

Brokerage Model for the Medical Assistance Transportation Program

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Good afternoon Chairwoman Brooks, minority Chairman Haywood and Chairwoman Ward and minority Chairman Sabatina and members of the committees, and staff. I am Sally Kozak, and I serve as the Deputy Secretary for the Office of Medical Assistance Programs (OMAP) under the Department of Human Services (DHS). My office is responsible for administering the Medical Assistance Transportation Program. I am pleased to be here today to provide testimony on the Commonwealth's transition to a brokerage model for the MATP which provides non-emergency medical transportation (NEMT) services.

Nationally, there are three models typically used to provide NEMT services: In-house, managed care, and brokerage models. Some states also use a hybrid approach that is some combination of these models. I'd like to provide some context for each of these models. The in-house model is where a Medicaid program operates its own NEMT program statewide or at the county level. There are eight states that use this model. The managed care model is where a state includes NEMT services in its contracts with its managed care organizations. Ten states operate under a managed care model. A brokerage model is usually a specialized third-party vendor who contracts with the state Medicaid agency to coordinate and administer NEMT services. Twenty states operate their NEMT services under this model. Lastly, a hybrid approach is where the state uses a combination of the previously three (3) mentioned models. The District of Columbia and 11 states, including Pennsylvania, use this model.

Pennsylvania offers and provides funding for MATP in all 67 counties. Fifty-four counties operate the MATP program at least partially through an in-house or county model; however, there are differences in how the counties operate their programs.

Some counties either act as a sole service provider or contract with vendors for a portion of the MATP services. Seven counties operate the program as a sole service provider. This means the county is the MATP provider or provides some of the MATP transportation services but has full responsibility for monitoring the administration of program. The county staff must complete an MATP time study and the county can claim for their costs to administer the MATP, which are based on the results of this study. The county staff must be dedicated full time to working on MATP. Thirty-eight counties operate a vendor model. This means that all the program components for MATP, both transportation services and administration are handled by a vendor, usually a transit agency. The county is still responsible for monitoring and oversight of the program but because county staff are not involved in the day to day administration of the MATP, the county is not able to claim administrative costs.

Nine counties operate a hybrid model, which means that the county may share responsibility with a vendor for providing NEMT services or some components of the MATP. In this model, typically some of the program components are administered by a subcontracted transit provider in coordination with the county. The county staff in this model, who may be assigned full-time to MATP or may also work on other programs, participate in a time study and the county can claim administrative costs. Since a transit agency performs some of the MATP functions for counties that use a hybrid model, there are less full-time staff at the county level devoted to MATP. This means that the county is not able to claim as much in administrative costs for operation of the program.

There are 12 counties that have elected to allow DHS to manage NEMT services. The Department of Human Services has direct contracts with transit agencies

to provide MATP services in these 12 counties. Rabbit Transit provides services to 10 counties, and South Central Transit Agency provides services to two counties.

Lastly, a brokerage model was introduced in Philadelphia county in 2005 and remains the MATP delivery model there today. The current broker, LogistiCare, has been providing NEMT services in Philadelphia since December 2006. Philadelphia County is the only county that currently provides NEMT services using a brokerage model.

MATP services are provided statewide and DHS receives federal matching funds for the MATP service costs. The MATP models in use today, except for Philadelphia, receive administrative federal financial participation (FFP) match of 50%. The broker model is eligible for a FFP service match which is currently 52.25%. If a brokerage model was used in all other counties, DHS would realize increased federal funding.

Act 40 of 2018, which amended the Human Service Code, required DHS to issue a solicitation for statewide or regional brokers to provide administrative and operational MATP services. On December 21, 2018 DHS issued Request for Application (RFA) No. 28-18, which solicited applicants. The RFA proposed three regions across the state. While applicants were able to submit an application for all three regions, no more than two regions would be awarded to a single applicant. The RFA in addition to MATP, included non-medical transportation services to individuals who are in a DHS home- and community-based waiver program and have transportation services in their individual service plans.

The Human Services Code was again amended as a result of Act 19 of 2019. Act 19 requires DHS, in collaboration with the Pennsylvania Department of

Transportation (PennDOT) and the Pennsylvania Department of Aging (PDA), to commission an analysis before contracting with a broker or implementing a full risk brokerage model to administer the MATP. The Act also required DHS to put the procurement on hold pending the analysis. Preliminary and final reports of this analysis were due to be submitted on or before September 28, 2019 and December 28, 2019, respectively, although an extension was granted for the preliminary report, which was due and delivered on October 28, 2019.

