged $43.58 per trip. The weighted average is $32.32 per trip.

Prince George's County

The DHMH has an agreement with the Prince George's County Health Department to provide NEMT, which is handled through the Health Department's Health and Wellness Division.

The county uses a number of transportation providers, including wheelchair van companies and taxis, and also provides service with its own staff and two vans. The county procurement department is responsible for issuing bids for NEMT transportation providers. Those companies that meet the county's technical requirements, including, among others, requirements for vehicles, drivers, and

[2] http://www.montgomerycountymd.gov/PRO/Solicitations.html#tabs1-open

experience, submit their prices. Unlike Montgomery County which sets the rates and uses an open solicitation process, companies compete on price in Prince George's County.

When screening Medicaid members to determine eligibility for NEMT, the county asks a series of questions to determine if they have other transportation options, including public transportation.

Similar to Montgomery County, Prince George's County does not pay for trips on public transportation. In the past, Prince George's County did pay for transit trips but this required significant administrative time and effort and is no longer done.

Trip Demand NEMT trip data for Prince George's County has been provided by Maryland's DHMH, showing a total of 134,665 trips provided in FY 2015, with the large majority provided by taxi and wheelchair van. The data also show 1,581 "Denied Services." Some portion of these denials represents denials because it was determined the recipient had public transportation as an option, and then a subset of these were denied because MetroAccess was an available option.

Costs for the county's FY 2015 NEMT trips are not available. For the wheelchair van trips, the county provides a payment of $40 for the first 20 miles and $2.50 for each additional mile beyond 20. For taxi trips, the county pays according to the rates set through county taxi regulation minus 10%.

Virginia

The Department of Medical Assistance Services (DMAS) is the state agency in the Commonwealth of Virginia that administers the Medicaid program. Medicaid recipients are provided services through a fee-for-service (FFS) program or a managed care organization (MCO) program.

DMAS contracts with a private transportation broker, LogistiCare, to provide NEMT services for the FFS recipients, including home and community-based waiver participants. The broker contract is a "full risk contract." [3] This means that the contractor is paid a monthly capitated per-member-per-month (PMPM) payment for each Medicaid member who is determined eligible for that month, regardless of the member's use of NEMT service.

Virginia has divided the state into seven geographic regions for purposes of the NEMT program, and the broker is responsible for all seven regions. Region 7 contains the Northern Virginia suburbs that include Alexandria, Arlington County, City of Falls Church, City of Fairfax, Fairfax County, Manassas City, Manassas Park, Loudoun County and Prince William County.

The broker takes eligible member's reservations, assigns trips to providers, and pays providers for all non-emergency transportation services. NEMT services include ambulatory, wheelchair, stretcher van, and non-emergency ambulance. NEMT also includes alternative means of transportation, which include volunteer drivers, gas reimbursement, as well as "fixed route public transportation."

The procurement document lists the various requirements for the broker to follow in developing the NEMT provider network. These include, among many others, a requirement to negotiate contracts "through competitive bidding or other strategies to ensure adequate NEMT service capacity and

[3] Commonwealth of Virginia, Department of Medical Assistance Services, Request for Proposals, RFP 2011-05, Non-Emergency Medical Transportation Brokerage Services, March 2011, pg. 66.

accessibility."[4] Through this requirement and others, the procurement document provides a detailed framework for the broker in selecting providers. The broker then is to develop this network.

According to LogistiCare's Transportation Provider Manual, the company states that it purchases transportation "in the market place." And it is free to choose which providers from whom to purchase services, how much service it will purchase, and "what price it is willing to pay."

Trip Demand According to data provided by DMAS, the broker provided a total of just over 644,000 trips in Region 7 during FY 2015. Of these trips, 3,475 were provided by public transit, a very small portion at 1% of total trips. While the reported data does not differentiate the type of transit trip (fixed route or paratransit), DMAS reported that the broker does not generally refer trips to public transit agencies' ADA paratransit service. There were discussions between the state and broker some years ago regarding Medicaid trips and possible referrals to transit agencies' ADA paratransit services, with the state expressing concern that significant referrals to ADA paratransit without payment for the real cost of the ADA trips would negatively impact the transit agencies. The broker's NEMT cost data was requested but not provided.

Role of MetroAccess

A targeted assessment of MetroAccess's role in providing Medicaid-eligible trips in the region shows notable differences between the District and the two suburban jurisdictions. The District's broker provided 6.4% of its 2015 trips on MetroAccess. However, MetroAccess has essentially no role in Virginia's Region 7 as a provider of Medicaid NEMT trips and available information suggests that the role of MetroAccess in the two Maryland counties is probably less than in the District.

There are also differences in fare payment by riders for Medicaid NEMT trips on MetroAccess. The D.C. broker pays for the Medicaid-eligible trips on public transportation. The Virginia broker also provides payment for trips it provides on public transportation, but does not use ADA paratransit to any degree. And the two Maryland counties do not pay for public transportation trips so any Medicaid-eligible individual who uses MetroAccess for a Medicaid-eligible trip must pay the fare. With MetroAccess fares as high as $13.00 for a round trip, the Maryland counties' policy may encourage Medicaid-eligible individuals to find an alternative transportation mode if one is available.

Summary of MetroAccess and Medicaid NEMT Trips in the Region

Summary data for trips on MetroAccess and Medicaid NEMT in the three jurisdictions in the D.C. metropolitan area in 2015 is provided in Table ES-1. The total MetroAccess trips of 2.2 M include 82,404 NEMT trips from the District and an unknown number of NEMT trips from the two Maryland counties. Virginia, as described earlier, reports that its NEMT brokerage program does not use ADA paratransit to any extent.

[4] Commonwealth of Virginia, Department of Medical Assistance Services, Request for Proposals, RFP.

Table ES-1: MetroAccess and Medicaid NEMT Trips by Jurisdiction, 2015[1]

		Maryland			
	Washington, D.C.	Montgomery County	Prince George's County	Virginia, Region 7	Regional Total
MetroAccess, Total Trips	559,947[2]	414,831[3]	945,456[3]	314,575[4]	2,234,809
Medicaid NEMT, Reported Total[5]	1,178,455[6]	63,683	134,665	644,018	2,020,821
Trips on MetroAccess	Included in MetroAccess totals	n.a.[7]	n.a.[7]	---	
Trips on Fixed Route	219,114	n.a.[7]	n.a.[7]	3,475[8]	
Trips on Paratransit Provider Network	932,400	62,800	132,804	555,700	
Other trips (e.g., stretcher)	26,941	883	1,861	84,843	

Notes

[1] Data provided for FY15 except D.C Medicaid NEMT data, which is CY15.

[2] MetroAccess data for D.C. includes D.C. NEMT trips, which totaled 82,404 in CY15.

[3] MetroAccess data for Montgomery and Prince George's Counties includes an unknown number of NEMT trips, given data collection practices.

[4] MetroAccess data for Virginia's Region 7 includes the 2 counties and 3 cities in the WMATA service area.

[5] D.C NEMT data from Fee For Service (FFS) program; Virginia's NEMT data reported for Region 7 which includes the WMATA's Virginia service area as well as Loudoun and Prince William Counties.

[6] D.C. NEMT trip total excludes the 82,404 NEMT trips provided by MetroAccess.

[7] Montgomery and Prince George's Counties do not collect data on NEMT trips provided by fixed route or MetroAccess.

[8] Virginia's DMAS reported 3,475 trips on "public transit." Since Virginia reported that ADA paratransit is not generally used for the broker's NEMT trips, the number reported for public transit is assumed to refer to fixed route.

Cost Transferring

One of the study's objectives was to assess the degree of cost transferring from Medicaid NEMT to MetroAccess. This is a key issue given the differences in funding sources for the two programs.

Medicaid NEMT is funded by both the federal and state governments, with the District's federal share at 70% and, for Maryland and Virginia, the federal share is 50%. WMATA is funded with federal, state, and local funds. Federal funding is available for capital purposes, but operating funding comes from the three jurisdictions as well as passenger fares.

The differences in the funding structures impact the jurisdictions and their use of their own state or local funding. This is particularly true for the District given the number of NEMT trips on MetroAccess and the fact that the federal government's share of the District's Medicaid program is 70%. A Medicaid NEMT trip provided through the District broker's network of paratransit providers costs, on average, $25.75. The federal share of that cost is 70% or $18.03, again on average. The District through the DHCF then pays the remaining $7.72 with its local funds. A trip on MetroAccess is more expensive, at $51, on average, according to WMATA. The District and its Department of Transportation pays 100% of this cost with local funds

This calculation can be done for all of the District's Medicaid-eligible trips that were provided on MetroAccess. Had the 82,404 NEMT trips on MetroAccess in 2015 been provided through the District's

NEMT brokerage, the cost to the District would have been 30% of $2,121,903, or $636,571; instead, the District paid $4.2 M for MetroAccess service.

Cost transferring and the use of Maryland's own funds are issues for Montgomery and Prince George's Counties as well. However, the two Maryland counties' NEMT reporting procedures do not capture the extent to which Medicaid eligible individuals take their Medicaid-eligible trips on MetroAccess, but some portion of the reported "service denied" data represents trips on MetroAccess. Had those trips in FY 2015 been provided by the counties' NEMT paratransit providers, Maryland would have paid 50% for trips costing from $32 to $40, but instead the state paid $51 for each MetroAccess trip.

Opportunities for Improvement

This study has found opportunities for improving the cost-effectiveness of medical transportation now provided by MetroAccess, particularly for the District and Maryland's two suburban D.C. counties. **The study highlights the fact that the practice of having MetroAccess provide Medicaid-eligible trips is significantly more costly for the local jurisdictions than if those trips are provided through Medicaid NEMT.**

The practice is more costly for two reasons: (1) states and local jurisdictions are responsible for funding the operation of MetroAccess, while the federal government funds a major portion of Medicaid NEMT – 70% of the cost for the District and 50% of the cost for Maryland and Virginia; and (2) the average cost for a MetroAccess trip is twice the full cost of a paratransit trip on the District's NEMT program and more than one-third the full cost for an NEMT paratransit trip in the Maryland counties.

The net result is that the states and local jurisdictions are paying full cost for the more expensive MetroAccess trips, while their NEMT programs are providing trips that are not only more cost effective at their full face value but are also heavily subsidized by federal funds.

Thus, the themes underlying the opportunities developed for the study are maximizing federal funding available for Medicaid NEMT and using more cost-effective transportation options for medical trips. While cost-effectiveness has been a focus, quality of service for riders is also considered and important since many of the medical trips now provided by MetroAccess and potentially by alternative services are life-sustaining for the riders.

It is important to recognize that pursuit of any option described in this report that directly impacts the provision of Medicaid NEMT would require concurrence by the state Medicaid agencies and agreement to implement subsequent changes in the provision of NEMT. Each state has considerable latitude for determining the structure and implementation of its Medicaid NEMT program, within the broad federal requirements, which means changes are possible. Furthermore, because each state can act independently, the three jurisdictions need not act in concert.

The options, focusing on opportunities for the District and Maryland given the study's finding that Virginia's Medicaid program and its contracted broker do not rely on ADA paratransit to any degree, are summarized below.

- **Option 1: Use Medicaid NEMT's Paratransit Service for Medicaid-Eligible Trips Now Provided by MetroAccess**

Option 1 suggests that the District and two Maryland counties maximize use of federal funds available for Medicaid and use of their NEMT paratransit providers to serve the Medicaid-eligible medical trips currently being provided by MetroAccess. With this option, the entities managing Medicaid NEMT for the District and two Maryland counties would direct Medicaid recipients eligible for both NEMT and MetroAccess to the NEMT paratransit service and not to MetroAccess.

Option 1 for D.C. would require the District's DHCF to modify its contract with the broker. Currently, the contract for the broker explicitly states that the broker should include MetroAccess among transportation modes used.[5] The option additionally suggests that the District's DHCF instruct the broker to discontinue the practice of paying the MetroAccess fare for Medicaid-eligible individuals who are also eligible for MetroAccess. It may be that some Medicaid recipients wish to continue using MetroAccess (and that is their right as long as they are eligible), but the fact that Medicaid NEMT is free and MetroAccess requires a fare would likely encourage use of NEMT over MetroAccess.

This option would also require modification to the cost structure for the broker's contract. Currently, the broker pays just $3.50 to $6.50 for each Medicaid-eligible trip provided by MetroAccess (the rider's fare), but, with this first option, those trips would now be provided by the broker's paratransit network with an average cost to the broker of $25.75, with the federal government paying 70% of the cost.

Option 1 for the two Maryland counties would require the state's DHMH to revise its instructions to the counties. Instead of instructing the two counties to deny NEMT service to those Medicaid recipients who are eligible for MetroAccess, the state would instruct the counties to provide NEMT service for those recipients. This would add an unknown number of passenger trips to be provided by each county's NEMT paratransit network,[6] where costs range from $32-$40 per paratransit trip. With the federal government providing 50% of NEMT expense, the state would be responsible for just half the cost of the trips and Maryland would not incur the $51 cost per trip it pays for MetroAccess service.

