



NEW YORK STATE SENATOR

Thomas F. O'Mara

O'Mara points to audit, calls on Cuomo to investigate DOH management impacting upstate, rural public transit systems

THOMAS F. O'MARA December 19, 2017

| ISSUE: [RURAL PUBLIC TRANSPORTATION SENIORS MEDICAID](#)



In my view, this audit demonstrates that the Department of Health should not be allowed to continue this failed experiment in Medicaid management. It has been a disaster.

Albany, N.Y., December 19—State Senator Tom O'Mara (R,C,I-Big Flats) today highlighted an audit from the state comptroller last Friday as evidence that the New York State Department of Health's (DOH) move since 2011 to shift the administration and management of Non-Emergency Medicaid Transportation (NEMT) from localities to the state "has been a

disaster.”

O’Mara called on Governor Andrew Cuomo to investigate the DOH’s management of NEMT. He added that he is exploring the need for legislation to rescind the department’s authority to manage NEMT and return that responsibility to the local level.

“It’s outrageous that it takes a comptroller’s audit to uncover, after the fact, what I and many upstate, rural public transit leaders have been warning about for several years. In the meantime, millions of taxpayer dollars have been lost to abuse, fraud, and waste,” said O’Mara, Vice Chair of the Senate Transportation Committee. “In my view, this audit demonstrates that the Department of Health should not be allowed to continue this failed experiment in Medicaid management. It has been a disaster. The millions of taxpayer dollars already wasted could have and should have been put to use that is much more effective. The failed Medicaid redesign effort in the management of Non-Emergency Medical Transportation has devastated public transportation services in many areas but especially in rural, upstate regions. The viability of public transportation in our rural areas is at risk because of the Department of Health’s attempt at a statewide, one-size-fits-all approach to these local systems.”

O’Mara said that the audit from state Comptroller Thomas P. DiNapoli again sounds the alarm that the Cuomo administration needs to undertake a comprehensive investigation of the future of upstate, rural public transportation – a renewed focus that O’Mara has been fighting for virtually since Cuomo took office in 2011. The change in NEMT management has been touted as a cost-cutting move by DOH officials, however many local public transportation officials from O’Mara’s district and across the upstate region have continually raised concerns about the plan and, especially, its long-term impact on rural communities and the quality of life for many populations including the rural poor, disabled veterans, the elderly, and the rural workforce.

“We can no longer keep at risk the long-term operation and viability of public transportation systems throughout the Southern Tier and Finger Lakes regions, and across upstate, rural New York. These systems provide critical links for thousands upon thousands of upstate residents and their jobs, medical appointments, schools, shopping, and other destinations. Public transit is also a cornerstone of the regional transportation systems vital to economic development, job growth, anti-poverty and housing initiatives, energy and environmental conservation,” O’Mara said.

O’Mara has held numerous meetings and forums over the past several years to hear directly from local officials, mobility managers, transportation providers, and community organizations. Officials from numerous counties, including all of the counties O’Mara represents as part of the 58th Senate District (Chemung, Schuyler, Steuben, Tompkins and Yates), have highlighted the shortcomings of DOH’s centralized management of NEMT.

According to DiNapoli’s December 15 audit, the DOH contracted with two companies to take over from individual localities the administration and management of NEMT. The state reimbursed the companies -- LogistiCare Solutions LLC and Medical Answering Services LLC -- approximately \$180 million over the audit period, January 1, 2013 to December 31, 2016.

However, according to auditors, DOH overpaid the companies more than \$6.2 million during this time for transportation management services for individuals who were not eligible for them. Among other findings, the audit cites one provider of taxi services that did not produce documentation supporting reimbursement claims totaling roughly \$2.4 million.

While DiNapoli notes that the DOH, in response to the audit, is making changes expected to save \$7.6 million in the future and will attempt to recoup the overpayments, O’Mara said that damage has already been done. He said the DOH’s statewide, one-size-fits-all approach has already put local public transit providers out of business, in Tioga County for example,

while others remain at risk and have cut back routes and other services to the general rural population.

The full audit and accompanying report can be viewed on the comptroller's website, www.osc.state.ny.us.

In 2017, as in previous years, Cuomo vetoed legislation (**S2083/A7074**) O'Mara sponsored to establish an "Upstate Transit Funding Board" within the state the Department of Transportation (DOT). O'Mara and other supporters of such a move believe the creation of an Upstate Transit Funding Board would at least ensure that discussions remain ongoing on NEMT management, help identify sustainable funding options to provide for growth and stability in public transportation operating assistance, and create additional opportunities for supporting mobility options for upstate New York residents.

O'Mara stressed that he will continue to sponsor legislation and urge other actions to make changes. In particular, in light of the comptroller's new audit as well as what he believes has been DOH's failure to be upfront with rural counties about its implementation of the NEMT management changes, O'Mara said that he is considering legislation to rescind DOH's authority to manage NEMT and return the responsibility to localities.