

Utah Department
of Human Services,
Division of
Services to People
with Disabilities

2014 Report to the Office of the Legislative
Fiscal Analyst

DSPD

Transportation Service Study

An analysis of DSPD transportation services code utilization and policy options



utah department of
human services

Private provider RISE Services in Vernal, Utah with company van. RISE is presently offering a signing bonus for direct staff and does not have a defined driver position. July 6, 2014



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Executive Summary

Highlights:

***DSPD has received notice from a Provider of day services that transportation services will be eliminated due to unsustainable reimbursement**

***Transportation rates set in 1997 have not followed inflation, gas prices, or minimum wage increases**

***Urban and rural demands complicate transportation solutions**

***The transportation needs of a person using DSPD's services is not that of a typical Utah citizen; due to mobility, medical, and behavior needs**

***Load and unload times is one of the largest constraints agencies face**

***External transportation services are ill equipped to handle medical and behavior needs**

***A review of data demonstrates the need for a new rate study**

The availability and access to transportation for people receiving Utah Home and Community Based Services Medicaid 1915(c) Waiver services from the Utah Department of Human Services, Division of Services for people with Disabilities (DSPD) is a mission critical concern for DSPD. Equitable transportation service, as well as a measure of quality of service, is more importantly a necessary component of the DSPD service system.

The current rate of reimbursement was set using a baseline from 1997. The transportation rate has stagnated against rising costs. Data gathered from providers in the 2012 Transportation report indicated that transportation costs for providers is not adequately reimbursed. The ability for people to access community supports and services is essential to meet waiver requirements.

Diminishing availability of transportation is a concern for disability stakeholders and policy makers. According to the 2012 'United We Ride Transportation Report', inadequate transportation reimbursement may indirectly force a higher cost to other beneficial Waivered services and questions the fidelity to service outcomes. Additionally, inclusion and mobility within a community can decrease the reliance of Medicaid dollars. When planned services are not met, people stay home instead of going to work, which leads to a reliance on costly alternative services.

A large Salt Lake-based Day Supports program notified DSPD that they would be dropping transportation services, substantiating concerns that higher costs are reducing transportation services for people with disabilities in Utah.

At stake are tangible economic and social opportunity costs when services are not adequately funded. Utah and its citizens with disabilities benefit from mobility in their community through employment opportunities, preventative services, supportive relationships, shopping, exercise and recreation, religious services, volunteer work, and a simple change to static daily environments. Indeed, isolation adds recuperative costs for relearning lost knowledge, skills, and abilities in future support efforts.

The following options can be considered as independent or complementary policy options.

- Utah can continue the status quo of relying on the Utah Legislature to apply yearly rate adjustments or one-time nonstructural funds to transportation,
- rates could be increased according to estimates on cost,
- rates could be increased according to a legislative appointed rate study
- rates could be increased according to examples from other states,
- rates could be indexed to a measure such as the Consumer Price Index
- private-public partnerships could be established to provide "one-call centers" to direct transportation services from a pool,

- provide rate distinctions or enhancements based on rural and urban locations of services.

The accurate capture and reflection of transportation services is difficult due to a wide variance of the variables against many unequal variables. Transportation allows people access to needed services, builds bridges of inclusion for the disadvantaged, and can ultimately decrease required Medicaid dollars as needs are appropriately addressed.

DSPD Mission Statement:

The mission of DSPD is to promote opportunities and provide supports for persons with disabilities to lead self-determined lives.

The Division also views its efforts through the prism of four core performance areas. These four measures include health & safety, quality of services, employment, and oversight & accountability.



Intent Language in the 2014 Legislative General Session

This report will seek to address the 2014 Utah Legislative General Session's intent language encompassing transportation service rates reimbursed to contracted, private Providers to the Division of Services for People with Disabilities (DSPD). The Legislature requested the following to be addressed in this report:

1. detailed information reflecting the current transportation funding and expenditures for individuals with disabilities provided in the Division of Services for People with Disabilities (DSPD),
2. current and historical rates paid by DSPD for transportation,
3. comparisons with other similar rates paid in other agencies,
4. analysis of relevant fiscal implications,
5. review of options for improvement,
6. a listing of similar rates as paid in surrounding and other selected states.



Definitions

1915(c) Home & Community-Based Waivers (HCBS): Medicaid defines a 1915(c) waiver as “of many options available to states to allow the provision of long term care services in home and community based settings under the Medicaid Program. States can offer a variety of services under an HCBS Waiver program. Programs can provide a combination of standard medical services and non-medical services. Standard services include but are not limited to: case management (i.e. supports and service coordination), homemaker, home health aide, personal care, adult day health services, habilitation

(both day and residential), and respite care. States can also propose "other" types of services that may assist in diverting and/or transitioning individuals from institutional settings into their homes and community." To find out more information, please visit: <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/Home-and-Community-Based-1915-c-Waivers.html>

Division of Services for People with Disabilities, Home and Community-Based Waiver Services:

The Department of Human Services currently administers four Home and Community Based Medicaid 1915(c) Waiver Programs through the Division of Services for People with Disabilities (DSPD):

The Community Supports Waiver: This is Utah's comprehensive waiver for people of all ages with intellectual disabilities or related conditions. As of July 2014, DSPD serves 4,564 people through this waiver.

The Acquired Brain Injury Waiver: This waiver serves adults 18 or older who have acquired a brain injury after birth. As of July 2014, DSPD serves 105 people through this waiver.

The Physical Disabilities Waiver: This is Utah's program for people who have lost the use of two or more limbs. As of July 2014, DSPD serves 123 people through this waiver.

The Autism Waiver: This is Utah's program for children age 2 – 6 who have been diagnosed with an autism spectrum disorder, DSPD serves 310 children through this waiver.

The Americans with Disabilities Act of 1990 (ADA): prohibits the discrimination of people with disabilities and defines equal access and opportunity for persons with disabilities.

Olmstead v. L.C.: "in 2009, the Civil Rights Division launched an aggressive effort to enforce the Supreme Court's decision in *Olmstead v. L.C.*, a ruling that requires states to eliminate unnecessary segregation of persons with disabilities and to ensure that persons with disabilities receive services in the most integrated setting appropriate to their needs." To find out more information, please visit: <http://www.ada.gov/olmstead/index.htm>

Provider or Agency: Eligible individuals receiving services through the Utah Medicaid Intellectual Disability or Brain Injury Waiver receive services may receive service through a Provider, a company that works under contract with DSPD. Providers assist people with services through residential, day services, supported employment, family support, and respite care.