- **Option 2: Share Cost of Medicaid-Eligible Trips on MetroAccess with State Medicaid Agencies**

Option 2 suggests that the District and Maryland partner with WMATA so that Medicaid pays a portion of the full cost of Medicaid-eligible trips provided by MetroAccess.

Following Medicaid regulations, WMATA would develop a cost to be charged for "human service agencies." This would be less than the full cost of $51 but should recognize WMATA's expense for providing ADA paratransit service and the fact that it provides a higher level of service than human service transportation given the strict performance standards established through ADA regulations.

Option 2 for the District: Assuming an agreed-upon rate of $40, the District would pay its 30% share of the $40 trip – $12 – with the federal government paying the remaining 70% or $28. The District would also need to pay the remaining cost of a MetroAccess trip: $51 minus $40 or $11. To this cost would be added an unknown but small cost to account for the broker's current responsibility for paying the fare

[5] D.C. 2014 Broker RFP, subsection C.5.2.4.1, pg. 52 of 203.

[6] The number of trips is unknown as currently the counties do not track the number of trips taken by their Medicaid recipients whom they deny due to ADA paratransit eligibility/certification, as discussed previously.

for the Medicaid-eligible trip on MetroAccess, an amount that would be part of the broker's calculations for its capitated rates.

Option 2 for Montgomery and Prince George's Counties: This option would require the counties to keep records on the Medicaid recipients denied NEMT service due to their MetroAccess eligibility and share this information with WMATA, so the transit agency could track the medical trips completed by these Medicaid-eligible individuals and send the trip totals to Maryland's DHMH. The state would then reimburse WMATA for the trips that are Medicaid-eligible trips at the agreed-upon amount. Assuming the same $40 agreed-upon rate as above, Maryland would pay its 50% share of the trip – $20 – with the federal government paying the other half, $20. Maryland would also need to pay for the difference between the $40 trip and the full $51 cost for a MetroAccess trip, the same $11 as above. The cost per trip, then, for Maryland is $31, which is 39% less than the full $51 cost of a MetroAccess trip.

- **Option 3: Pilot Service for Subscription Dialysis Trips**

Option 3 describes a pilot focusing on recurring trips for MetroAccess riders who use ADA paratransit to access dialysis treatment. This option targets all dialysis trips, not only those Medicaid-eligible.

This option is suggested for one of the two Maryland counties, and it could be piloted in two different ways. The first way proposes use of a broker to provide the subscription service for MetroAccess-eligible riders to travel to and from dialysis centers and specifically use of the D.C. NEMT broker, who indicated during our 2013 study of regional coordination of specialized transportation about possible leveraging of its service for a pilot project for MetroAccess riders.[7]

Prince George's County is the preferred county for this pilot, given estimates of 102,465 MetroAccess dialysis trips in the county in 2015.[8] Based on the NEMT brokerage in the District, it is estimated that the per trip cost for the option would range between $25 and $35, with the higher cost for trips using accessible vehicles, with an average cost of $25.75.

For each trip shifted from MetroAccess to the dialysis pilot, Maryland would not have to pay the $51 cost to WMATA, saving up to 50% for each trip. Additional savings would accrue to Maryland if trips eligible for Medicaid were shared with the state's DHMH to take advantage of federal funding for Medicaid NEMT, as described in Option 2.

The second way to pilot Option 3 is to provide the dialysis transportation with a subsidized same-day taxi service instead of MetroAccess, which might be tested in either Prince George's or Montgomery County. A key advantage of a taxi-based service over current MetroAccess service is the ability for real-time scheduling, so that return trips from dialysis treatment can be scheduled in real time.

A pilot in Prince Georges County would target the estimated 102,465 dialysis trips provided by MetroAccess in 2015. The program would be set up so participating riders would be authorized for taxi trips only to and from their dialysis center, with each trip subsized up to $25 on the meter. The program

[7] Regional Coordination of Specialized Transportation Study, Final Report, prepared for the Maryland Department of Transportation, Washington Metropolitan Area Transit Authority, and the National Capital Region Transportation Planning Board, by KFH Group, Inc., June 2013.

[8] Dialysis trips estimated from FY 2013 data provided by jurisdiction in *the Maryland Legislative Report-J00H01.01, Study of Paratransit Services for Dialysis,* prepared for the Maryland Transit Administration, Maryland Dept. of Transportation by the KFH Group, 2013, and increased to FY 2015 based on the annual increase in total MetroAccess ridership FY13-14 and FY14-15.

would also have riders pay a fare, for example, $3 dollars,which is less than the MetroAccess fare. The taxi driver would keep the $3 cash in lieu of a tip.

The pilot assumes that about half of the estimated current MetroAccess eligible riders would use the service instead of MetroAccess. Those trips now on MetroAcess cost the State of Maryland $2.5 M. Should the trips shift to the pilot program, and assuming each trip costs the full $25 subsidy, the cost to Maryland would be $1.2 M, a savings of $1.28 M over use of MetroAccess. In addition, there would be costs to implement the program and for ongoing management.

A pilot in Montgomery County would target the 41,680 MetroAccess trips estimated as dialysis trips in 2015.[9] Such a pilot could potentially leverage Montgomery County's existing "Same Day Access" program, a taxi subsidy program for county residents eligible for MetroAccess which uses the same swipe card technology that the county uses for its Call-n-Ride program. Similar to the pilot described for Prince Georges County above, the pilot for Montgomery County would give MetroAccess eligible riders in the county the option to use taxis for their dialysis transportation.

The costs for this option would include the cost of the taxi trips as well as for the development and installation of the software. Additional costs include ongoing management of the program. Assuming that about one-half of the estimated dialysis trips in the county shift to the taxi subsidy program and that each trip uses the full $25 subsidy, costs to the State of Maryland would be reduced by half, from the current $1 M to $0.5 M. There would also be additional costs for installing and using the swipe card technology and ongoing management.

- **Option 4: Contract for Non-Dedicated Transportation for Selected Human Service Agency in Maryland**

The fourth option suggests a pilot project that would use a contracted private transportation provider to serve the subscription trips of a human service agency (HSA) in Montgomery or Prince George's County that currently requires significant MetroAccess capacity. This option is similar to the operational concept used for the pilot tested with CSS, Inc., in Montgomery County, where a private contractor provided the daily trips of the human service agency's clients who had formerly used MetroAccess.

To pursue this option, the pilot would be designed to approach one of the human service agencies (HSAs) in either Montgomery or Prince George's County. It would also be designed to offer advantages to the HSA over MetroAccess service, improving service quality for riders with, for example, allowing for same-day modifications that are generally not possible with MetroAccess

The contracting process to secure a transportation provider for the pilot could be streamlined if WMATA turns to one of its current MetroAccess contractors to handle the procurement of a non-dedicated transportation provider, for example, the call center contractor. Maryland would pay for the contracted service on a per trip basis through WMATA, with cost savings compared to paying for the trips through MetroAccess.

To estimate costs, we assume a generic HSA that requires 50,000 annual trips on MetroAccess and a cost per trip for the contracted transportation provider at $30.[10] Cost for the transportation service

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[9] Dialysis trips estimated from FY 2013 data provided by jurisdiction in the *Maryland Legislative Report-J00H01.01, Study of Paratransit Services for Dialysis,* prepared for the Maryland Transit Administration, Maryland Dept. of Transportation by the KFH Group, 2013 and increased to FY15 based on the annual increase in total MetroAccess ridership FY 13-FY14 and FY 14-FY15.
[10] The cost per trip charged by the contracted transportation providers in the CSS pilot was $26.

would be an estimated $1.5 M, which would save the State of Maryland $1 M on an annual basis compared to current costs through MetroAccess. There would also be some minor administrative costs for the MetroAccess contractor to handle the procurement as well as monitor the human service agency's provider in coordination with the human service agency. WMATA would also be involved for oversight and evaluation of the pilot.

As with the prior option, this one could also share costs with Medicaid for those trips that are Medicaid-eligible. Assuming half of the HSA trips are Medicaid-eligible and a cost-sharing arrangement with the state's DHMH, Maryland could recoup half the cost of each Medicaid-eligible trip. This would reduce the pilot's cost to an estimated $1.1 M, saving Maryland an estimated $1.4 M.

Summary of Options

The four options and their variants are shown in Table ES-2. Costs and funding are the primary factors that support consideration of alternatives to current practices. The jurisdictions face increasing costs to fund MetroAccess: continuation of current trends will lead to the demand for 3.14 M MetroAccess trips by 2025, just nine years from now.[11] This can be compared to the FY 2015 ridership of 2.23 M. These trends will result in projected ridership of almost 0.9 M in the District and almost 1.8 M in the two Maryland counties, with funding requirements of $47.6 M for the District and $96.1 M for Maryland.[12]

The District and Maryland are currently not taking advantage of significant federal funding provided for NEMT. Nor do they take advantage of the NEMT paratransit services that are considerably more cost-effective than the MetroAccess paratransit service.

The NEMT programs in the District and two suburban Maryland counties have well-developed transportation services for those individuals with disabilities who need specialized service. Trips served by the NEMT paratransit providers are significantly less costly on a per trip basis than MetroAccess, for reasons that relate primarily to the regulatory requirements of the ADA. **When the federal funding contribution is factored in, the average cost for a Medicaid NEMT paratransit trip in D.C. is less than $8 and less than $17 in Maryland (based on Montgomery County data). The average cost for a MetroAccess trip is $51.**

Another factor to consider may be the benefit of moving medical trips to a transportation program that specializes in medical transportation. While MetroAccess provides many medically-related trips, its focus, by federal regulation, is not trip-purpose specific. Medicaid NEMT, on the other hand, is designed specifically for medical and medically-related trips.

A third factor to consider is that shifting trips from MetroAccess to other providers, such as the NEMT paratransit providers in the District and two Maryland counties, would increase business for smaller, local transportation companies. In the District, most of the paratransit providers that comprise the NEMT broker's paratransit network are small and minority businesses, many operating a handful of vehicles, according to the broker. In both the Maryland counties, the Medicaid NEMT programs use smaller transportation providers as well as taxi companies. Particularly for the latter, which are seeing their business base shrink with the arrival of transportation network companies (e.g., Uber, Lyft), an increase in trips would be welcomed.

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[11] George Mason University report, pg. 18.
[12] George Mason University report, pg. 19.

Table ES-2: Summary of Options to Improve Cost-Effectiveness of Medical Transportation

Option	Estimated Cost Implications	Service Quality Implications	Feasibility Issues
Option 1: Use Medicaid NEMT's Paratransit Service for Medicaid-Eligible Trips Now Provided by MetroAccess *All Medicaid-eligible trips to be provided by jurisdictions' NEMT services.*	Takes advantage of federal funding for NEMT. Jurisdictions avoid paying for MetroAccess service at $51/trip.	Varies by jurisdiction.	Requires agreement from state Medicaid agencies.
• Option 1 for D.C.	Cost/trip for D.C. reduced to an average of $7.72, as D.C. pays only 30% for NEMT.	NEMT should generally be similar to MetroAccess given D.C.'s requirements for broker, though performance standards do not cover all criteria applied to ADA paratransit.	D.C.'s DHCF would need to revise contract with its broker.
• Option 1 for Montgomery and Prince George's Counties	Cost/trip for MD counties reduced to $16-$20/trip, depending on the county, as MD pays only 50% for NEMT.	Service quality will vary by NEMT provider used by the counties (e.g., taxi, accessible van). Key advantage to riders is NEMT service is free.	Requires MD's DHMH to revise instructions to the counties; counties to add NEMT capacity.
Option 2: Share Cost of Medicaid-Eligible Trips on MetroAccess with State Medicaid Agencies *Medicaid-eligible trips continue to be provided on MetroAccess.*	WMATA partners with state Medicaid agencies so Medicaid agencies pay an allowed "human service agency" rate for each Medicaid-eligible trip on MetroAccess. Assumes $40/trip rate.	No change in service quality as Medicaid-eligible trips remain on MetroAccess.	Requires agreement from state Medicaid agencies and coordination on ridership data.
• Option 2 for D.C.	Cost/trip for D.C. reduced to $23.		
• Option 2 for Montgomery and Prince George's Counties	Cost/trip for MD counties reduced to $31.		
Option 3: Pilot Service for Subscription Dialysis Trips *Medicaid-eligible and other dialysis trips in the MD counties shift to alternate services.*	Provide all dialysis trips through a pilot using the D.C. broker or a same-day taxi subsidy program, with cost-savings using lower cost providers.	Varies by Option 3A and 3B.	Varies by Option 3A and 3B.
• Option 3A: Leverage D.C.'s NEMT Broker to Administer Pilot for Dialysis Transportation in Prince George's Co.	Cost/trip reduced to $12.88 for Medicaid-eligible trips and $25.75 for non-Medicaid-eligible trips.	NEMT should generally be similar to MetroAccess given D.C.'s requirements for broker, though performance standards do not cover all criteria applied to ADA paratransit	Agreement and coordination required between WMATA, D.C., D.C.'s broker, and Prince George's Co.
• Option 3B: Same-Day Subsidized Taxi Service Pilot for Dialysis Transportation, in either Prince George's or Montgomery Co.	Costs for dialysis trips reduced to maximum of $25 meter rate with additional costs to be determined for implementation and ongoing management.	Service quality may vary by taxi provider. Key advantages to riders include ability for same-day scheduling and a set fare less than MetroAccess.	Agreement and coordination required between WMATA and MD counties.
Option 4: Contract for Non-Dedicated Transportation for Selected Human Service Agency (HSA) in Maryland *Subscription trips of clients of selected HSA shift to new contract provider.*	Cost/trip reduced to $30, using non-dedicated private provider; additional administrative costs to procure provider and ongoing management.	Service to improve with transportation exclusive to HSA's clients, a fare less than MetroAccess, and ability for same-day schedule changes.	Requires willingness of an HSA to participate and coordinate with WMATA to procure provider and manage contract.

