



JOINT LEGISLATIVE PUBLIC HEARING
ON 2017-18 EXECUTIVE BUDGET PROPOSAL

FEBRUARY 12, 2018

My name is John Tomassi, and I represent the Upstate Transportation Association. I'd like to first thank the Legislature for the opportunity to be with you today.

The UTA is a not for profit trade association representing private passenger transportation companies. Our members include; taxi, livery, and medical transportation providers in all areas of New York State, not just upstate.

The budget issue we would like to address today is the Governor's proposed "carve out" of the Medical Transportation Benefit, which would shift the funding for this benefit from Medicaid Long Term Care Plans, and their brokers over to the Medicaid Fee for Service (FFS) Transportation Manager.

We are in support of the Governor's proposal to implement the carve out. We believe doing so is the only fair and reasonable way to ensure providers are paid, and properly compensated for the minimum wage mandate. I'll address this point momentarily.

As presently structured approximately 40 to 50% of Medicaid recipients receive transportation through the Fee For Service (FFS) Medicaid Program. The other approximately 50 to 60%, and growing, are enrolled through Medicaid Long Term Care Plans (MLTC).

The initial logic behind MLTC plans administering the transportation benefit, was driven by the premise that they could best serve the MLTC plan member by offering a coordinated benefits package that included transportation. The reality is very different as the overwhelming majority of MLTC plans no longer manage the program in-house. Instead they are outsourcing this benefit to transportation brokers - **attachment 1**

Outsourcing to brokers is a clear acknowledgement by the MLTC programs that they cannot administer transportation efficiently in-house.

So, instead of the Medicaid recipient receiving a coordinated program of care that includes transportation, with proper mode and a provider credentialed and selected by the MLTC Plan, they are instead assigned a transportation provider by the broker, who is typically compensated on a capitated rate.

The capitated rate structure incentivizes the broker to work in their own financial interest, at the expense of the Medicaid recipient who needs quality access to medical care. The plan may utilize a provider that is willing to work for less, which does not lend itself to quality, and may not be in the Medicaid recipients best interest.

It is also at the expense of the transportation provider, who needs to be fairly compensated for the service they provide. (Note: the brokers do not transport anyone, they do not run their own fleets... they assign the trips to ambulette and livery providers, and typically it is the same ambulette and livery providers handling the transport whether the trip is assigned by the FFS side Transport Manager or by a broker or MLTC plan directly; we are incurring the increasingly burdensome expense of providing the transport, while the broker profits!).

So, what we end up with, at present, is a disjointed program where a pool of Medicaid funds is allocated approximately 50% to FFS which has a Transportation Manager administering the program for FFS recipients. This is Medical Answering Service (MAS) in most counties. The remaining approximately 50% of Medicaid transportation funds are allocated through the existing MLTC programs.

Rather than having one entity, MAS, efficiently credentialing providers, receiving trip requests from medical facilities, and assigning out trips and authorizations to qualified providers, we end up with this inefficient, fragmented program where Medicaid funds are dispersed and poorly tracked to brokers and plans. Each broker and plan running transportation has their own overhead for call centers... rent, lights, phones, clerical, admin staff, managerial staff, utilization management, utilities, etc. The brokers compete among one another for market share, by offering lower and lower reimbursement rates to the transportation providers, at a time when providers need to be compensated to fund the minimum wage mandate.

So, instead of Medicaid funds going to the provider for services rendered. Medicaid funds get diverted away from the provider who is actually doing the work, in order to fund the operations and profitability of the various MLTC entities and their brokers.

So, our request comes down to economics. The Fee for Service side of the Medicaid program has taken a rational approach to rate setting, adjusting reimbursement rates to help providers with the burdensome demands of paying drivers and other staff the new minimum wage. The brokers and MLTC plans have made no adjustment to provider reimbursements, neither in 2017, or in 2018, nor is there any funding planned for 2019 to help providers pay the minimum wage.

Having Medicaid funds dispersed through an array of MLTC plans and their brokers, along with the FFS side Transportation Manager makes no sense, when economies of scale can be realized by shifting funds earmarked for transportation from the MLTC plans and consolidating the transportation benefit to be run by one entity on the FFS side. These economies of scale can then free up funding to properly pay the provider a fair and reasonable reimbursement rate for all transports they provide. Doing so keeps the industry vital, ensuring access is provided uninterrupted and in a quality manner to the Medicaid recipient.

Thank you so much for your time and consideration of this issue.

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ATTACHMENT 1 – MLTC PROGRAMS

Logisticare Plans

Amerigroup

Homefirst

Wellcare

United

Senior

Healthfirst

Integra

Senior Whole Health

Monti

Catholic Managed Care

National MedTrans Plans

Agewell

Alphacare

Archcare

Centerlight

Centers Plan

Healthcare Partners

Extended

Guildnet

VNS

Centers for Healthy Living

Village Care Max

MTM

Aetna Care

Non Brokered

Elderserve, Hip Monti, ICS

ADDENDUM –

As background, on the mechanics of Medicaid transportation, a Medicaid recipient that is on the Fee for Service side, not in a MLTC Plan, and that is in need of transportation service, is assigned by the Transportation Manager (Medical Answering Services or LogistiCare), usually with the Medicaid recipient selecting the transportation provider of their choice, from a list of credentialed providers). The determination that the Medicaid recipient needs an ambulette, as an example, is typically made by the medical professional at the facility where the Medicaid recipient is receiving care. The Medicaid recipient qualifies and is assigned transportation based on stringent criteria established by the Medicaid program, as highlighted in the Medicaid Transportation Policy Guidelines (relevant pages are attached).

So, as an illustration, if a patient is unsteady following a treatment the patient may be documented as requiring an ambulette, as this level of service requires the provider to assist or escort the patient, helping to ensure a safe transport.

The medical facility contacts the Fee For Service Transportation Manager, soon to be MAS statewide, except in Nassau and Suffolk counties, provides proper documentation, and the FFS Transportation Manager, as gatekeeper, reviews the request for service, and assigns the trip to a credentialed ambulette provider.

If the patient is in a MLTC Plan, the above process is near identical, except the medical facility in most instances is contacting one of the three or four brokers who are handling one of 22 MLTC Plans that are outsourcing the transportation benefit, or hunting down one of six plans that continue to administer the program. The broker assigns the transport out to a credentialed ambulette provider. NOTE: for the most part the ambulette providers are the same credentialed group handling Fee For Service and MLTC transports.

So, for the most part, the process, and the providers handling the transports are very similar. The key difference is the provider handling an MLTC transport that is brokered out is often paid a lower rate, as the broker takes a cut. The broker pays more slowly, or not at all, and up to this point there has not been any pass through or rate relief to transportation providers on the MLTC side.