Support Coordination: Support Coordination is a service provided by Division employees, or more often privately owned agencies under contract with the Division. Support Coordinators assist people and their families to develop plans to find the most appropriate services and select the most appropriate service delivery model, based on the individual person's needs and wishes. However, there are limited circumstances which require Division employees to provide these services. The Support Coordinator is the first and best option in all cases to help a person or family determine what services are available to best suit a person's needs.

Self-Administered Services or SAS: An alternative to Agency-based provider Services that allows people with disabilities and their families to select services that are provided within their home. Under the SAS model, people and their families are able to hire, train, and supervise the employees providing the

support to the person. This gives an individual or the individual's family more control over who provides supports and services to them, but requires a greater degree of dedication from the family.

Motor Transportation Payment or MTP: Transportation code MTP allows transport from the person's home or living facility to community habilitation programs or facilities that provide day supports. The service may also arrange for transportation to other locations as needed to ensure the person's health and safety.

Daily Transportation Rate or DTP: The DTP service code provides transportation predominately for SAS in order to help people gain access to waiver and other community services, activities and resources, specified by the individual support plan (ISP).

Transportation Supports/Bus Pass or UTA: The UTA transportation service code helps the person access other supports that are needed for them to live in a community. The service is only provided independently when transportation is not otherwise available as an element of another service.

Transportation Project, Utah United We Ride Initiative, Improving Transportation Services for DSPD Consumers, August 2012: the IBI Group, with collaboration from DSPD, UDOT, and multiple agencies and stakeholders, conducted the "Transportation Project" report on DSPD transportation service rates. The following report extensively draws from the "Transportation Project." To find out more information, please visit the Utah Department of Transportation's website at: <http://www.udot.utah.gov/main/uconowner.gf?n=11137317426209167>

A Snapshot of Transportation Services for People with Disabilities

Nationally



Unequal access to public and private transportation exists in America, limiting the ability of certain groups from moving freely about their community. The U.S. Governmental Accounting Office notes a variety of access barriers face the disadvantaged populations of low income, elderly, and persons with disabilities at a higher prevalence than the aggregate population.¹ Uneven access to transportation is particularly concerning as the above-mentioned disadvantaged populations are not necessarily mutually exclusive in composition and face interactive effects from economic hardships.

Within the disability population are people utilizing Medicare or private insurance. Both of these are described by the Kaiser Commission on Medicaid and the Uninsured as offering “exclusionary or tightly limited access to a broad spectrum of long-term services and supports. Unlike Medicare or private insurance, Medicaid is the only major financing stream for long-term care that is designed to provide a broad array of services across both institutional and community-based settings.”² Consequently, a number of people with disabilities have or will become eligible for Medicaid services to meet these coverage gaps.

Eligibility to Medicaid implies, by definition, categorizes a person as low income and with restricted resources, compounding the problem of restricted equitable transportation access. This lack of access or use of transportation presents economic and social opportunity costs such as isolation and disruption of life, and increases costs as less efficient services are used, all of which can ultimately foster prejudice and discrimination against people with disabilities.



Federal Government Positions:

- *The Americans with Disabilities Act
- *Olmstead v. L.C. (1999)
- *Department of Justice efforts



National Climate:

- *Person involved in Planning
- *Community integration
- *Contributor versus Consumers

The systemic issue of unequal access and utilization of public and private transportation for disadvantaged groups places the current system at odds with federal regulations. The *Americans with Disability Act* (ADA) of 1990 stipulates that Americans with disabilities will be given equal access in one’s community. The federal court system has affirmed this notion in the prominent 1999 ruling of *Olmstead v. L.C.* “*Olmstead* found the unjustified segregation of people with disabilities is a form of unlawful discrimination under the Americans with Disabilities Act (ADA).”³

This ruling established the legal precedence to support full integration of people with disabilities into American communities. Following the ruling of *Olmstead*, the Department of Justice (DOJ) has sent clear messages to states affirming the integration before institutionalized segregation. For example, the DOJ reached a ‘landmark’ settlement in April 2014 with Rhode Island, leading to a future and total restructuring of the state’s approach for utilizing shelter workshops and adult day programs.⁴ The Rhode Island court-enforceable Consent Decree presents a potential template for a nation-wide structural shift towards greater integration and a decreased tolerance of segregation from the community.

On June 12, 2014, the federal court system filed a Statement of Interest in a case against the Commonwealth of Pennsylvania. The case suggests the state-funded program inadequately funds

services and places people in serious risk of institutionalization. Kansas, Idaho, and Oregon face similar DOJ reviews. The Rhode Island and Pennsylvania cases may result in far reaching effects to current state systems with less than optimal integration results.

Please find the listing of U.S. government interests in states failing to meet Olmstead requirements at http://www.ada.gov/olmstead/olmstead_cases_list2.htm.

Ancillary to U.S. court attention and action, the disparate ability to move about and integrate into one's community has challenged the collective national conscience. People with disabilities, stakeholders, and public policy makers have effectively elevated the cause for the right to a self-determined life, moving to greater inclusion of a person's opinion in their personal support planning decisions, increased integration in non-sheltered employment opportunities, and an increased access to unfettered ADA stipulated transportation.

Utah



The challenge of providing equitable reimbursement and cost-neutral transportation services to contracted providers is a systemic issue at the national level. The challenges Utah faces in meeting transportation needs stem from the national system and are multi-faceted in origin. A recent 2013 U.S. Government Accountability Office report noted, "insufficient leadership at the federal level, limited financial resources, and growing unmet needs at the state and local level" confounds transportation planning.⁵ These challenges have led to many states to test policy options, while measuring pilot systems against the opportunity costs of other services and programs. Before considering opportunities for improving Utah's transportation service rates, one must understand the operation of Utah's Waiver system.

Utah established its Waiver program in 1986 following the national conversation of the human and financial costs of institutionalizing people in non-community facilities. The use of state waivers to Medicaid provides flexibility, cost-savings, and the integration of people into their community.



Utah State Government Concerns:

- * Equitable Medicaid Waivers administration
- * Opportunity costs to tax resources
- * Return on investments
- * Equitable access to the community

DSPD is usually not able to offer immediate services to public demand. Eligible individuals often must wait for additional funds from the legislature, where funds appropriated to DSPD are determined during the Legislative Session. When DSPD receives funds, people are brought off a waiting list and into services according to Utah Law.

DSPD's business model operates as the payer of last resort. This approach is defined as an understanding that Waiver funds will be used for the purchase of supports only after supports available through the State plan and all other resources for which the Person is eligible have been maximized. Once a person's natural and social support networks and resources become maximized or exhausted, individuals may become unable to rely on their family or social networks to transport them around their community.