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Note: The study included four technical memoranda that have been combined into a Technical Supplement to this report. This Supplement, available upon request, includes:

- Technical Memorandum #1: Tasks 1 and 2 Memorandum: Federal Regulations for NEMT and Regional NEMT Services – *Working Draft*
- Technical Memorandum #2: Tasks 3 and 4.1- 4.2 Memorandum: Current Demand for Medical Transportation and Cost Analysis – *Working Draft*
- Technical Memorandum #3: Task 4.3, 4.4 and 4.5 Memorandum: Medicaid NEMT and MetroAccess-Comparison, Challenges and Potential for Cost-Sharing–*Working Draft*
- Technical Memorandum #4: Tasks 5.1 and 5.2 Memorandum: Opportunities for Providing More Cost-Effective Transportation Options for Medical Trips–*Working Draft*

Medicaid Transportation Study of Policy and Practices in the Metropolitan Washington Region *Final Report, Draft*

INTRODUCTION

This study, sponsored by the Washington Metropolitan Area Transit Authority (WMATA) and the National Capital Regional Transportation Planning Board (TPB), addressed the Medicaid transportation program, referred to as non-emergency medical transportation (NEMT) and the policy and practices of NEMT in the three jurisdictions of our metropolitan region – D.C., Maryland, and Virginia.

The study researched the different approaches to NEMT in the three jurisdictions, demand for the service as measured by trips provided, and the overlap with WMATA's ADA paratransit service, MetroAccess. Similar to many ADA paratransit systems across the country, MetroAccess is providing medical trips for riders who are eligible for Medicaid's NEMT, a practice with financial implications for the jurisdictions as well as WMATA.

The study found opportunities for improving the cost-effectiveness of medical transportation in our region, specifically NEMT, which in turn would lead to better utilization of public resources. These opportunities may also include service quality enhancements for riders, such as same-day trips rather than advance-scheduled trips.

This report summarizes the research and findings of the study and concludes with options that outline alternatives to current policies and practices. The report can serve as a catalyst for discussions with the jurisdictions in partnership with WMATA that could lead to more cost-effective use of both the region's specialized transportation services and funding sources.

OVERVIEW OF THE MEDICAID PROGRAM[1]

Title XIX of the Social Security Act created the Medicaid program in 1965. Medicaid is an entitlement program funded by the federal and state governments, which pays for medical assistance for individuals and families with low incomes. It is the largest source of funding for medical and health-related services for low-income people in the country. The Medicaid program is administered in partnership with the states by the Centers for Medicare and Medicaid Services (CMS) within the federal Department of Health and Human Services (HHS).

Medicaid was initially established as a medical care extension of federal programs providing cash income assistance to low-income individuals and families. Over the years, Medicaid eligibility

[1] Much of the Information in this overview comes from several sources unless otherwise footnoted, including Brief Summaries of Medicare & Medicaid, Title XVIII and TITLE XIX of the Social Security Act As of November 1, 2014 at https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MedicareProgramRatesStats/SummaryMedicareMedicaid.html; and the Kaiser Family Foundation at http://files.kff.org/attachment/fact-sheet-summary-of-the-affordable-care-act.

expanded. Legislation in the late 1980s extended Medicaid coverage to a larger number of low-income pregnant women and low-income children[2] and to some Medicare beneficiaries not eligible for any cash assistance program. Legislative changes also focused on increased access, better quality of care, specific benefits, enhanced outreach programs, and fewer limits on services.

More recent changes came with the Patient Protection and Affordable Care Act of 2010 and the related Health Care and Education Reconciliation Act of 2010 (jointly referred to as the Affordable Care Act or ACA), which overhauls the way that health care is delivered and financed in the country. The ACA expands Medicaid eligibility beginning in 2014 to all individuals under age 65 in families with incomes below 133% percent of the federal poverty level. These individuals make up about half of the country's uninsured. In general, the U.S. Supreme Court upheld the ACA's provisions in 2012 but ruled that states could not be required to implement the Medicaid expansion as a condition of continuing to operate their existing Medicaid programs and receiving federal financial participation. In effect, this ruling has made the expansion of Medicaid optional for each state. As of March 2016, 31 states and the District of Columbia have adopted the Medicaid expansion.[3] Included among states adopting expansion is Maryland, but not Virginia.

States' Role in the Medicaid Program

Within broad federal guidelines established by federal statutes as well as regulations and policies established by the federal CMS, each state has flexibility in implementing its Medicaid program. The program's policies governing eligibility, services, and payment are complex and vary considerably among states.

In addition to their Medicaid programs, most states have additional "state-only" programs to provide medical assistance for specified low-income persons who do not qualify for Medicaid. Federal funds are not provided for state-only programs.

Scope of Medicaid Services

Medicaid regulations stipulate that medical services be provided in the lowest cost manner appropriate for the beneficiary, that services are provided to all eligible individuals in the state, and that those eligible can use the service provider of their choice.[4] Within federal guidelines and certain limitations, states also determine the amount and duration of services offered under their Medicaid programs.

Payment for Medicaid Services

Medicaid operates as a vendor payment program. States pay health care providers directly on a fee-for service (FFS) basis, or they may pay for Medicaid services through prepayment arrangements such as managed care organizations (MCOs).

A fundamental concept of Medicaid is that it is the "payer of last resort." This stems from Medicaid's "third party liability" provisions in the legislation, which were intended to ensure that Medicaid did not

[2] The Children's Health Insurance Program or CHIP was initiated by the Balanced Budget Act of 1997 to provide health care coverage for low-income children.

[3] Kaiser Family Foundation, State Health Facts, http://kff.org/health-reform/state-indicator/state-activity-around-expanding-medicaid-under-the-affordable-care-act/

[4] Research Results Digest 109.

pay for medical services that could be paid by other insurers. In fact, federal legislation in 2005[5] requires states to pass laws that protect Medicaid's payer of last resort status.

Cost Sharing Between the Federal and State Governments

The federal government pays its share of Medicaid costs in two different ways – the medical assistance percentage and the administrative percentage.

The medical assistance percent, known as the Federal Medical Assistance Percentage (FMAP), is determined annually by a formula that compares the state's average per capita income level with the national income average. By law, the FMAP cannot be lower than 50% or higher than 83%. Relevant for this study, federal legislation in 1997 permanently raised the FMAP for the District of Columbia from 50% to 70%.

The administrative match rate is 50%, with the federal government paying for half of each state's general non-service functions.

Federal payments to states for medical assistance do not have a limit or cap. The federal government matches (at FMAP rates) state expenditures for the required services, as well as for the optional services that the individual state decides to cover for eligible beneficiaries and matches (at the administrative rate) all necessary and proper administrative costs.

Increased Costs for Medicaid

Costs for Medicaid have grown rapidly. According to available data, Medicaid's 2013 expenditures were $457.8 billion, accounting for a significant portion of federal and state budgets as well as an important source of revenue for health care providers and insurers. In that year, Medicaid provided healthcare coverage for about 59 million beneficiaries.[6]

States are increasingly using managed care to address Medicaid cost increases. As an alternative to the traditional fee-for-service (FFS) system, states use managed care organizations (MCOs), prepaid health plans (PHPs), or comparable entities that agree to provide a specific set of services to Medicaid members, usually in return for a predetermined periodic payment per enrollee.

Waivers provide the states with flexibility in the design and implementation of their Medicaid programs. The Secretary of Health and Human Services has broad authority to grant waivers of various Medicaid provisions that address coverage, control costs, or result in more efficient service delivery. Waivers have also been used by states in their implementation of NEMT.

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[5] The Deficit Reduction Act of 2005, Section 6035: *The Deficit Reduction Act: Important Facts for State Government Officials* at https://www.cms.gov/Regulations-and-Guidance/Legislation/DeficitReductionAct/downloads/checklist1.pdf+&cd=1&hl=en&ct=clnk&gl=us

[6] 2014 Actuarial Report on the Financial Outlook for Medicaid, Report to Congress, Office of the Actuary Centers for Medicare & Medicaid Services United States Department of Health & Human Service.

NON-EMERGENCY MEDICAL TRANSPORTATION

Non-emergency medical transportation (NEMT) was not specifically included in the original Medicaid legislation. However, provisions in the legislation and the body of case law that has evolved from the legislative language require that each state Medicaid program include provisions for necessary transportation of Medicaid recipients to and from providers of medical services.

The requirement for transportation was first articulated in Medicaid guidance in 1966 and later in regulations. The guidance was provided in the Handbook of Public Assistance (Supplement D) and stated that criteria to assure high quality of care and services would be determined by the "provision of necessary transportation of recipients to and from suppliers of medical and remedial care and service." [7]

The transportation requirement was then included in rulemaking issued in 1968 and, in 1978, the transportation requirement was officially added to the Social Security Act as *§431.53 assurance of transportation*. It affirms that a state Medicaid plan must:

a) Specify that the Medicaid agency will ensure necessary transportation for recipients to and from providers; and
b) Describe the methods that the agency will use to meet this requirement.[8]

How a state will meet its federal mandate to assure necessary transportation is determined, in part, by the definition of the term "necessary." According to an advisory group convened in 1998 specifically to examine non-emergency transportation issues, this is interpreted as:

- Transportation provided is to/from a Medicaid covered service;
- The least expensive form of transportation available is used and is appropriate for the client;
- Transportation is provided to the nearest qualified provider; and
- No other transportation resources are available free of charge.[9]

This means that when several modes of transportation are available, states are to use the least costly means of transportation that is appropriate for the particular medical needs of the beneficiary. This is also in keeping with Medicaid's status as the "payer of last resort."

NEMT Brokers

In recent years, states are increasingly looking to NEMT brokers to manage their Medicaid transportation program as a way to address increasing costs and to prevent perceived fraud and abuse. There is considerable variation among states' brokerage programs. Brokers may be private for-profit companies, private non-profit organizations, or public government agencies. States use different models to structure the brokerage, including a single statewide broker, regional brokers, and county-level brokers.

[7] The George Washington University Health Sciences Research Commons Health Policy Issue Briefs Health Policy 7-2009 Medicaid's Medical Transportation Assurance: Origins, Evolution, Current Trends, and Implications for Health Reform Sara J. Rosenbaum et. al.

[8] Research Results Digest 109; and Cornell University Law School, Legal Information Institute https://www.law.cornell.edu/cfr/text/42/431.53

[9] Fact Sheet: Medicaid Transportation Service National Health Law Program, February 2008.

Brokers also vary by payment type, for example, capitation or fee-for-service reimbursement, the degree to which they coordinate with other transportation programs, and the extent to which the state incorporates NEMT into existing managed care organizations. Each state Medicaid agency specifies the transportation services it requires of its broker (or brokers) as well as the structure of the relationship between the state and the broker.

Payment for NEMT

NEMT can be claimed at the state's federal medical assistance percentage (FMAP) or the federal administrative percent. Medicaid guidance provided in 1978 gave states the option to use either for NEMT. Previously, NEMT was billed as medical assistance and had to meet the same regulations as healthcare providers. By billing NEMT as an administrative expense, states could get around the requirements for healthcare providers, and they could then bid out and contract for NEMT services, thus introducing the brokerage model.

Yet, because the 50% administrative rate is lower in most states than the FMAP, states may choose the latter rate for a larger federal match even though there is less flexibility for an NEMT program. States can, however, receive waivers for more flexibility.[10] The 1915(b) waiver, for example, allows states to eliminate the freedom of choice for transportation requirement and use the higher medical match rate.

The Deficit Reduction Act of 2005 and CMS's 2008 Final Rule for the Act provided additional flexibility for NEMT. Among other provisions, the Act allowed the use of public transit agencies to provide brokerage services and eliminated some of the waiver requirements that made it easier to experiment with NEMT implementation.

Payment for NEMT Brokers

Brokers may be compensated based on reimbursement/fee-for-services or capitated rates. Under reimbursement or fee-for-service brokerage models, the broker typically is paid an administrative fee for taking and "brokering" the trip and then reimbursed for the actual direct cost of purchasing the trip from a third party (taxi, van service), reimbursing volunteers, or operating the service itself. Fee-for-service contracts may have a cap on administrative costs.

Fee-for-service contracts assure vendors are adequately compensated but put the risk of increases in transportation use on the state.

Under capitated brokerages, the broker is given a set amount of funding for the designated service area based on the Medicaid enrollee population and then must provide all appropriate transportation for that set rate (e.g., per member per month or PMPM). Capitated payment methods provide the states with known costs for the duration of the contract; the risk of fluctuations in costs and transportation use lie with the broker.

