



NEW YORK STATE SENATOR

George M. Borrello

## Medicaid Reform Should Start with Eliminating NEMT Transportation Brokers

GEORGE M. BORRELLO March 13, 2020

| ISSUE: **MEDICAID, NON-EMERGENCY MEDICAL TRANSPORTATION, NEW YORK STATE BUDGET, MRT II**



ALBANY – Senator George Borrello today called on the Governor and members of the Legislature to include the elimination of transportation brokers for Non-Emergency Medical Transportation (NEMT) services as part of any Medicaid reforms passed as part of the 2020-21 state budget. He cited statistics from Chautauqua County showing massive cost increases in NEMT spending after the state took over the administration and management of these

federally-mandated services for Medicaid recipients from localities.

Senator Borrello pointed to figures from Chautauqua County to illustrate the scope of the problem in upstate communities.

- In 2013, the last full year when NEMT was managed at the local level, costs for Medicaid transportation services were approximately \$209,000.
- In 2019, costs for NEMT services were \$2.9 million, an increase of nearly 1,300 percent.

“The transition of NEMT coordination from the local level to the state level was advanced as a cost-saving measure several years ago during the first Medicaid Redesign Team effort. Unfortunately, it has proven to be just the opposite – an exorbitantly expensive boondoggle that relies more on single-rider taxi services for Medicaid recipients than public transit, creating gross inefficiency and unsustainably high costs,” said Senator George Borrello.

The MRT II, which has been tasked by the Governor with finding \$2.5 billion in savings within the Medicaid program to help close a \$6.1 billion deficit, has compiled a list of initial reform recommendations, based on input from stakeholders, the public and its own members.

Among its current proposals are a call for a reexamination of the effects of the transition from locally managed NEMT services to state control. The group’s own research found large increases in the program’s cost statewide. Those increases included:

- an overall, statewide increase in NEMT spending of 131 percent since 2011;
- an 800 percent increase in taxi/livery expenses for Medicaid recipients.
- exponential increases in spending per member and trips per member;

“In my time as county executive, we found that rather than utilize the CARTS public transit system, the transportation broker would often assign an in-county NEMT ride request between Dunkirk and Jamestown to a Buffalo transportation service. This would involve invoicing a trip of 150 miles for a single individual, rather than assigning the ride to CARTS. That is just one of countless, similar examples. It is a reckless use of taxpayer dollars and runs directly counter to the environmental agenda put forth by the Governor and state Democrats,” said Senator Borrello. “With so many pressing budgetary needs and a taxpaying public that is increasingly voting with its feet, we cannot continue to throw money away when there are better and more environmentally sound alternatives. We have an opportunity to right now to correct this costly mistake.”

###