The failure of such supports creates extraordinary barriers to mobility. Certain people require additional transportation mobility aids, trained medical or behavior support staff, and increased load and unload

times. The average Utahan will rarely experience such challenges in reaching their desired destinations and might be unaware of such challenges. As support, the non-partisan public policy Utah Foundation speculates the low priority of transportation concerns results in its *Quality of Life Index* research survey indicates of a population entirely accustomed to Utah's "primarily car and driver economy."⁶ Most Utahans enjoy an unencumbered freedom to their travel about this large, diverse state.

DSPD Services in Review

DSPD operates Home and Community Supports Waivers (HCBS): the Community Supports Waiver with 4,564 unduplicated people receiving services, the Acquired Brain Injury Waiver with 110 unduplicated people receiving services, and the Physical Disabilities Waiver with 129 unduplicated people receiving services. DSPD does not operate Utah's Autism Waivers with transportation services. Services for the three HCBS Waivers are deemed appropriate in meeting the needs of people on the DSPD wait list or in DSPD services and are cost neutral to more restrictive settings. A mission-critical component to a majority of services offered is transporting people to programs or around the community. Indeed, it is difficult to inflate the value of transportation services to the legally required integration of people with disabilities.

Transportation is integral to residential supports. There are currently 1,818 people in DSPD services receiving residential services. Residential Habilitation Supports (RHS) accounts for largest concentration of DSPD payments. Residential services are designed to assist a person in gaining and/or maintaining skills to live as independently as possible and fully participate in a community setting of their choosing. These choices are based on the goal for community living contained in the person's support plan, and to avoid isolation in their homes or communities. Residential Supports provides a safe, non-residential, community habilitation program in a structured programmatic setting, other naturally occurring environment or community setting where a person can receive supports during the day to avoid becoming isolated and to participate in and contribute to his or her community. The contractor provides routine transportation to shopping and other community activities, based on the Contractor's and team's reasonable, professional judgment.

Transportation is also integral to Day Support programs. There are currently 2,497 people in DSPD services receiving Day Program supports. Day supports provide a safe, non-residential, community habilitation program in a structured programmatic setting, other naturally occurring environment or community setting. A person can receive supports during the day to avoid becoming isolated and to participate in and contribute to his or her community. Day supports maintains or improves a person's job-readiness skills, work abilities, dexterity, stamina, memory, personal safety, interpersonal relations, self-help, communication, mobility and other functional abilities and life skills. Routine, Non-Medical transportation is included in DSI unless the person receives MTP.

A mission-critical component of the DSPD Mission is to encourage the employment abilities and opportunities of the people on the waiting list or in service. Prompt attendance to a place of employment requires transportation. DSPD employment services provides ongoing one-on-one or group hourly and daily supports to person(s) in their efforts to obtain, maintain, and advance in competitive employment in integrated work settings. Employment that occurs as a part of Supported Employment services can be on a full- or part-time basis, for traditional or nontraditional workdays, and in settings where the person is afforded the opportunity to work with others. Support may occur anytime during a 24-hour day. The Contractor will provide additional transportation, other than driving the person to the work facility which is billed using the MTP service code, that is approved in the person's ISP. Contractor may bill for their own transportation to the person's worksite for training or monitoring purposes.

Many of DSPD contracted provider agencies offer a combination of residential and day and/or employment support services. Most codes, unless specifically restricting, have some element of bundled incidental travel “as needed.” For example, Residential Habilitation Supports (RHS), the largest concentration of DSPD payments, includes services that bundles transportation costs in the total service reimbursement. These transportation costs may include a weekly trip to the grocery store for necessary items and an outing to the park or movie. The transportation component of the Residential rate is based on the formulated average of 30 miles of travel per day and uses the State rate of \$0.38 per mile, R25-7-10-Reimbursement for transportation. The transportation service contribution in the bundled Residential services is equal to $\$0.38 * 30 \text{ miles} = \11.40 per day.

At stake

When people do not attend their services or service goals are unfulfilled, fidelity to the Federal requirements in the Waiver agreement are at risk as viewed through the prism of fiscal responsibility and person centered planning. These fiscal and human costs include people staying home instead of going to work, more expensive services are assigned to people at home, serving people in more restrictive settings, non-socialization, increased isolation and behavior supports, and stresses to individuals and families.

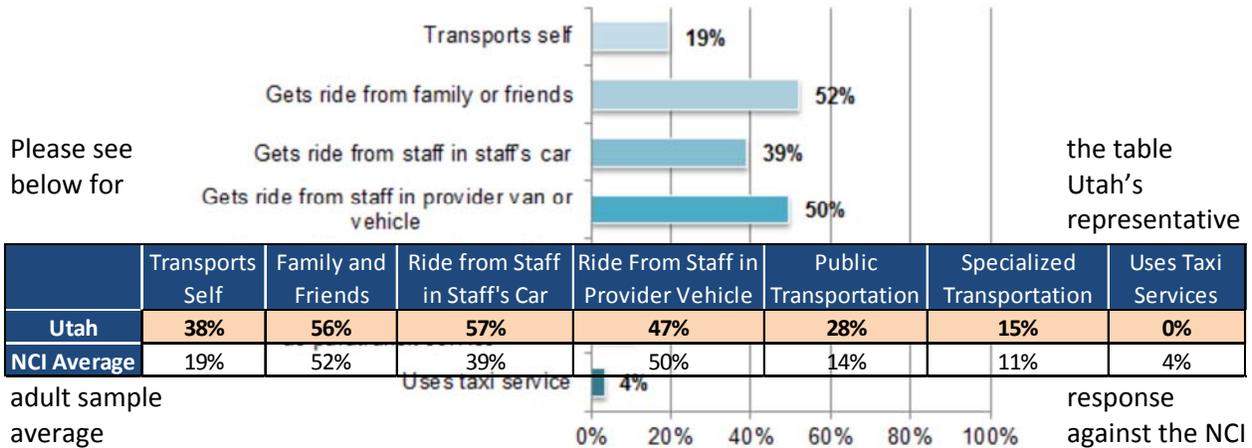
Loss of continuity in services can also lead to failed economic and human capital investments outside of DSPSD services. Services maintain skills, knowledge, and abilities previously gained from the State. These losses are not nominal expenses, as they may include a near lifetime use of the public education system. Therefore, DSPD incentivizes continued attendance by only reimbursing providers when people attend their programs.