[10] Designing and Operating Cost-Effective Medicaid Non-Emergency Transportation Programs: A Guidebook for State Medicaid Agencies, prepared by the Health Care Financing Administration and the National Association of State Medicaid Directors, Non-Emergency Transportation Technical Advisory Group, August 1998.

Brokers' Use of Transportation Providers

Given the prohibition of self-referral, the broker establishes a network of transportation providers that can meet the varying needs of Medicaid beneficiaries who require transportation. This typically includes private transportation providers such as taxis and wheelchair van providers as well as public transportation and volunteer transportation.

Under the capitated payment structure, the broker will typically seek the best rates it can from private providers, while adhering to Medicaid provisions that specify that those providers and their personnel are "licensed, qualified, competent and courteous." The broker will also seek to use public transportation for the beneficiaries needing NEMT, and such use will depend on the availability and extent of public transit services in the geographic area served.

Significant to a broker's use of public transportation is language in the final ruling from the 2005 Deficit Reduction Act, which states:

> *The broker documents that the Medicaid program is paying no more for fixed route public transportation than the rate charged to the general public and no more for public paratransit services than the rate charged to other State human services agencies for comparable services.* [11]

Summary Comments Regarding NEMT

States must adhere to Medicaid's *transportation assurance* requirement and the mandate to provide necessary transportation to and from medical services, yet the states have considerable flexibility in developing their approach to their NEMT program. Since the 2005 Deficit Reduction Act and its 2008 final ruling that gave more flexibility for the use of brokers, states have increasingly looked to brokers to manage their NEMT program and to address growing costs for transportation as well as to control perceived fraud and abuse.

States using brokers obtained through a competitive procurement, which include Virginia and the District of Columbia, specify the broker's duties and responsibilities through the procurement process and contract agreement. Under a capitation payment structure and within the requirements of its contract, the broker then develops its network of transportation providers, including its procedures for selecting providers.

Since the broker is paid a set amount per Medicaid beneficiary regardless of beneficiary use of NEMT under a capitation structure, the broker has an incentive to work for the "best deal" it can when selecting and using private transportation providers. Under this payment structure, the broker also has an incentive to find public transportation options for NEMT users. Importantly, this approach is in keeping with Medicaid regulations that require the use of the least expensive mode of transportation that is appropriate for the beneficiary.

The broker's payment for public transportation trips is prescribed by federal regulations. Regarding payment for trips on ADA paratransit, a broker is to pay no more for such trips than the rate that is charged to other human service agencies for the same level of service. This regulation allows for a payment higher than what an individual ADA rider would pay but not the fully allocated cost of an ADA paratransit trip, assuming this latter cost is not charged to human service agencies.

[11] http://www.gpo.gov/fdsys/granule/CFR-2011-title42-vol4/CFR-2011-title42-vol4-sec440-170

Interestingly, the 1998 Guidebook for State Medicaid Agencies discusses the situation where a Medicaid agency refers Medicaid-eligible trips to the public transit agency and states that such referrals are a "win-win" for the state agency and for the public transit agency. In such case, according to the guidebook, the Medicaid agency would "negotiate" a rate for the ADA paratransit trip that is higher than what an individual rider would pay, but "lower than the rate for a Medicaid wheelchair van." The guidebook authors assumed that the cost for a negotiated ADA paratransit trip was less than what the state agency would pay for a wheelchair van trip, so that the Medicaid agency would pay for the ADA trip with this "lower cost" and the transit agency would gain "revenue and trip volume." In the 18 years since the handbook was published, such referrals to a large city's transit agency where the cost for a one-way ADA paratransit trip exceeds $40 to $50 and where increasing ADA demand is a concern, such referrals are not generally seen as a "win" for the transit agency.

Medicaid NEMT in the Washington D.C. Region

Washington, D.C.

The Department of Health Care Finance (DHCF), formerly the Medical Assistance Administration (MAA) under the Department of Health, is the District of Columbia's state Medicaid agency.

NEMT Program

Since 2007, the District's DHCF has contracted with a private transportation broker to manage and provide NEMT for D.C.'s eligible fee-for-service (FFS) recipients. The department's Division of Clinician, Pharmacy, and Acute Provider Services oversees the operations of the broker.

The broker is MTM, Inc., which was awarded a four-year contract in 2007 through a competitive procurement. Through several extensions to the 2007 contract, MTM continued as the broker until the District initiated a new procurement process for NEMT with an RFP issued in March 2014. Bids were submitted in May 2014. When study efforts were initiated in the fall of 2015, D.C. had not yet made a determination on contract award. By early 2016, however, the District finalized the procurement and awarded the contract to MTM.

NEMT Broker Requirements

The District has developed comprehensive requirements for its broker, including, among many elements, requirements for providers' vehicles (e.g., insurance, licenses, permits, etc.), qualifications for drivers and attendants, performance standards related to trip pick-ups and drop-offs, management and support services such as the telecommunications system, reporting requirements, and confidentiality of Medicaid recipient information.

Types and Selection of Transportation Providers

According to the District's procurement document, the broker is to use a" systematic, objective process" that promotes "free and open competition" to select transportation providers. The broker is to develop a plan for this process that details the selection methodology for review and approval by the District.

The broker uses a variety of transportation providers to provide NEMT, including van providers serving ambulatory individuals, van providers serving individuals using wheelchairs, and stretcher providers for

those who must travel supine. Taxis are reportedly used infrequently. According to information from the 2014 procurement document, the broker has agreements with and is using 25 transportation providers.

Public transportation is often used for NEMT trips, and the broker has a travel training program for those recipients deemed able to use fixed route service. The broker provides fare cards to recipients able to use fixed route so they can travel on fixed route to and from their authorized medical services. The broker also uses WMATA's ADA paratransit service for recipients with disabilities who are ADA-eligible. The broker provides funds to the MetroAccess "EZ Pay" accounts to pay the fare for authorized Medicaid trips for Medicaid recipients eligible for MetroAccess.[12]

Types of NEMT Services and Trips Served

The broker is to provide trips for eligible Medicaid recipients for covered Medicaid medical services. For those in the Intellectual Disabilities and Development Disabilities (ID/DD) program in the District, trips are provided not only to covered medical services but also to vocational services and activities; day habilitation or supported employment; and other activities and services provided through the ID/DD waiver program.

Funding NEMT

The District's broker contract is based on fixed capitation rates over the life of the contract. Accordingly, the District makes monthly "capitated payments" to the broker to pay for the covered transportation services provided to the Medicaid eligible FFS recipients. The broker is advised that this monthly per capita rate is payment in full, inclusive of all administrative costs, transportation costs, gas reimbursements, overhead and profit for all services required under the contract.[13]

Maryland

Maryland's Medicaid program is administered by the state's Department of Health and Mental Hygiene (DHMH). Medicaid is often called Medical Assistance in Maryland.

NEMT Program

Maryland provides NEMT as an administrative service, with grant funding to local jurisdictions to administer and provide the service. Providing NEMT as an administrative expense (rather than a medical expense) means that the federal matching rate is 50%.

DHMH has agreements with the 24 jurisdictions in the state, which include the 23 counties and the City of Baltimore, to administer and ensure NEMT within their respective jurisdiction. In 22 counties and the City of Baltimore, the local department of health administers NEMT; in the 23rd county—Montgomery—the department of transportation is responsible for NEMT.

DHMH provides transportation grants to the jurisdictions to provide NEMT, thus NEMT is often referred to the Transportation Grant Program. The jurisdictions function as a broker, screening trip requests, determining the appropriate mode of transportation, and, depending on the needs of the specific Medicaid beneficiary, sending the trips to a provider within the jurisdiction's network or providing the trip themselves.

[12] Research Results Digest 109.
[13] District of Columbia, RFP for NEMT broker services issued 2014, pg. 128.

NEMT Requirements

The state has issued regulations in COMAR 10.09.19 (the Code of Maryland Regulations) that govern the administration of the grants to counties, municipalities and non-profit organizations for NEMT. However, the state recognizes the diversity of Maryland's jurisdictions regarding the number and type of transportation resources available and gives the jurisdictions flexibility in implementing and operating NEMT day-to-day.

Funding NEMT

DHMH requires the jurisdictions to submit a budget for NEMT for the upcoming fiscal year. Among other elements, the budget must include job descriptions of staff assigned to the local NEMT program, a transportation data worksheet, and a copy of all transportation vendor contracts for the current fiscal year.

Jurisdictions must provide a quarterly expenditure report. DHMH reviews that report against the original budget approved for the jurisdiction.

The jurisdictions may request modifications to their approved budget, including supplements or reductions, along with justification for such modifications. Transportation staff at DHMH must approve any modification.

Montgomery County

The DHMH has an agreement with Montgomery County's Department of Transportation to provide NEMT. The county's Medicaid and Senior Transportation Section within the Department of Transportation's Division of Transit Services administers NEMT day-to-day, with a staff of six.

Determining Eligibility for NEMT

Among the required steps in the screening process, the county looks for other available transportation resources for the recipient that would meet the recipient's needs. This includes looking at fixed route service provided by the county's transit system Ride-On as well as WMATA's bus and rail service. WMATA's MetroAccess may be an option if the recipient has a disability. For recipients who are referred to public transportation for their Medicaid trips, the county does not pay for the trips or reimburse recipients for the trips.

Types of Transportation Providers and Types of Trips

The county uses a variety of transportation providers, including taxis, accessible taxis, wheelchair vans, more specialized providers for stretcher, geri-chair[14] and litter services (for recipients who must be transported in a supine position), and non-emergency ambulances.

[14] A geri-chair is a fully padded ergonomically contoured clinical recliner with casters to facilitate transport. It is designed to transport individuals in multiple positions, from upright to fully reclined.

Selection of Providers

To select providers for its NEMT service, the county has developed an open solicitation for transportation providers.[15] This procurement document spells out the county's requirements for the different types of transportation providers, which include performance standards for service. The solicitation defines the rates that the county will pay for NEMT trips. These rates are set by the county and are periodically updated.

Prince George's County

The DHMH has an agreement with the Prince George's County Health Department to provide NEMT service. NEMT is handled by the Health Department's Health and Wellness Division, with a staff of 20.

Determining Eligibility for NEMT

The county follows the requirements set out by the state's DHMH in screening Medicaid members to determine eligibility for NEMT. This includes asking a series of questions to determine if they have other transportation options, including whether they live within ½ mile of public transportation and could use public transit.

Similar to Montgomery County, Prince George's County does not pay for trips on public transportation. In the past, Prince George's County did pay for transit trips but this required significant administrative time and effort and is no longer done.

Types of Transportation Providers and Types of Trips

The county uses a number of transportation providers and also provides service with its own staff. Currently, the county has contracts with two wheelchair van companies and one ambulance company. The county also contracts with local taxi companies and operates two vans itself.

Selection of Providers

The county procurement department (Office of Central Services) is responsible for issuing bids for NEMT transportation providers. Those companies that meet the county's technical requirements, including, among others, requirements for vehicles, drivers, and experience, submit their prices. Unlike Montgomery County which sets the rates and uses an open solicitation process, companies compete on price in Prince George's County.

Virginia

The Department of Medical Assistance Services (DMAS) is the state agency in the Commonwealth of Virginia that administers the Medicaid program. Medicaid recipients are provided services through a fee-for-service (FFS) program or a managed care organization (MCO) program.

[15] http://www.montgomerycountymd.gov/PRO/Solicitations.html#tabs1-open

NEMT Program

DMAS contracts with a private transportation broker, LogistiCare, which was selected through a competitive procurement to provide NEMT services for the FFS recipients, including home and community-based waiver participants. While recipients in the FFS program represent only about 25% of the state's Medicaid beneficiaries, they take 85-90% of the NEMT trips. This is because of the large numbers of trips required by these recipients, which include all the standing order trips for the day support program for recipients in the ID/DD waiver program, as well as the standing order trips for adult day health care and dialysis.

The broker contract is a "full risk contract." [16] This means that the contractor is paid a monthly capitated per-member-per-month (PMPM) payment for each Medicaid member who is determined eligible for that month, regardless of the member's use of NEMT service. This payment is the full payment for all services, for both administration and transportation services.

Geographic Structure

Virginia has divided the state into seven geographic regions for purposes of the NEMT program, and the broker is responsible for all seven regions.

Region 7 contains the Northern Virginia suburbs that include, according to the division, Alexandria, Arlington County, City of Falls Church, City of Fairfax, Fairfax County, Manassas City, Manassas Park, Loudoun County and Prince William County.

NEMT Broker Requirements

Virginia's NEMT service is pre-scheduled, pre-authorized and medically necessary transportation to Medicaid-paid services. Medically necessary transportation is defined as the most appropriate level or type of vehicle that can safely be provided to the member.

The broker takes eligible member's reservations, assigns trips to providers, and pays providers for all non-emergency transportation services. NEMT services include ambulatory, wheelchair, stretcher van, and non-emergency ambulance. NEMT also includes alternative means of transportation, which include volunteer drivers, gas reimbursement, and public transportation.