To comply with Act 19, a Workgroup was established, which is comprised of representatives from DHS, including the Offices of Medical Assistance Programs, Long Term Living and Mental Health and Substance Abuse Services, PennDOT, the Pennsylvania Department of Aging, the County Commissioners Association of Pennsylvania (CCAP), and the Pennsylvania Association of County Human Services Administrators (PACHSA). To comply with Act 19, DHS, PennDOT and PDA selected Mercer Government Human Services Consulting (Mercer) to complete the analysis and subsequent reports

The Workgroup meets weekly and its goal is to oversee the analysis and provide relevant information as required by Act 19 and requested by Mercer. The members of the workgroup have provided data and information about MATP and other Human Services Transportation (HST) programs. Since the inception of the Workgroup, a significant amount of information has been shared with Mercer to allow for a better understanding of the coordinated HST system, as well as to evaluate the potential impact of implementing a regional MATP broker model. The information shared and reviewed to date includes, but is not limited to:

- County MATP agency profiles.
- Internal and External PowerPoint presentations on NEMT
- MATP and PennDOT historical costs.
- Previously issued MATP request for information (RFI).
- Trip counts by modality for PennDOT programs and MATP.
- Utilization metrics for PennDOT and MATP.
- MATP complaint and satisfaction information.
- Paratransit revenue sources for PennDOT and MATP.
- Statewide paratransit data of funding sources and service type.
- MATP Standards and Guidelines.
- MATP RFA.
- MATP Databook.
- Annual LogistiCare (Transportation broker for Philadelphia) reports.
- MATP program and fiscal information from onsite monitoring as well as complaint reports.
- MATP funding and allocation information.
- Human Services Transportation Coordination Study Summary Report.
- Federal and state regulations and policies relevant to MATP and PennDOT programs.

Members of the workgroup are involved in planning and conducting stakeholder meetings. Stakeholder input is an important component of the analysis. As mentioned previously, the Workgroup has representation from CCAP and PACHSA, whose participation has been valuable and insightful. The workgroup met with the County

Commissioners or their designated representatives on October 3, 2019. Approximately 26 counties were represented at that meeting. There were several key concerns shared by all the representatives in attendance. The primary concern was the impact a broker model would have on existing transportation programs in terms of lost ridership, fixed routes that may no longer be viable, and cost increases to non-MA users. There was general concern for elderly and otherwise disadvantaged users and issues they may face in transitioning away from drivers they are familiar with and who have become part of their support systems. Financial concerns were also voiced as many representatives stated that loss of MATP revenue will impact a county's overall operating budget.

The Workgroup also met with the Pennsylvania Public Transportation Association (PPTA) on October 8, 2019. The concerns expressed by the members of PPTA were similar to the concerns heard from CCAP. Additionally, the transit agencies expressed concern that although they may contract with the proposed broker, there is no guarantee that the amount of MATP trips that they are providing will remain the same. If the volume of MATP trips were to decrease, it could lead to increased fares. There was also concern that the broker would not have to contract at all with the transit agencies. Members of the Workgroup coordinated a conference call with members and advocacy agencies of the Pennsylvania Transportation Alliance and Pennsylvania Statewide Independent Living Council on November 13, 2019. Consumers and advocates expressed their concerns about the potential switch to an MATP broker. Approximately 20 individuals from counties across the Commonwealth, including urban, suburban, and rural locations provided feedback. The participants shared their concerns of a possible increase in public transit agency fares and out-of-pocket costs,

and the lack of an appropriate and qualified provider network. A major concern was the fear that transportation would not be available for the days and times needed.

Additional efforts are underway to schedule meetings with the Pennsylvania Health Law Project (PHLP), to seek feedback from consumers who are familiar with using MATP services.

In addition to the information gathered through the Workgroup, Mercer is conducting independent research to support the requirements outlined in Act 19. Mercer is reviewing numerous studies and surveys related to NEMT brokerage programs and is reviewing the current federal and state law, regulations and policies related to NEMT programs.

The preliminary report required by Act 19 outlines the approach and resources that are being used to conduct the analysis of the five major components included in Act 19. The final report will address the state and federal laws that apply to the MATP and other HST programs; the effectiveness and efficiency of the current NEMT service delivery as it relates to all human service programs in this Commonwealth; other states' models of delivering NEMT and other human services transportation, including states that use a full risk brokerage model, and the effect a brokerage model has had on public transit in those states; the positive and negative impacts of maintaining the current transportation delivery models versus implementing a full risk brokerage model, including the financial and other impacts on state and local government entities; and the impact on consumers, including any increase or decrease in quality and service availability.

As mentioned previously, significant amounts of information and data have been shared with Mercer for analysis and to develop the final report due to the legislature at the end of the year. The full legislative analysis report is in progress and is expected to be completed by the due date.

Thank you for your interest in the Medical Assistance Transportation Program and the potential impact of a brokerage model, and for the opportunity to provide testimony. I welcome any questions the committee may have at this time.