Data from People in Services

The National Core Indicators (NCI) is a cooperation between the National Association of State Directors of Developmental Disabilities Services (NASDDDS) and the Human Service Research Institute (HSRI). NCI enjoys participation of 40 states and the District of Columbia in providing the collection of valid and reliable survey data from representative samples from each states’ in-service population. Utah has participated in NCI for several years and holds the distinction of pilot testing surveys for the group. The use of nationally generalizable data provides DSPD and stakeholders a method for comparing system successes and challenges within the Utah system.

Results from the Adult Consumer Survey 2012-2013 report were released recently on the NCI website and can be found at <http://www.nationalcoreindicators.org/resources/reports/#reports-state-reports>. The reported grouped several measures into the domain of “access to publicly funded services.” This construct included the sub-domain of adequate transportation of people when they wanted to go somewhere. Please see the chart below for the average utilization of transportation reported by the states’ participants in the samples.

Types of Transportation Used



Please see below for

the table Utah's representative

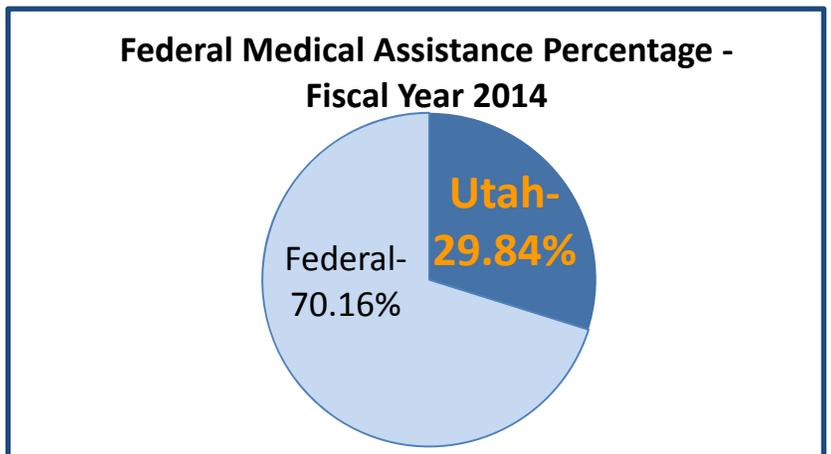
adult sample average against the NCI average.

One must note these groups are not mutually exclusive. A respondent could consider they "transport self" by using "public transportation." However, the Utah representative adult sample demonstrates a large utilization of each transportation mode except for taxi services.

Historic and Present Utah Transportation Funding and Expenditures



The preponderance of service expenditures is expensed against the Federal Medical Assistance Percentages (FMAP) with very few cases where Utah covers all service expenses. In Fiscal Year 2014, the State of Utah paid an FMAP of 29.8425% for expenditures and the remaining 70.1575% was covered by Federal matching funds. The FY 2015 FMAP for Utah and the Federal match is 29.44% and 70.56% respectively. The Social Security Act requires posting of Federal Medical Assistance Percentages and fiscal year breakdowns are located at <http://aspe.hhs.gov/health/fmap.cfm>. Please see the chart to the right demonstrating the portion of State and Federal contributions for meeting the payments to the services provided by DSPD.



DSPD Service Expenditures Explained in \$10:

For nearly every \$3 Utah spends on services...



The Federal Government matches \$7



The Motor Transportation Payment program rate (MTP) is the most utilized transportation service offered by DSPD. MTP covers daily transportation for Day Support activity. The service may also arrange for transportation to other locations as needed to ensure the person's health and safety. The Contractor is responsible for the person, to ensure the person arrives safely at the scheduled time and arranged destination. This may include arranging for other transportation to ensure that services are delivered as well as rendering assistance to the person that would ensure the successful completion of transportation services so that the person arrives safely at the scheduled time and arranged destination. Failure to serve the person under these terms may be cause for termination of MTP services.

Daily Transportation Rate program rate (DTP) is similar to MTP with the applicable distinction that DTP provides transportation for persons choosing Self-Administered Services (SAS) and certain other residential services. DTP provides a daily payment for transportation to and from a person's home or living facility to community habilitation programs or facilities that provide day supports. The DTP mileage rate is the same as the mileage rate established by the State of Utah for state employees when a State car is available for the State employee to use.

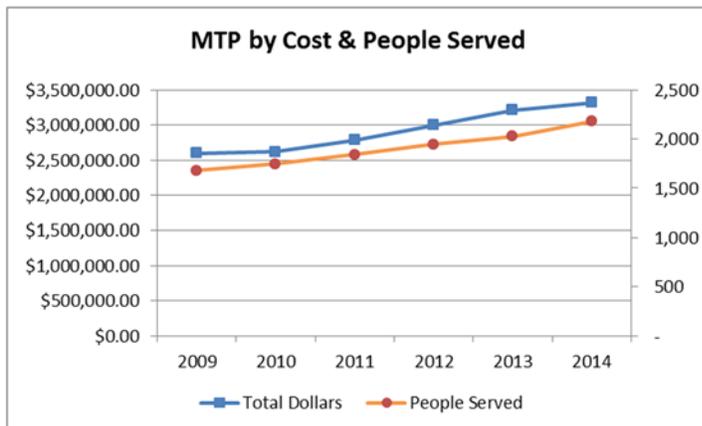
The UTA transportation service codes utilize services from Utah Transit Authority, Utah's largest quasi-government public transportation organization. DSPD service code UTA helps a person access other supports which are needed for them to live in the community. The service is only provided independently when transportation is not otherwise available as an element of another service.

- UTP provides daily transportation for people who receive Day Supports or Supported Employment services. UTA Daily Passes (UTD) is offered for fare reimbursement to fixed routes which link to Flex Trans.
- UTD is a one-day fare offered for paratransit trips for Day Supports or Supported Employment.

MTP, DTP, and UTA do not include payment for transportation to medical appointments. The three HCBS Waivers do not supply medical transportation (ambulance services/transportation to appointments) as this would be a duplication of is already available through the State plan, transportation that is otherwise available at no charge, or as part of administrative expenditures.

Please see the table on the following page for an outline of the costs and the number of people served by the transportation codes in each respective fiscal year, 2009-2014.