Type and Selection of Transportation Providers

DMAS specifies its requirements for the broker's selection of transportation providers in its procurement document. This document states that the broker shall:

- Develop a network that includes taxicabs, vans, mini-buses, wheelchair vans, stretcher vans, ambulances as well as "fixed route public transportation, volunteer drivers, vouchers, and gas reimbursement."

[16] Commonwealth of Virginia, Department of Medical Assistance Services, Request for Proposals, RFP 2011-05, Non-Emergency Medical Transportation Brokerage Services, March 2011, pg. 66.

- Maximize contracts with Community Service Boards (CSBs), Area Agencies on Aging (AAA), rural and urban transit systems, nursing homes, and other community organizations that provide transportation. [17]

DMAS also encourages the broker to develop innovative strategies to reduce per trip costs including provision of "gas reimbursement or vouchers and making greater use of fixed-route public transportation."[18]

The procurement document lists the various requirements for the broker to follow in developing the NEMT provider network. These include, among many others, a requirement to negotiate contracts "through competitive bidding or other strategies to ensure adequate NEMT service capacity and accessibility."[19] Through this requirement and others, the procurement document provides a detailed framework for the broker in selecting providers. The broker then is to develop this network.

According to LogistiCare's Transportation Provider Manual, the company states that it purchases transportation "in the market place." And it is free to choose which providers from whom to purchase services, how much service it will purchase, and "what price it is willing to pay."

DEMAND FOR NEMT

The study collected data on the demand for NEMT in the region's three jurisdictions as measured by trips provided. Available information on complaints and cost was also collected.

Washington, D.C.

Eligible Medicaid Recipients and NEMT Users

According to 2014 information, there are 205,000 to 210,000 District residents in the Medicaid program, and about 60,000-65,000 of these are in the fee for service (FFS) program.[20] While the FFS recipients are a minority of Medicaid recipients, the FFS NEMT service accounts for a significant portion of total Medicaid NEMT trips in the District because it includes the ID/DD Waiver program recipients. The FFS program also includes Medicaid recipients categorized as "aged, blind, disabled," which includes those with chronic diseases requiring frequent trips to medical services, such as dialysis.

More current information on Medicaid beneficiaries in the District indicates that D.C. has seen a sizeable increase in the total number of residents on Medicaid, with more than 255,000 residents covered by Medicaid,[21] which is more than one-third of the District's population, according to 2015 information.

[17] Commonwealth of Virginia, Department of Medical Assistance Services, Request for Proposals, RFP 2011-05, Non-Emergency Medical Transportation Brokerage Services, March 2011.
[18] Commonwealth of Virginia, Department of Medical Assistance Services, Request for Proposals, RFP.
[19] Commonwealth of Virginia, Department of Medical Assistance Services, Request for Proposals, RFP.
[20] Data on number of Medicaid beneficiaries in the FFS program comes from the District's RFP for NEMT broker services, issued by the District's Office of Contracting and Procurement in 2014.
[21] https://www.healthinsurance.org/dc-medicaid/

NEMT Trips

Current data on NEMT trips was obtained from the broker, following the District's completion of its procurement process. According to data for CY 2015, the broker provided almost 105,000 trips on an average month, with an annual total of 1.26 M trips; see Table 1.

Table 1: CY 2015 NEMT Trips, FFS Program

Type of Transportation Service	Percent	Number of One-Way Trips
Paratransit Providers through Broker's Network	74.0%	932,400
Metro Fixed Route	17.4%	219,114
MetroAccess	6.4%	82,404
Trip Mileage Reimbursement	2.0%	25,200
Stretcher Trips	0.14%	1,741
Totals	**100%**	**1,260,859**

Source: Percentages provided by MTM; trip calculations by KFH.

Complaints

Complaint data from the District's 2014 RFP indicates that there were a total of 2,692 complaints filed about the broker's NEMT transportation in FY 2011 and 3,077 in FY 2012. Complaint data for FY 2013 [22] showed a total of 2,773 complaints that year, with the two largest categories being vendor timeliness (39% of complaints) and vendor no-shows (35% of complaints).

NEMT Cost

According to the recent data for CY 2015, the annual cost for NEMT provided through the District's broker was $25.6 M. Assessing all trips provided, the average cost per trip was $21.34 and average cost per paratransit trip through the broker's network of providers was $25.75.

Maryland: Montgomery County

Eligible Medicaid Recipients and NEMT Users

There are approximately 175,281 Medicaid eligible recipients in Montgomery County, according to the state's DHMH. [23] Of these, Montgomery County reports that about 2,200 to 2,500 recipients use NEMT.

NEMT Trips

NEMT trip data for Montgomery County has been provided by Maryland's DHMH as well as by the county's Department of Transportation. FY 2015 data is shown in Table 2.

[22] http://dccouncil.us/files/performance_oversight/DepartmentofHealthCareFinanceresponse.pdf
[23] Overview of Maryland Medicaid Data, PowerPoint presentation by S. McMahon, Deputy Secretary, Health Care Financing: Updating Readmission Strategies for 2015: A Focus on Medicaid, April 2015.

Table 2: Medicaid NEMT Trips in Montgomery County, FY 2015

Service Type	Number of One-Way Trips
Ambulance	447
Wheelchair Van	23,158
Taxi	38,447
Accessible Taxi	1,195
Other: Stretcher Van, GeriChair, Litter	436
Total Trips	**63,683**

Denied Services	Number of Service Denials
Other transportation, including public transportation	201
Other reasons, e.g., person is non-Medicaid eligible, trip to non-Medicaid eligible medical service, etc.	158
Total Denials	**359**

Montgomery County does not specifically record data on NEMT trips that are provided by public transportation, including MetroAccess. The county records "Denied Services" within two categories: denials because the recipient was referred to another transportation option and denials for other reasons such a trip requested to a medical service that is not Medicaid-eligible. "Referred to other transportation" includes those recipients, or someone in the recipient's household, who have a vehicle that could be used and it includes recipients who can use other available transportation options, such as a volunteer transportation program or public transportation.

What the data do not capture is how many specific trips the Medicaid recipient who is "Denied Services" may have taken to Medicaid-eligible medical services on some other transportation mode not sponsored by Medicaid NEMT. Some portion of those trips is taken on public transportation, including MetroAccess. There may also be recipients, denied service in prior years because public transportation was an appropriate and available option, who are not taking trips on NEMT but on some other transportation mode in FY 2015 – and those trips are also not captured.

Complaints

For FY 2015, a total of 22 complaints regarding NEMT was reported.

NEMT Costs

Cost information is available for Montgomery County's taxi and wheelchair van NEMT trips. For FY 2015, costs for NEMT taxi trips totaled $1,020,507, with an average cost per taxi trip of $25.74. Costs for NEMT trips provided by wheelchair van totaled $1,009,259 and averaged $43.58 per trip. The weighted average is $32.32 per trip. FY 2015 data show that the average length per taxi trip was 7.95 miles and, for wheelchair van trips, 7.74 miles.

Maryland: Prince George's County

Eligible Medicaid Recipients and NEMT Users

There are approximately 212,222 Medicaid eligible recipients in Prince George's County, according to the state's DHMH.[24] The county reported that about 6,000 of these are active users of NEMT.

NEMT Trips

NEMT trip data for Prince George's County in FY 2015 has been provided by Maryland's DHMH. The large majority of the NEMT trips were provided by taxis – 85% – and another 13% by wheelchair vans. The data also show 1,581 "Denied Services." Some portion of these denials represents denials because it was determined the recipient had public transportation as an option, and then a subset of these were denied because MetroAccess was an available option.

Table 3: Medicaid NEMT Trips in Prince George's County, FY 2015

Service Type	Number of One-Way Trips
Ambulance	1,841
Wheelchair Van	17,237
Ambulatory Van	1,109
Taxi	114,458
Accessible Taxi	20
Total Trips Provided	**134,665**
	Number of Service Denials
Total Denied Services	**1,581**

NEMT Costs

Costs for the county's FY 2015 NEMT trips are not available. For the wheelchair van trips, the county provides a payment of $40 for the first 20 miles and $2.50 for each additional mile beyond 20. For taxi trips, the county pays according to the rates set through county taxi regulation minus 10%.

Virginia

The study requested information on the use and cost of NEMT in Virginia's Region 7. Information was received on use but not cost.

NEMT Trips

According to data provided by DMAS, the broker provided a total of just over 644,000 trips in Region 7 during FY 2015; see Table 4. Of these trips, 3,475 were provided by public transit, a very small portion at 1% of total trips. While the reported data does not differentiate the type of transit trip (fixed route or paratransit), DMAS reported that the broker does not generally refer trips to public transit agencies'

[24] Overview of Maryland Medicaid Data, April 2015.

ADA paratransit service. There were discussions between the state and broker some years ago regarding Medicaid trips and possible referrals to transit agencies' ADA paratransit services, with the state expressing concern that significant referrals to ADA paratransit without payment for the real cost of the ADA trips would negatively impact the transit agencies.

Table 4: Medicaid NEMT Trips in Virginia's Region 7, FY 2015

Trip Type	Number of One-Way Trips	Percent of Total Trips
Ambulatory	521,469	
Transportation Provider	442,347	69%
Gas Reimbursement	73,939	11%
Volunteer Driver	1,310	<1%
Public Transit	3,475	1%
CSB/AAA	398	<1%
Wheelchair	113,353	18%
Stretcher	4,783	1%
Stretcher Van	4,413	1%
Total Trips	**644,018**	**101%**

Complaints

Complaint data about the broker's NEMT service in Region 7 during FY 2015 indicated a total of 6,433 complaints, with the large majority (78%) related to late trips.

RELATIVE SHARES OF MEDICAL TRANSPORTATION MARKET

Using available 2015 information, Medicaid NEMT trips in the D.C. metro area are shown in Table 5 by provider. Total trips shown for the District's broker are those provided through the FFS program and are net trips provided by MetroAccess; these trips are shown for MetroAccess.

Table 5: Providers of Medicaid NEMT Trips in Metro D.C. Region, 2015

Medicaid NEMT Trip Provider in 2015	Total	Percent
D.C. broker, minus trips provided by MetroAccess	1,178,455	56%
Virginia's broker in Region 7	644,018	31%
Montgomery County	63,683	3%
Prince George's County	134,665	6%
MetroAccess-provided NEMT trips in D.C.	82,404	4%
Totals	**2,103,225**	**100%**

Note: NEMT trips provided by MetroAccess for Montgomery and Prince George's Cos. not known.

Role of MetroAccess

A targeted assessment of MetroAccess's role in providing Medicaid-eligible trips in the region shows notable differences between the District and the two suburban jurisdictions. The District's broker provided 6.4% of its 2015 trips on MetroAccess.

MetroAccess has essentially no role in Virginia's Region 7 as a provider of Medicaid NEMT trips and available information suggests that the role of MetroAccess in the two Maryland counties is probably less than in the District.

There are also differences in fare payment by riders for Medicaid NEMT trips on MetroAccess. The D.C. broker pays for the Medicaid-eligible trips on public transportation and, for MetroAccess, the broker deposits the appropriate fare into the riders' accounts through WMATA's "E-Z Pay" system. The Virginia broker also provides payment for trips it provides on public transportation, but does not use ADA paratransit to any degree. And the two Maryland counties do not pay for public transportation trips so any Medicaid-eligible individual who uses MetroAccess for a Medicaid-eligible trip must pay the fare. With MetroAccess fares as high as $13.00 for a round trip, the Maryland counties' policy may encourage Medicaid-eligible individuals to find an alternative transportation mode if one is available.

Summary of MetroAccess and Medicaid NEMT Trips in the Region

Summary data for trips on MetroAccess and Medicaid NEMT in the three jurisdictions in the D.C. metropolitan area in 2015 is provided in Table 6. The total MetroAccess trips of 2.2 M include 82,404 NEMT trips from the District and an unknown number of NEMT trips from the two Maryland counties. Virginia, as described earlier, reports that its NEMT brokerage program does not use ADA paratransit to any extent.

Table 6: MetroAccess and Medicaid NEMT Trips by Jurisdiction, 2015[1]

		Maryland			
	Washington, D.C.	Montgomery County	Prince George's County	Virginia, Region 7	Regional Total
MetroAccess, Total Trips	559,947[2]	414,831[3]	945,456[3]	314,575[4]	2,234,809
Medicaid NEMT, Reported Total[5]	1,178,455[6]	63,683	134,665	644,018	2,020,821
Trips on MetroAccess	Included in MetroAccess totals	n.a.[7]	n.a.[7]	---	
Trips on Fixed Route	219,114	n.a.[7]	n.a.[7]	3,475[8]	
Trips on Paratransit Provider Network	932,400	62,800	132,804	555,700	
Other trips (e.g., stretcher)	26,941	883	1,861	84,843	

Notes

[1] Data provided for FY15 except D.C Medicaid NEMT data, which is CY15.

[2] MetroAccess data for D.C. includes D.C. NEMT trips, which totaled 82,404 in CY15.

[3] MetroAccess data for Montgomery and Prince George's Counties includes an unknown number of NEMT trips, given data collection practices.

[4] MetroAccess data for Virginia's Region 7 includes the 2 counties and 3 cities in the WMATA service area.