Service Code:	Fiscal Year:	Total Dollars:	People Served:
MTP	2009	\$2,600,095.19	1,679
	2010	\$2,619,650.03	1,748
	2011	\$2,783,990.80	1,841
	2012	\$2,998,583.28	1,944
	2013	\$3,214,828.64	2,026
	2014	\$3,317,662.65	2,180
DTP	2009	\$51,276.58	137
	2010	\$45,849.71	79
	2011	\$108,474.64	101
	2012	\$129,429.54	174
	2013	\$145,475.62	234
	2014	\$134,785.94	198
UTA	2009	\$284,067.25	394
	2010	\$224,013.50	430
	2011	\$121,538.15	361
	2012	\$130,887.65	201
	2013	\$153,165.75	216
	2014	\$186,248.25	235
UTP	2009	\$372,738.00	256
	2010	\$375,213.42	387
	2011	\$833,060.52	487
	2012	\$1,004,319.84	494
	2013	\$1,116,175.88	519
	2014	\$1,327,265.75	566
UTD	2011	\$7,912.00	29
	2012	\$7,713.00	26
	2013	\$7,540.05	25
	2014	\$7,956.25	21



The expense of services linearly correlates to the number of people served under the code. Please see the example of the MTP code graphed with costs and people served by fiscal year.

Methodology of Code Reimbursements

Multiple perspectives and factors contribute to the base rate for service reimbursement to contracted providers. Yet, setting an efficient and equitable rate does not have a one-size-fits all product to capture the full continuum of service needs. Within the population of people with disabilities, there are various levels and complexities of personal assistance needs. For example, specialized personal or mobility device assistance needs can range from full mobility to total specialized assistance. These needs are spread across the state. Services required and distance of travel confounds a single equitable rate to providers. These constraints may not be equally distributed across the provider population. Therefore, variations in caseloads can lead to economic windfalls or losses.

The construction and Maximum Allowable Rate (MAR) of the primary transportation service code MTP was developed using the "Comparable-Rate-Setting" methodology. This method historically was the method of choice for the Utah Department of Human Services rate-setting. Since 1998, the rate has been adjusted by annual allocation from the Utah State Legislature, which is typically a marginal rate increase across all services.

The construction and Maximum Allowable Rate (MAR) of the service code DTP was developed using the "Comparable-Rate-Setting" methodology, which has historically been the method of choice for the Utah Department of Human Services rate setting. Since 2007, the rate has been adjusted by annual allocations from the Utah state legislature.

The construction of UTA service code reimbursement comes from an agreement between DSPD and UTA while under the confines of ADA requirements. UTA operates as a quasi-government agency. Given its status, UTA is in a unique position to pay local matching funds, which allows UTA to float its own seed money. In essence, UTA is able to leverage federal dollars from the FMAP by paying the State portion. UTA is the only disability transportation agency able to maximize federal dollars in this manner.

Concerns that Rates do not Reflect Costs



UTA's unique position hints at an inherent difference between providers within Utah's disability transportation system. Private Provider agencies operate as for-profit, non-profit, or as a combination of the two. One difference includes non-profit agencies access to the UDOT 5310 program, a 20% match rate for wheelchair lift equipped vehicles while private agencies do not.

These differences are business model decision within the system. However, outside pressure from a low rate can lead to inefficiencies in the system.

Invitation to Submit Offer process (ISO) may substantiate these concerns. Individuals and families choose their support coordinators after a formal interview with interested providers at the ISO process. When other providers are economically restricted from entering the transportation service market, other agencies can advertise these comprehensive services. The *Transportation Project* notes, "Questions about transportation services are typically included in the interview process, so it is a competitive advantage to them to be able to offer transportation services to individuals looking for services for persons with disabilities."

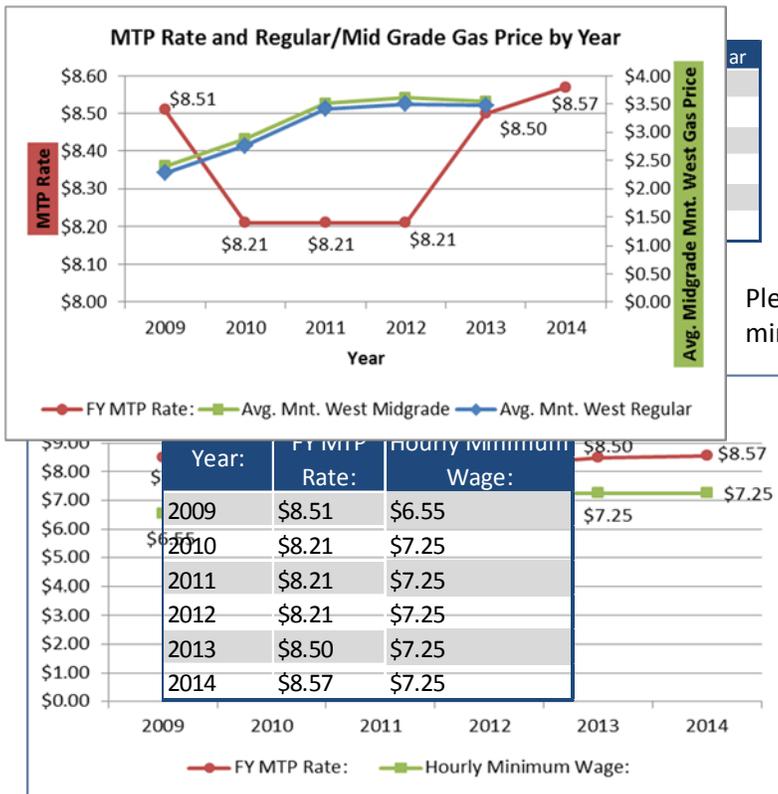
MTP

Analysis from the Utah United We Ride Initiative, Improving Transportation Services for DSPD Consumer August 2012 report (hereafter referred to as the *Transportation Project*) details provider concern that the transportation service rates for providing transportation do not commiserate to expenses. The report indicates, “DSPD is now often paying less than 50% of the expenses that agencies typically incur to transport DSPD’s clients.” One large Salt Lake based Day Program agency gave notice recently that they would no longer offer transportation. The *Transportation Project* states, “most of the agencies that provided detailed cost data would need between \$21.00 and \$24.00 per day (that is, for two one-way trips) to cover transportation expense.”

At the time of the report, the MTP rate was \$8.21 per round trip. In FY 2014, MTP received \$8.57 per round trip (\$4.285 per one-way trip). The MTP rates from 2009 to 2014 are as shown to the right. Rates were clawed back in 2010 with near 2009 returns in 2013. The 2014 Utah Legislative Session resulted in a one-time \$100,000 funding to DSPD transportation, accounting for the 2014 increase. However, as it is one-time funding, the MTP rate will retract without the one-time supporting funds.

Fiscal Year:	MTP Rate:
2009	\$8.51
2010	\$8.21
2011	\$8.21
2012	\$8.21
2013	\$8.50
2014	\$8.57

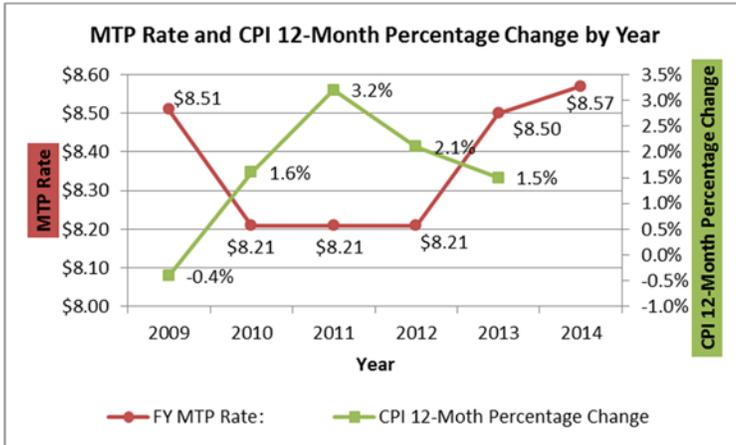
The baseline for MTP has not been substantively reviewed since its introduction in 1997. In this time, gas prices, wages, inflation, and service expenses have increased. One can look to the U.S. Energy Information Administration’s Rocky Mountain Region data for the average yearly price of a gallon of gas for regular and midgrade.⁷ Please see the graph below with the FY MTP reimbursement rate on the left axis tracked and the annual regular and midgrade gas prices measured on the right axis by year.



Please see the graph below with the Utah hourly minimum wage,⁸ and MTP rate by year.

Finally, the real costs of living are a measurement of inflation. Inflation is the result of continuously rising or falling prices in the market. The U.S. Bureau of Labor Statistics believes

there are many tangible measures of day-to-day living costs, but the Consumer Price Index is one of the more recognized measures. “It is also the best measure to use to translate retail sales and hourly or weekly earnings into real or inflation-free dollars.”⁹ The please see the graph below of annual the 12-month percent change of the Consumer Price Index (CPI) with all items (including food and energy)¹⁰ and the FY MTP rate by year.



The graphs above demonstrate the irregular relationship between the MTP rate, gas prices, and 12-month percent changes to inflation based on the Consumer Price Index. Utah’s minimum wage appears to have little variation to the MTP rate using 2009 as a reference point. However, MTP was created in 1997 when the minimum wage was \$4.75 and \$5.15 a year later. Additionally, Utah experienced significant wage changes just before 2009 with an increase in 2007 (increased to \$5.15) and 2008 (increased to \$5.85). This data provides one perspective substantiating concerns that costs exceed reimbursement.

The *Transportation Project* report noted, “Most of the agencies that provided detailed cost data would need between \$21.00 and \$24.00 per day for two one-way trips to cover all of their expenses for transporting DSPD clients.” After 17 years, the rates are due for a new rate study to achieve a new equitable bases rate. Additional considerations might include indexing a new base rate to inflation.

Mileage

The *Transportation Project* report details confusion on the methodology of mileage reimbursement within bundled services. The State mileage reimbursement, R257-7-10, is unclear where and how the methodology captures varying factors such as vehicle depreciation, maintenance, and insurance. The report notes this ambiguous definition of costs leads to significant underreporting and low estimates to transportation service expenses as “reporting all the kinds of expense that are normally experienced in providing transportation services is not a task that comes naturally to many human service agencies.” The *Transportation Project* report goes as far to say the failure to disclose how expenses are rolled up into the mileage reimbursement “shows that, just as there is a lack of clear definitions on the providers’ cost records, the same lack of clarity occurs on the state side.”

As a point of reference, Medicaid pays \$11.00 per one-way trip and UTA pays paratransit \$33 per one-way trip.

Similar Utah Agency Rates

The State of Utah operates seven Medicaid Waivers. Two previously unmentioned Waivers include the New Choices Waiver and the Aging Waiver. The New Choice Waiver is designed to provide services statewide to help older adults remain in their homes or other community based settings. Individuals are able to live as independently as possible with supportive services provided through this waiver program. The Aging Waiver is designed to provide services statewide to help older adults remain in their homes or other community based settings. Individuals are able to live as independently as possible with supportive services provided through this waiver program.

For both Aging and New Choices, the State pays up to \$14.94 per one-way trip. The Maximum Allowable Rate (MAR) is set at \$14.94. However, a provider could bill at a lower rate. Medicaid pays at the MAR or the customary rate of provider, whichever is the lesser amount. The New Choices can also provide monthly UTA bus passes and pays for transport on a per mile basis, (\$90.00 pass, \$0.38 per mile). New Choices also offers a rural rate enhancement for individuals who reside in remote settings. When providers submit a claim, a modifier is added to the claim to get the enhancement.

These Waivers hold one important distinction between DSPD transportation services. Non-med transport providers are providing a service for individuals in residential care. There is limited cost to picking up waiver participants. Also, there is potential for economies of scale if 4-6 individuals going to a day program can be transported together. When Aging/New Choices clients utilize this service, a transport provider may have to drive a substantial distance to pick up the person, as well as after dropping them off. If an RHS provider had three or four group homes in an area, they may have a van dedicated to picking up/dropping off the same group.

The Division of Children and Family Services (DCFS) is a sister agency to DSPD within the Department of Human Services. DCFS has four transportation service codes: foster car general (FTP), FC case activities (FTC), FC child visitation (FTV), and FC transportation to school of origin (FTE). These four DCFS transportation service codes are billed at the State mileage rate of \$0.38. In addition, DCFS provides bus passes or bus tokens for parents and clients at UTA rates.

The Division of Juvenile Justice Services (DJJS or JJS) is a sister agency to DSPD within the Department of Human Services. JJS has two transportation codes: YTM to cover the cost of transporting youth to and from pre-approved activities that exceed sixty miles round-trip and YTP to cover the cost of transporting youth to and from pre-approved activities that exceed sixty miles round-trip. Both JJS transportation services codes are reimbursed at the State mileage rate of \$0.38.

The DJJS and DCFS model hold the distinction between DSPD transportation services. DJJS and DCFS transportation are operated by natural supports such as a parent, relatives, or foster parent. DSPD providers are private contractors for transportation services.