[5] D.C NEMT data from Fee For Service (FFS) program; Virginia's NEMT data reported for Region 7 which includes the WMATA's Virginia service area as well as Loudon and Prince William Counties.

[6] D.C. NEMT trip total excludes the 82,404 NEMT trips provided by MetroAccess.

[7] Montgomery and Prince George's Counties do not collect data on NEMT trips provided by fixed route or MetroAccess.

[8] Virginia's DMAS reported 3,475 trips on "public transit." Since Virginia reported that ADA paratransit is not generally used for the broker's NEMT trips, the number reported for public transit is assumed to refer to fixed route.

COST TRANSFERRING

One of the study's objectives was to assess the degree of cost transferring from Medicaid NEMT to MetroAccess. This is a key issue given the differences in funding sources for Medicaid NEMT and MetroAccess.

Medicaid NEMT is funded by both the federal and state governments, with the District's federal share at 70% and, for Maryland and Virginia, the federal share is 50%.

WMATA is funded with federal, state, and local funds. Federal funding is available for capital purposes, but operating funding comes from the three jurisdictions as well as passenger fares. The District funds its MetroAccess service with its own general fund revenues. Virginia contributes some state funds but primarily Virginia's MetroAccess service is funded with local funds from the counties and cities in the WMATA compact. Maryland funds the entire cost of MetroAccess for its counties; Montgomery and Prince George's Counties do not contribute any local funds.

The differences in the funding structures impact the jurisdictions and their use of their own state or local funding. This is particularly true for the District given the number of NEMT trips on MetroAccess and the fact that the federal government's share of the District's Medicaid program is 70%. A Medicaid NEMT trip provided through the District broker's network of paratransit providers costs, on average, $25.75. The federal share of that cost is 70% or $18.03, again on average. The District through the DHCF then pays the remaining $7.72 with its local funds. A trip on MetroAccess is more expensive, at $51, on average, according to WMATA. The District and its Department of Transportation pays 100% of this cost with its local funds.

This calculation can be done for all of the District's Medicaid-eligible trips that were provided on MetroAccess rather than through the broker's network of paratransit providers in 2015, as shown in Table 7.

Table 7: Comparison of Differences in Federal and State/Local Funding by Provider for Medicaid NEMT Trips on MetroAccess in D.C., CY 2015

NEMT One-Way Trips on MetroAccess CY 2015	Provider of Medicaid NEMT Trips in the District							
	Broker's Paratransit Network				MetroAccess			
	Avg. Cost/ Trip	Total Cost	Federal Share of Cost: 70%	State/ Local Share of Cost: 30%	Avg. Cost/ Trip	Total Cost	Federal Share of Cost: 0%	State/ Local Share of Cost: 100%
82,404	$25.75	$2,121,903	$1,485,332	$636,571	$51.00	$4,202,604	$0	$4,202,604

Using average per trip costs, the calculations in Table 7 demonstrate the significant difference in local funding that the District provides for Medicaid NEMT and MetroAccess. Trips through the NEMT brokerage cost about half that of trips on MetroAccess and, with 70% federal funding, the District would have needed less than $637,000 in local funds had the 82,404 NEMT trips in 2015 been provided through the brokerage rather than on MetroAccess. However, those trips were provided by MetroAccess, requiring $4.2 M in local District funds.

Cost transferring and the use of Maryland's own funds are issues for Montgomery and Prince George's Counties as well as they are for the District. The two Maryland counties' NEMT reporting procedures

do not capture the extent to which Medicaid eligible individuals take their Medicaid-eligible trips on MetroAccess, but some portion of the reported "service denied" data represents trips on MetroAccess. Had those trips in FY 2015 been provided by the counties' NEMT paratransit providers, Maryland would have paid 50% for trips costing from $32 to $40, but instead the state paid $51 for each MetroAccess trip.

OPPORTUNITIES FOR IMPROVEMENT

This study has found opportunities for improving the cost-effectiveness of medical transportation now provided by MetroAccess, particularly for the District and Maryland's two suburban D.C. counties. The study highlights the fact that the practice of having MetroAccess provide Medicaid-eligible trips is significantly more costly for the local jurisdictions than if those trips are provided through Medicaid NEMT.

The practice is more costly for two reasons: (1) the states and local jurisdictions are responsible for funding the operation of MetroAccess, while the federal government funds a major portion of Medicaid NEMT – 70% of the cost for the District and 50% of the cost for Maryland and Virginia; and (2) the average cost for a MetroAccess trip is twice the full cost of a paratransit trip on the District's NEMT program and more than one-third the full cost for an NEMT paratransit trip in the Maryland counties.

The net result is that the District and Maryland are paying full cost for the more expensive MetroAccess trips, while their NEMT programs are providing trips that are not only more cost effective at their full face value but are also heavily subsidized by federal funds.

Thus, the themes underlying the opportunities developed for the study are maximizing federal funding available for Medicaid NEMT and using more cost-effective transportation options for medical trips. While cost-effectiveness has been a focus, the quality of service for riders is also considered and important given that many of the medical trips now provided by MetroAccess and potentially by alternative services are life-sustaining for the riders.

It is important to recognize that pursuit of any option described in this report that directly impacts the provision of Medicaid NEMT would require concurrence by the state Medicaid agencies and agreement to implement subsequent changes in the provision of NEMT. Each state has considerable latitude for determining the structure and implementation of its Medicaid NEMT program, within the broad federal requirements, which means changes are possible. Furthermore, because each state can act independently, the three jurisdictions need not act in concert.

The options described below focus on opportunities for the District and Maryland, given the study's finding that Virginia's Medicaid program and its contracted NEMT broker do not rely on ADA paratransit to any degree.

Option 1: Use Medicaid NEMT's Paratransit Service for Medicaid-Eligible Trips Now Provided by MetroAccess

Option 1 suggests that the District and two Maryland counties maximize use of federal funds available for Medicaid and use of their NEMT paratransit providers to serve the Medicaid-eligible medical trips that are currently being provided by MetroAccess. With this option, the entities managing Medicaid NEMT for the District and two Maryland counties would direct Medicaid recipients who are eligible for both NEMT and MetroAccess to the NEMT paratransit service and not to MetroAccess.

We note that the federal Medicaid guidelines state that the Medicaid agencies should use the *least expensive* (italics added) form of transportation available and appropriate for the Medicaid recipient. For some Medicaid agencies, this has meant that Medicaid recipients who are ADA eligible are referred to the local transit system's ADA paratransit service for their medical trips. Such an approach may be the least expensive option for the Medicaid NEMT program since the NEMT program does not pay the full cost of that ADA trip, but trips on ADA paratransit are generally considerably more costly than trips on NEMT, particularly in urban areas. Placing Medicaid-eligible trips onto a public transit agency's ADA paratransit program shifts the trip cost from the state Medicaid agency to the local transit system and at the same time fails to take advantage of the federal subsidies available for Medicaid NEMT.

Option 1 for the District

Implementing this option in D.C. would require the District's DHCF to modify its contract with the broker, with instructions that the broker re-direct Medicaid recipients who are also ADA paratransit eligible to NEMT, so that their trips are served by the broker's paratransit provider network. Currently, the contract for the broker explicitly states that the broker should include MetroAccess among transportation modes used.[25]

The option additionally suggests that the District's DHCF instruct the broker to discontinue the practice of paying the MetroAccess fare for Medicaid-eligible individuals who are also eligible for MetroAccess. It may be that some Medicaid recipients wish to continue using MetroAccess (and that is their right as long as they are eligible), but the fact that Medicaid NEMT is free and MetroAccess requires a fare would likely encourage use of NEMT over MetroAccess.

This option would require modification to the cost structure for the broker's contract. Currently, the broker pays just $3.50 to $6.50 for each Medicaid-eligible trip provided by MetroAccess (which is the rider's fare), but, with this first option, those trips would now be provided by the broker's paratransit network with an average cost to the broker of $25.75.

Service quality for riders should generally be similar between the District's NEMT service and MetroAccess, given the District's requirements for its broker's transportation services. Subscription service is available for NEMT trips, with the broker indicating that more than 80% of the trips provided by its paratransit network are "recurring trips" as subscription trips are termed by the broker. The District requires the broker to ensure that drivers for the transportation companies in its paratransit network have criminal and transportation record checks. Driver training and compliance with drug and alcohol testing are also required by the District. Performance standards for aspects of the transportation service are specified by the District. While these do not cover all the service criteria required for MetroAccess by ADA regulations, the District's NEMT does include the availability of same-day trip scheduling for return trips from medical appointments, a practice not available with MetroAccess.

Option 1 for Montgomery and Prince George's Counties

While the federal government provides a smaller share of Maryland's Medicaid program compared to the District – 50% rather than 70% – the same calculation as done for the District shows that the State of Maryland pays significantly more for a trip on MetroAccess versus a trip on Medicaid NEMT.

[25] D.C. 2014 Broker RFP, subsection C.5.2.4.1, pg. 52 of 203.

Using data for Montgomery County, the average cost for an NEMT paratransit trip is $32.32[26] of which the federal government provides, on average, $16.16 and the state pays $16.16, the remaining half. However, the state must use its own funds to pay the full cost for a MetroAccess trip – $51 – which is more than three times what it pays for a trip on NEMT.

Implementing this first option in the two Maryland counties would require changes to current practice. The state's DHMH would need to revise its instructions to the counties. Instead of instructing the two counties to deny NEMT service to those Medicaid recipients who are eligible for MetroAccess, the state would instruct the counties to provide NEMT service for those recipients. This would add an unknown number of passenger trips to be provided by each county's NEMT paratransit network,[27] where costs range from $32-$40 per paratransit trip. With the federal government providing 50% of NEMT expense, the state would be responsible for just half the cost of the trips and Maryland would not incur the $51 cost per trip that it now must pay for MetroAccess service.

For riders who may shift from MetroAccess to their county's NEMT service, service quality may depend on the particular transportation provider that performs their trip. But significant advantages to using the NEMT service would be the fact that the trips are free, as no fare is charged, and that the county NEMT agency would handle their trips, rather than denying them.

Option 2: Share Cost of Medicaid-Eligible Trips on MetroAccess with State Medicaid Agencies

Option 2 suggests that the District and Maryland partner with WMATA so that Medicaid pays a portion of the full cost of Medicaid-eligible trips provided by MetroAccess. A number of transit agencies benefit from such a cost-sharing policy.

Following Medicaid regulations, WMATA would develop a cost to be charged for "human service agencies." This would be less than the full cost of $51 but should recognize WMATA's expense for providing ADA paratransit service and the fact that it provides a higher level of service than human service transportation given the strict performance standards established through ADA regulations.

Option 2 for the District

Given current practices with the District's broker paying the fare for Medicaid-eligible trips on MetroAccess, the broker has data showing trips scheduled on MetroAccess that are Medicaid-eligible. Through a cooperative arrangement between the District, its broker, and WMATA, this information would be shared with WMATA. WMATA would then determine which of those Medicaid-eligible trips were completed (typically not all scheduled trips are actually completed) and submit those trips to the District's DHCF. The District would then reimburse WMATA for those trips according to the agreed-upon rate per trip.

[26] Calculated as the weighted average of the average cost of trips provided on taxis and on wheelchair vans in FY 2015 through Montgomery County's NEMT program.
[27] The number of trips is unknown as currently the counties do not track the number of trips taken by their Medicaid recipients whom they deny due to ADA paratransit eligibility/certification, as discussed previously.

To illustrate this option, assume the agreed-upon rate is $40, 22% less than the full cost for a MetroAccess trip. The District would pay its 30% share of the $40 trip – $12 – with the federal government paying the remaining 70% or $28. The District would also need to pay the remaining cost of a MetroAccess trip: $51 minus $40 or $11.

The cost to the District, then, for a Medicaid-eligible trip on MetroAccess would be $23, less than half the current cost. To this cost would be added an unknown but small cost to account for the broker's current responsibility for paying the fare for the Medicaid-eligible trip on MetroAccess, an amount that would be part of the broker's calculations for its capitated rates.

Cost differences can be illustrated with the 82,404 Medicaid-eligible trips provided by MetroAccess in 2015, as shown in Table 8. Such a cost-sharing arrangement between the District and WMATA for the Medicaid-eligible trips on MetroAccess, assuming an agreed-to rate of $40 per trip, would cost the District somewhat less than $1.9 M, saving the District $2.3 M.

Table 8: Cost-Sharing the District's Medicaid-Eligible Trips on MetroAccess

Total D.C. Medicaid Eligible Trips on MetroAccess, 2015	Cost to D.C. at $51/ MetroAccess Trip	Cost-Sharing with Medicaid			Additional Cost to D.C. at $11/ MetroAccess Trip	Total Cost to D.C. with Cost-Sharing with Medicaid
		Cost of Trips at Assumed $40/Trip	Federal Share at 70%	Local Share at 30%		
82,404	$4,202,604	$3,296,160	$2,307,312	$988,848	$906,444	$1,895,292

Option 2 for Montgomery and Prince George's Counties

For the two Maryland counties, this option would require the counties to keep records on the Medicaid recipients who are currently denied NEMT service due to their MetroAccess eligibility. For example, the counties would ask those individuals for their MetroAccess ID information. This information would then be shared with WMATA, through a cooperative arrangement between WMATA, the state, and the two counties. WMATA would track the medical trips completed by these Medicaid-eligible individuals and send the trip totals to Maryland's DHMH. The state would then reimburse WMATA for the trips that are Medicaid-eligible trips at the agreed-upon amount.

To illustrate this option, assume the agreed-upon rate is the same $40 as above. Maryland would pay its 50% share of the trip – $20 – with the federal government paying the other half, $20. Maryland would also need to pay for the difference between the $40 trip and the full $51 cost for a MetroAccess trip, the same $11 as above. The cost per trip, then, for Maryland is $31, which is 39% less than the full $51 cost of a MetroAccess trip.

Option 3: Pilot Service for Subscription Dialysis Trips

Option 3 describes a pilot service that focuses on recurring trips for MetroAccess riders who use the ADA paratransit program to access dialysis treatment. This option targets all dialysis trips, not only

those that are Medicaid-eligible. Trips for dialysis are typically booked as standing order or subscription trips on MetroAccess, with riders taking six one-way trips per week. The current WMATA policy allows a rider who travels from the same origin to the same destination at least once per week to set up subscription service. Subscription service is not a requirement of the ADA. The ADA gives a transit agency some latitude with subscription service, with restrictions permitted that could not be used otherwise.[28]

This option is suggested for one of the two Maryland counties, and it could be piloted in two different ways. The first way proposes use of a broker to provide the subscription service for MetroAccess-eligible riders to travel to and from dialysis centers. The broker would function in a similar way as a Medicaid NEMT broker, taking requests for the subscription trips and using a network of qualified and trained transportation providers to serve the trips on a non-dedicated basis. The second way to pilot this option is with a same-day taxi program that would subsidize six trips per week, to and from a specific dialysis center, for MetroAccess-eligible riders. These two approaches for Option 3 are described below.

Option 3A: Leverage District's NEMT Broker to Administer Pilot for Dialysis Transportation in Prince George's County

The first approach to test this option suggests using the current District NEMT broker to administer the pilot. Using this broker, which has an established management and administrative structure for the D.C. Medicaid NEMT program, would eliminate the need (and cost) for the establishment of a new entity to perform the brokerage functions.

We note that discussions were held with the D.C. Medicaid broker during our 2013 study of regional coordination of specialized transportation about possible leveraging of the broker's service for a pilot project for MetroAccess riders.[29] At that time, the broker indicated that it could be possible to design a pilot building on the broker's existing D.C. contract to serve a designated number of MetroAccess-eligible riders using the broker's network of non-dedicated transportation providers. The broker indicated at that time that about 100 trips per day would be needed to make such a pilot economically feasible.

Prince George's County is the preferred county for this pilot. MetroAccess trip data from 2012, which lists the top 50 trip destinations across the service area, includes six dialysis centers in Prince George's County and none in Montgomery County. Based on data collected for a recent study of dialysis transportation provided by paratransit in Maryland, there were an estimated 102,465 MetroAccess dialysis trips in Prince George's County in 2015.[30]
The pilot would be designed to encourage participation by MetroAccess riders requiring dialysis transportation. For example, the fare structure might be a standard fee, unlike current MetroAccess fares which vary by distance in comparability to fixed route fares. The fare might also be set below the average MetroAccess fare to encourage use. And service could be structured to be more flexible than MetroAccess, particularly regarding the pick-up for return trips. MetroAccess's policies can be an issue

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[28] Part 37--Transportation Services for Individuals with Disabilities, Section 37.133 Subscription Service and Appendix D to Part 37, Construction and Interpretation of Provisions of 49 CFR Part 37, Section 37.133 Subscription Service.

[29] Regional Coordination of Specialized Transportation Study, Final Report, prepared for the Maryland Department of Transportation, Washington Metropolitan Area Transit Authority, and the National Capital Region Transportation Planning Board, by KFH Group, Inc., June 2013.

[30] Dialysis trips estimated from FY 2013 data provided by jurisdiction in *the Maryland Legislative Report-J00H01.01, Study of Paratransit Services for Dialysis,* prepared for the Maryland Transit Administration, Maryland Dept. of Transportation by the KFH Group, 2013, and increased to FY 2015 based on the annual increase in total MetroAccess ridership from FY 13 to FY14 and FY 14 to FY15.

for dialysis patients' return trips, with use of the 30-minute pick-up window and five-minute waiting time. Dialysis patients are not always ready for their return trips after treatment for medical reasons, and it is generally not possible for MetroAccess to make schedule changes on a real-time basis, such as having the vehicle wait longer than the stated policy because of schedule adherence requirements.

Service quality for riders who shift to the broker-managed dialysis transportation pilot might include some improvements over MetroAccess, specifically if there is the ability to make same-day schedule changes for return trips from dialysis. Riders would benefit should the fare be set at a rate less than the current MetroAccess fare, and if the fare is constant without increases that relate to comparability to fixed route fares.

Estimated Costs

Based on the NEMT brokerage in the District, it is estimated that the per trip cost for the option would range between $25 and $35, with the higher cost for trips using accessible vehicles. The average cost per paratransit trip on the District's NEMT brokerage is $25.75.

For each trip shifted from MetroAccess to the dialysis pilot, Maryland would not have to pay the $51 cost to WMATA, but would instead pay for the pilot trips through a separate mechanism, saving up to 50% for each trip.

Additional savings would accrue to Maryland if trips eligible for Medicaid were shared with the state's DHMH to take advantage of federal funding for Medicaid NEMT. For example, the pilot could be organized so that Medicaid-eligible trips provided through the pilot are flagged and shared with Maryland's DHMH for cost-sharing, as described in the previous Option 2.

Available data does not show the number of dialysis trips on MetroAccess that are Medicaid-eligible. But based on WMATA's listing of all the destinations used by its riders who are Medicaid-eligible, dialysis centers are well-represented. Thus, it can be assumed that a sizeable portion of dialysis trips that could be served through the pilot are taken by riders who are Medicaid-eligible.

Implementation of cost-sharing with Medicaid would be similar to Option 2, which is intended to take advantage of federal funding available for Medicaid NEMT. Assuming the pilot is structured for Prince George's County, the option would require Prince George's County to keep records on its Medicaid recipients who are eligible for MetroAccess. Those trips provided through the pilot for riders who are Medicaid-eligible would be shared with DHMH and would be eligible for a 50% federal match.

Table 9 provides estimated costs for the pilot, assuming an estimated 25,000 annual trips. This annual figure is based on 100 trips per day, which is the number of trips that the D.C. broker indicated would be needed for a pilot, based on discussions during our 2013 coordination study.[31] Those trips now cost Maryland almost $1.3 M through MetroAccess. If those same trips were provided through the pilot, the cost is almost half, at an estimated $643,750.

Additional savings are possible for Maryland if federal Medicaid funds are recouped for trips that are Medicaid-eligible. For purposes of this study, we assume that two-thirds of the trips on the pilot are Medicaid-eligible, which means that the state would need to pay just half the cost for those trips since the federal government pays 50% of the state's NEMT costs. The net result is that Maryland would pay

[31] 100 trips/day X 250 days = 25,000 annual trips.

an estimated $428,000 – almost two-thirds less for those 25,000 trips compared to the current cost through MetroAccess – with a savings of an estimated $847,000.

On a per trip basis, cost with this option would range from $25.75, which is the average cost per trip on the D.C. broker's paratransit network, to $12.88, which is one-half this cost as the federal government pays 50% of Maryland's Medicaid program.

Table 9: Estimated Annual Costs for Dialysis Pilot in Prince George's County Using Existing Broker in D.C.

Trips on Dialysis Pilot, Annualized [1]	Current Cost on MetroAccess, at $51/Trip	Cost for Pilot Using Existing Broker, at $25.75/Trip[2]	Costs for Pilot if Cost-Sharing with Maryland Medicaid NEMT [3]
25,000	$1,275,000	$643,750	$428,094

Notes:
[1]Number of trips based on 100 trips/day X 250 days.
[2] Average cost per paratransit trip on D.C. NEMT broker reported at $25.75.
[3] Assumes two-thirds of trips are Medicaid-eligible with federal funding available at 50% of Maryland's NEMT service.

Option 3B: Same-Day Subsidized Taxi Service Pilot for Dialysis Transportation

The second approach to Option 3 is to provide the dialysis transportation with a subsidized same-day taxi service instead of MetroAccess. Implemented as a pilot, this option might be tested in either Prince George's or Montgomery County.

A key advantage of a taxi-based service over current MetroAccess service is the ability for real-time scheduling. Return trips from dialysis treatment can be scheduled in real time, an advantage for riders and an improved level of service over MetroAccess which does not provide any same-day schedule changes.

Prince George's County Pilot

A pilot in Prince George's County would target the estimated 102,465 dialysis trips provided by MetroAccess in 2015. This trip estimate suggests there are about 328[32] MetroAccess eligible riders who use the ADA paratransit service three days each week, with a total of six trips each week to travel to and from their dialysis center.

The program would authorize participating riders for taxi trips only to and from their dialysis center. Each trip would allow the rider up to $25 on the meter. At current Prince George's County taxi rates, this would provide for a trip of about ten to 12 miles.[33] If the trip cost more than $25, the rider would be responsible for the overage. Putting a limit on the number of trips, the destinations, and the taxi meter cost provides controls to the program, important for program management. Adjustments could be made after experience is gained.

[32] Estimated 102,465 annual trips = 1,970 trips/week, and 328 riders assuming 6 trips/rider/week.
[33] Prince George's County taxi rates: Initial 1/7 mile is $3.00; each additional 1/7 mile is $0.25; waiting time/traffic delay charge is $0.25 per minute

The program would also have riders pay a fare, for example, $3 dollars,which is less than the MetroAccess fare. The taxi driver would keep the $3 cash in lieu of a tip.

Implementation of the program would require the use of vouchers or alternatively use of a swipe card for electronic fare payment and trip processing. The City of Phoenix has used paper vouchers sucessfully for many years for a subsidized taxi service provided for ADA eligible individuals needing transportation for dialysis treatment. Eligible riders receive vouchers that are preprinted with their home address and dialysis center address as well as the mileage between the two, providing controls over program use.

As an alternative to paper vouchers, a swipe card for electronic fare payment and associated technology for trip data collection and processing might be used. Such technology is increasingly being used by transit agencies and other public sponsors of taxi subsidy programs to provide enhanced control and monitoring of the program. A number of agencies and jurisdictions in Maryland use such technology, including the MTA in Baltimore for its taxi subsidy program as well as Montgomery County and Frederick County for their taxi subsidy programs.

With either the use of paper vouchers or electronic fare payment, the program would require efforts and costs associated with implementation and ongoing management. The latter is a function that might be provided by WMATA, its call center contractor, or possibly Prince George's County.

Cost Estimates for Option 3B for Prince George's County

Estimated costs for a same-day taxi subsidy program for dialysis transportation in Prince George's County are shown in Table 10. The pilot assumes that about half of the estimated current MetroAccess eligible riders would use the service instead of MetroAccess. Those trips now on MetroAcess cost the State of Maryland $2.5 M. Should the trips shift to the pilot program, and assuming each trip costs the full $25 subsidy, the cost of Maryland would be $1.2 M, a savings of $1.28 M over use of MetroAccess. In addition, there would be costs to implement the program and for ongoing management. Costs for implementation would depend on whether paper vouchers are used for rider payment or if a techology solution is desired, with swipe cards for riders and electronic fare payment. Ongoing annual management is an additional cost, estimated roughly to require one full-time employee.

Table 10: Same-Day Subsidized Taxi Pilot for Dialysis Transportation, Prince George's County

Estimated Annual Trips on Dialysis Pilot[1]	Current Cost on MetroAccess at $51/Trip	Estimated Cost per Taxi Trip at $25[2]	Costs for Program Implementation and Management
49,200	$2,509,200	$1,230,000	To be determined

Notes:

[1] Assume 1/2 of est. MetroAccess riders using MetroAccess for dialysis shift to taxi subsidy program; assume use for 50 weeks.
[2] Assume full subsidy amount for all trips.

Montgomery County Pilot

A pilot in Montgomery County would target the 41,680 MetroAccess trips estimated as dialysis trips in 2015.[34] Such a pilot could potentially leverage Montgomery County's existing "Same Day Access" program, which is a taxi subsidy program for county residents who are eligible for MetroAccess. The program uses the same swipe card technology that the county uses for its Call-n-Ride program, a subsidized taxi service for low-income residents with disabilities and low-income seniors.

County residents who are MetroAccess-eligible can receive $60 on their swipe card for a cost of $30, a 50% subsidy for taxi service. The technology company has developed the software to support the program's policies and has integrated the technology on four, soon to be five, taxi companies authorized in the county. The technology allows the swipe card to be read by the taxi meter, verifies the trip, and provides information on the trip specifics (meter cost, origin, destination, etc.) for verification purposes. The technology also allows the taxi companies to submit their invoices electronically for payment.