Similar Rates by Surrounding and Select States

Policy makers must be extremely cautious when making comparison between states. Such state-by-state comparisons face validity challenges and non-generalizable conclusion. Individual state Waiver requirements, eligibility, funding, total population, population dispersion, geographic location, composition of the states' human service departments, privatization, urban and rural divides, service needs, and established transportation infrastructure threaten generalizability due to issues of scale, scope, and function. Additionally, a state's model may not be sustainable as it is or will become

reviewed by the Department of Justice for limiting access to quality services. In the surrounding and select states reviewed below, Oregon and Idaho are examples of states under federal scrutiny for limiting required services and outcomes.

Noting these real challenges, Utah contacted Arizona, Colorado, Idaho, Montana, Nevada, North Dakota,

Comparison of MTP Rates by Surrounding and Select States			
State:	Unit:	Rate:	Explanation of Service Rate:
Colorado	Milage Bands	\$5.69	0-10 Miles- 2 Trips/Day (Mileage Band 1)
		\$11.93	11-20 Miles- 2 Trips/Day (Mileage Band 2)
		\$18.16	21 Miles and Up- 2 Trips/Day (Mileage Band 3)
	Public Conveyanc	\$1.00	A dollar per unit for a bus pass, only to be used when it is more cost effective than or equivalent to the applicable mileage band.
	Mileage not in Day	\$5.69	4 Trips per week (Mileage band 1)
Idaho	Brokerage Model	\$7.00	The Department pays the broker a Per Member Per Month (PMPM) rate of \$7.00 per Medicaid eligible participant for FY 2015. The broker is responsible for setting specific rates with providers and for out of state expenses.
			Prior to 2010, \$4.20 for the first mile, \$1.17 for every mile thereafter based on a one way trip.
Montana	Per Mile	\$0.36	Family or neighbor.
		\$0.87	Paid staff, including driver's time.
		\$0.44	Transporting two or more from a group-home setting.
Nevada	None	None	Nevada's Aging and Disability Service Division does not offer transportation services.
North Dakota	Per Mile	\$0.56	ND reimburse the financially responsible caregiver for excess expenses related to transporting an individual with a disability who lives in their home for medical appointments.
Oregon	Per Mile	\$0.485	The transportation rate of \$0.485 is applied to every mile the person in services is in the vehicle.
Wyoming	Per Mile	\$0.560	Wyoming provides a gap service to enable participants to gain access to an employment location, community services, activities, and resources as specified by the plan of care when a service provider is not needed at the event.

Oregon, and Wyoming to establish each states' comparable transportation service rates. Please see the table below outlining the unit of measure and rate of reimbursement according to each state. (please note that Arizona did not respond)

The sample of states represents a collection of unique strategies for meeting transportation needs. Colorado presents an interesting study on a three-tier mileage banding system. Idaho is unique in its use of one broker to manage the transportation of all people with disabilities in service. The state of Nevada does not have a centralized disability program and does not offer transportation service reimbursement.

Policy Options for Improvement:

Transportation is a frequent public policy challenge to Utah. The state is large, faces a high rate of urban sprawl, with densely populated urban corridors or dispersed rural frontiers, extreme fluctuation in weather can easily wreak havoc, and policy makers are always considering the multiplier effects of infrastructure investment to the broader Utah economy. One overarching outcome from the State's efforts is the equal access to the State by its citizens. As such, the State also faces challenges of providing an equitable reimbursement rates for the provider agencies offering transportation services for people receiving DSPD services.

The *Transportation Project* report states, "The cost of transportation on a per client basis is greatly influenced by the quality of service offered, distances traveled, and similar factors. As a result, the costs

vary greatly for providers.” For providers, economies of scale, non-profit agencies access to unique cost savings schemes, shifting costs on other services, and business strategies create an uneven optimality to the system when rate are too low. These variations can lead to economic windfalls or losses for providers. However, the system appears underfunded for the aggregate of providers.

Improvements options are as simple as increasing the rate on an annual schedule to implementing an entirely new system. Some of these options for improving the Utah model include:

- continue the status quo of relying on the Utah Legislature to apply aggregate rate adjustments or one-time non-building block funds to transportation,
- a new rate study could be commissioned annually,
- rates could be tethered to a researched base rate and further indexed to other indicators of expenses such as inflation,
- private-public partnerships could be established to provide “one-call centers” to direct transportation services from a pool of resources,
- provide rate enhancements to a rural and urban areas.

These policy options and a brief review of issues are outlined in the matrix below.

Policy Options for Improvements (considered independently or as complements)						
	Status Quo:	Centralized Call Center(s):	Increase Rates:	Rely on Public Transit:	Rates Indexed to Inflation:	Establish urban and rural enhancement scheme
Greatest potential policy risk	A reliance on unsustainable rates	Leveraging an equitable distribution of cost savings across private agencies against already maximized systems	How to determine an equitable base rate	Access. UTA is not equipped for medical & behavior supports or rural communities	Determining an equitable base rate and flexibility to apply changes by the State	Unique service needs by individuals may not follow urban and rural divides. Rent seeking efforts may increase near urban and rural boundaries.
Greatest potential policy benefit	Cost efficiency across a few providers	Maximized efficient across multiple agencies	Optimal utilization of provider system	Increased scale resulting in efficiencies	Rates paired to the movement into real dollars	Addresses assumed differences experienced by urban and rural communities
Outcomes - Impact	Short term	Long term requiring structural change	Short and intermediate term - until costs increase	Long term requiring structural change	Short, intermediate, and long term	Short, intermediate, and long term when flexible
Cost Savings	Only felt by few providers	Only where efficiencies are not already present	Across system	None	Across system	Across system
Equitably addresses rural and urban issues	Low	Intermediate	High	Low	High	High
Scalability of Option	Current system	High Difficulty	Low Difficulty	High Difficulty	Intermediate Difficulty	Low Difficulty
Flexibility to Diverse Travel Needs	Low	High, where and when available	High	Low	High	High

Increase Current Rates:

This report gave cost estimates for round trip reimbursement of \$21, \$24, \$30, and doubling the current rate to \$17.40. Establishing an equitable rate would alleviate current system constraints presently felt by

providers. These figures were provided by a 2012 consulting report formulating such an appropriate rate only once, based on the present level of need, will likely lead to a similar situation and review years later.

Pair Rates on an Inflation Index

The reliance on subjective point-in-time rate adjustments is a costly annual endeavor. This process opens the process to inaccurate calculations between years and lag bias. A method that would set a base rate and tie it to an indexed measure of inflation, such as real value under the Consumer Price Index, would require more upfront costs but little maintenance thereafter. Such a method would support the integrity of the Utah model, while increasing options for people in services as providers look to expand services.