Similar to the pilot described for Prince George's County above, the pilot for Montgomery County would give MetroAccess eligible riders in the county the option to use taxis for their dialysis transportation, with six trips allowed per week, between the rider's home address and dialysis center. The program would require a fare, to be paid in cash to the driver, for example $3 as described for the Prince George's County pilot, and the program would subsidize a trip up to $25 on the taxi meter. The $3 would be provided to the driver as a tip. If the trip cost was more than $25, the rider would be responsible for the overage. At current taxi rates, $25 would provide for a trip between seven to ten miles depending on the waiting time/traffic delay charge.[35]

Cost Estimates for Option 3B for Montgomery County

The costs for this option would include the cost of the taxi trips as well as for the development and installation of the software. Additional costs include ongoing management of the program, which could be done by the technology company, or alternatively, it could be managed by WMATA or its call center contractor. The City of Phoenix, for example, provides several same-day taxi subsidy programs for seniors and people with disabilities, two of which use swipe card technology, and contracts with MV to administer the programs. Another option would be management by Montgomery County, although currently the technology company handles management activities for the county's Same Day Access program.

Table 11 provides cost estimates for this option, assuming that one-half of the estimated dialysis trips in the county shift to the taxi subsidy program. It is further assumed that each trip uses the full $25 subsidy. Costs to the State of Maryland for the transportation would be reduced by half, from the current $1 M to $0.5 M. There would also be additional costs for installing and using the swipe card technology, and the company could additionally provide management of all aspects of the swipe card program which would be an ongoing expense.

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[34] Dialysis trips estimated from FY 2013 data provided by jurisdiction in the *Maryland Legislative Report-J00H01.01, Study of Paratransit Services for Dialysis,* prepared for the Maryland Transit Administration, Maryland Dept. of Transportation by the KFH Group, 2013 and increased to FY 2015 based on the annual increase in total MetroAccess ridership from FY 13-FY14 and FY 14-FY15.

[35] Montgomery County taxi rate: $4.00 initial charge, plus $2 for each mile and $28/hour for waiting and traffic delay time.

Table 11: Same-Day Subsidized Taxi Pilot for Dialysis Transportation, Montgomery County

Estimated Annual Trips on Dialysis Pilot[1]	Current Cost on MetroAccess at $51/Trip	Estimated Cost per Taxi Trip at $25[2]	Costs for Technology and Program Management
20,100	$1,025,100	$502,500	To be determined

Notes:

[1] Assume 1/2 of est. MetroAccess riders using MetroAccess for dialysis shift to taxi subsidy program; assume use for 50 wks.
[2] Assume full subsidy amount for all trips.

The costs for installation and use of the technology would include, at a minimum, costs for the license to use the company's software, installation and setup of the swipe card software, costs for the swipe cards, and technology support. This is estimated very roughly at around $50,000. Other costs include those related to efforts to integrate the in-vehicle taxi equipment and the software, estimated at $2,000 per participating taxi company. There are also recurring fees based on the number of trips, with an annual minimum of $24,000 for up to 48,000 annual trips.

Costs for the technology company to manage the program are an additional cost and could include a range of management activities. These include, among others, collecting riders' payment and adding that to their swipe cards, monitoring and auditing the trip data, preparing reports on program use, and paying the participating taxi companies.

Option 4: Contract for Non-Dedicated Transportation for Selected Human Service Agency in Maryland

The fourth option suggests a pilot project that would use a contracted private transportation provider to serve the subscription trips of a human service agency (HSA) in Montgomery or Prince George's County that currently requires significant MetroAccess capacity. This option is similar to the operational concept used for the pilot tested with CSS, Inc., in Montgomery County, where a private contractor served the daily trips of the human service agency's clients who had formerly used MetroAccess. The pilot was designed for non-dedicated service, with the private provider responsible for providing vehicles and with a per trip payment structure.

The pilot had many advantages for the human service agency, particularly with the ability for the transportation provider to deliver more individualized service to CSS clients than is possible with MetroAccess. Moreover, the agency did not have to schedule and manage trips through the MetroAccess call center, but worked directly with the contractor. Importantly, the pilot was also cost-effective, with savings to the State of Maryland, as trips were approximately one-third less the cost of a trip on MetroAccess.[36]

To pursue this option, the pilot would be designed to approach one of the human service agencies (HSAs) in either Montgomery or Prince George's County, for example an HSA using MetroAccess for subscription service to and from the HSA's location. It would also be designed to offer advantages to the HSA over MetroAccess service, improving service quality for the riders. This could include, among other features, offering a transportation service that is designed exclusively to serve the agency's clients, avoiding shared riding with other MetroAccess clients; charging a set fare that is below the average fare

[36] Independent Evaluation of Pilot Project: Coordinated Alternative to Paratransit Service with Community Support Services, Inc., prepared for the Maryland Department of Transportation by the KFH Group, Inc., April 2015.

now paid by the agency's clients; and allowing for same-day modifications that are generally not possible with MetroAccess

The contracting process to secure a transportation provider for the pilot could be streamlined if WMATA turns to one of its current MetroAccess contractors to handle the procurement of a non-dedicated transportation provider. This is an approach used in the early years of MetroAccess when the then-contracted broker, a private company, was requested to procure the services of a rehabilitation hospital for a pilot project testing in-person functional assessments for ADA paratransit eligibility determination.

Using one of the current MetroAccess contractors, perhaps the call center contractor, would avoid the need for a WMATA procurement. The existing contractor could be requested to obtain several bids for non-dedicated service to transport the HSA clients and, with concurrence from WMATA, enter into a contract for the transportation service. Such a contract would need to specify, among other parameters, performance criteria to ensure quality service for the HSA. Maryland would pay for the contracted service on a per trip basis through WMATA, with cost savings compared to paying for the trips through MetroAccess.

Estimated Costs

The primary costs for this option would be the cost for the transportation provider. To provide cost estimates, we assume a generic HSA that currently requires 50,000 annual trips on MetroAccess. We further assume that the cost per trip for the contracted transportation provider is $30.[37]

Cost for the transportation service would be an estimated $1.5 M, which would save the State of Maryland $1 M on an annual basis compared to current costs through MetroAccess; see Table 12. There would also be some minor administrative costs for the MetroAccess contractor to handle the procurement as well as monitor the human service agency's provider in coordination with the human service agency. WMATA would also be involved for oversight and evaluation of the pilot.

As with the prior option, this one could also share costs with Medicaid for those trips that are Medicaid-eligible. Assuming half of the HSA trips are Medicaid-eligible and a cost-sharing arrangement with the state's DHMH, Maryland could recoup half the cost of each Medicaid-eligible trip. As shown on Table 12, this would reduce the pilot's cost to an estimated $1.1 M, saving Maryland an estimated $1.4 M.

Table 12: Estimated Annual Costs for Human Service Agency Pilot Using Contracted Non-Dedicated Transportation Provider

Annual Trips on HSA Pilot [1]	Current Cost on MetroAccess, at $51/Trip	Cost for Pilot Using Contracted Non-Dedicated Provider, at $30/Trip	Costs for Pilot if Cost-Sharing with Maryland Medicaid NEMT [2]
50,000	$2,550,000	$1,500,000	$1,125,000

Notes:

[1] Annual trips provided as an example.

[3] Assumes one-half of trips are Medicaid-eligible and
and federal funding available for 50% of Maryland's NEMT service.

[37] The cost per trip charged by the contracted transportation provider in the CSS pilot was $26.

Summary of Options

The four options and their variants are shown in Table 13. It is important to note that cost implications build on the analyses and assumptions documented in this report and should be seen as estimates that support consideration of the options for planning purposes.

Costs and funding are the primary factors that support consideration of alternatives to current practices. The jurisdictions face increasing costs to fund MetroAccess: continuation of current trends will lead to the demand for 3.14 M MetroAccess trips by 2025, just nine years from now.[38] This can be compared to the FY 2015 ridership of 2.23 M. These trends will result in projected ridership of almost 0.9 M in the District and almost 1.8 M in the two Maryland counties, with funding requirements of $47.6 M for the District and $96.1 M for Maryland.[39]

The District and Maryland are currently not taking advantage of significant federal funding provided for NEMT. Nor do they take advantage of the NEMT paratransit services that are considerably more cost-effective than the MetroAccess paratransit service.

The NEMT programs in the District and two suburban Maryland counties have well-developed transportation services for those individuals with disabilities who need specialized service – in the District through its broker's paratransit network and in the two Maryland counties through contracted paratransit providers including taxis, accessible taxis and accessible van companies. Trips served by these paratransit providers are significantly less costly on a per trip basis than MetroAccess, for reasons that relate primarily to the regulatory requirements of the ADA. When the federal funding contribution is factored in, the average cost for a Medicaid NEMT paratransit trip in D.C. is less than $8 and less than $17 in Maryland (based on Montgomery County data). The average cost for a MetroAccess trip is $51.

Another factor to consider may be the benefit of moving medical trips to a transportation program that specializes in medical transportation. While MetroAccess provides many medically-related trips, its focus, by federal regulation, is not trip-purpose specific. Medicaid NEMT, on the other hand, is designed specifically for medical and medically-related trips.

A third factor to consider is that shifting medical trips from MetroAccess to other providers, such as the NEMT paratransit providers in the District and two Maryland counties, would increase business for smaller, local transportation companies. In the District, most of the paratransit providers that comprise the NEMT broker's paratransit network are small and minority businesses, many operating a handful of vehicles, according to the broker.

In both the Maryland counties, the Medicaid NEMT programs use smaller transportation providers as well as taxi companies. Particularly for the latter, which are seeing their business base shrink with the arrival of transportation network companies (e.g., Uber, Lyft), an increase in trips would be welcomed.

[38] George Mason University report, pg. 18.
[39] George Mason University report, pg. 19.

Table 13: Summary of Options to Improve Cost-Effectiveness of Medical Transportation

Option	Estimated Cost Implications	Service Quality Implications	Feasibility Issues
Option 1: Use Medicaid NEMT's Paratransit Service for Medicaid-Eligible Trips Now Provided by MetroAccess *All Medicaid-eligible trips to be provided by jurisdictions' NEMT services.*	Takes advantage of federal funding for NEMT. Jurisdictions avoid paying for MetroAccess service at $51/trip.	Varies by jurisdiction.	Requires agreement from state Medicaid agencies.
• Option 1 for D.C.	Cost/trip for D.C. reduced to an average of $7.72, as D.C. pays only 30% for NEMT.	NEMT should generally be similar to MetroAccess given D.C.'s requirements for broker, though performance standards do not cover all criteria applied to ADA paratransit.	D.C.'s DHCF would need to revise contract with its broker.
• Option 1 for Montgomery and Prince George's Counties	Cost/trip for MD counties reduced to $16-$20/trip, depending on the county, as MD pays only 50% for NEMT.	Service quality will vary by NEMT provider used by the counties (e.g., taxi, accessible van). Key advantage to riders is NEMT service is free.	Requires MD's DHMH to revise instructions to the counties; counties to add NEMT capacity.
Option 2: Share Cost of Medicaid-Eligible Trips on MetroAccess with State Medicaid Agencies *Medicaid-eligible trips continue to be provided on MetroAccess.*	WMATA partners with state Medicaid agencies so Medicaid agencies pay an allowed "human service agency" rate for each Medicaid-eligible trip on MetroAccess. Assumes $40/trip rate.	No change in service quality as Medicaid-eligible trips remain on MetroAccess.	Requires agreement from state Medicaid agencies and coordination on ridership data.
• Option 2 for D.C.	Cost/trip for D.C. reduced to $23.		
• Option 2 for Montgomery and Prince George's Counties	Cost/trip for MD counties reduced to $31.		
Option 3: Pilot Service for Subscription Dialysis Trips *Medicaid-eligible and other dialysis trips in the MD counties shift to alternate services.*	Provide all dialysis trips through a pilot using the D.C. broker or a same-day taxi subsidy program, with cost-savings using lower cost providers.	Varies by Option 3A and 3B.	Varies by Option 3A and 3B.
• Option 3A: Leverage D.C.'s NEMT Broker to Administer Pilot for Dialysis Transportation in Prince George's Co.	Cost/trip reduced to $12.88 for Medicaid-eligible trips and $25.75 for non-Medicaid-eligible trips.	NEMT should generally be similar to MetroAccess given D.C.'s requirements for broker, though performance standards do not cover all criteria applied to ADA paratransit.	Agreement and coordination required between WMATA, D.C., D.C.'s broker, and Prince George's Co.
• Option 3B: Same-Day Subsidized Taxi Service Pilot for Dialysis Transportation, in either Prince George's or Montgomery Co.	Costs for dialysis trips reduced to maximum of $25 meter rate with additional costs to be determined for implementation and ongoing management.	Service quality may vary by taxi provider. Key advantages to riders include ability for same-day scheduling and a set fare less than MetroAccess.	Agreement and coordination required between WMATA and MD counties.
Option 4: Contract for Non-Dedicated Transportation for Selected Human Service Agency (HSA) in Maryland *Subscription trips of clients of selected HSA shift to new contract provider.*	Cost/trip reduced to $30, using non-dedicated private provider; additional administrative costs to procure provider and ongoing management.	Service to improve with transportation exclusive to HSA's clients, a fare less than MetroAccess, and ability for same-day schedule changes.	Requires willingness of an HSA to participate and coordinate with WMATA to procure provider and manage contract.