Public Transit through UTA

The reliance on UTA to provide the majority of transportation services for Utahans with disabilities is not currently tenable. UTA services have known limitations for this population. UTA does not provide staffing trained to assist in medical or behavior challenges. UTA does not equally serve areas both in access or by schedule. Finally, in 2010 UTA reduced their paratransit service corridors. Trips beyond ¾ of a mile from all ADA mass transit pick-up locations were eliminated to control costs.

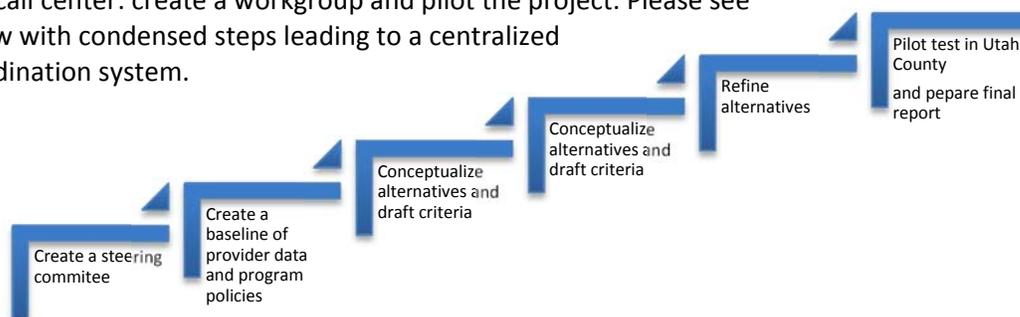
Relying on UTA for transportation would introduce issues to the UTA model. The *Transportation Project* report found length of loading and unloading of passengers to be one of the most significant challenges for providers and other agencies offering transportation for people with disabilities. As UTA looks to increase efficiency to control costs, quality of service for both agency and persons would be questionably addressed in this model.

Create a Separate Rate for Urban and Rural Areas

Rural and urban areas face assumed differences in the economies of scale of transportation infrastructure, employment opportunities, availability of services to meet needs, and even providers present in frontier areas. Such challenges have led DSPD to institute a 12% urban and rural rate differences for its managed Autism Waiver. The Utah Department of Health provides a rate enhancement for transportation the New Choices Waiver. When paired with a system wide rate increase, a rural enhancement would likely help remote areas achieve services in the private market.

Central Coordination:

The focus of the 2012 “Transportation Project” report was to test the assumption that joint scheduling and ventures between DSPD providers and other state agencies would yield significant efficiency in transportation services. The coordination project would include a regional or state level one-call center to coordinate services. The “Transportation Project” report recommends two basic processes to create a one-call center: create a workgroup and pilot the project. Please see the chart below with condensed steps leading to a centralized coordination system.



A one-call coordination center provides a simple sharing of resources in theory. When communication is vibrant and a pool of resources is combined, the search, bargain, and enforcement of transportation services would be more efficiently managed. However, there are many challenges facing such a system. They include:

- Use of the “most critical needs” require specialized training for unique medical and behavior challenges,
- Independent freedom and flexibility to address the needs of the people they serve. There are concerns that this system would be inflexible.
- Assigning insurance and liability to one entity would be difficult,
- Private agencies have legitimate concerns of communicating with market competitors,
- Many urban and rural providers operate at vehicle capacity, while others operate vehicles for unique needs,
- Despite low rates, some agencies report they are running transportation efficiently,
- Some providers maximize their business model through different transportation decisions such as purchasing a new or used vehicle,
- Systems of trust would have to be established and might preclude new provider entrants from fair treatment,
- Concern that any realized cost savings be unevenly distributed across providers,
- Other agencies, including United Way, have proven incapable of meeting disabilities needs,
- And reliance on others to received reimbursement may lead to subterfuge by competitors.

Within these confines, the *Transportation Project* found “no significant potential exists if coordination efforts are limited to DSPD providers.” “There may be instances where two or more agencies are able to benefit from joint scheduling, but this is unlikely to be the most common situation.”

The authors of the *Transportation Project* believe “there is good potential for benefits if coordination is implemented across programs.” The report forecasted benefits from combining DSPD, Aging, and other state agencies transportation services. The report suggests operationalizing a pilot program in Utah County with full implementation requiring 18 months. This timeline seems untenable. A thoughtful structural change to multiple private agencies, State agencies, and legal review would require greater communication, coordination, and time than suggested.

The assumed cost-saving gains predicted by the *Transportation Project* is the potential to, “eliminate duplication of efforts and overlapping services.” The ability to find substantive efficiencies within the system are curious given, “Both urban and rural providers typically fill their vehicles so there are not empty seats that can be filled” and several providers interviewed stated they used transportation to capacity. DSPD draws people into service under most critical needs and the very construction of Utah’s disability waivers suggest there are medical and behavior needs that require trained and specialized people to assist the needs of the transported people.

Other Utah consultation reports focused on consolidating and/or coordinating transportation services uncovered similar reasons for not implementing this policy option. The Bear River Association of Government Mobility Management Business Plan found coordination with local partners would net gains but a “detailed cost benefit analysis determined that consolidation strategies including centralized scheduling and dispatch and consolidation of operations would not result in the desired outcomes at this time. Although many project stakeholders initially expected that consolidation of scheduling and dispatch functions would create improved economies of scale, the cost benefit analysis revealed

negative economies of scale resulting from consolidation. As proposed, consolidation was found to potentially increase costs while threatening to significantly affect service quality. Several iterations of consolidated operations were tested, but these too were not justified by the anticipated cost benefit outcomes.”¹¹

If the state were to move to a one-call coordination center, the first steps to such a system would be to formulate a workgroup. The work group would be composed of providers, State agencies such as DSPD, UDOT, Aging, stakeholders, advocacy groups, and people with disabilities.

Conclusion

The accurate capture and reflection of transportation services is difficult due to a wide variance of the variables against many unequal variables. The most recent, consultant-based study of the DSPD transportation MTP rate comes from the Utah United We Ride Initiative, Improving Transportation Services for DSPD Consumers, August 2012 report.

The United We Ride report states, “DSPD is now often paying less than 50% of the expenses that agencies typically incur to transport DSPD’s clients.” Additionally, as noted in the report, the MTP code “has not been substantively reviewed since its introduction in 1997. A realignment of the base rate may more accurately reflect current transportation costs, or indexing a substantiated base rate to a measure of inflation, such as the CPI, may help to control the frequency of similar studies in the future.

Transportation gets people to needed services and builds bridges of inclusion for the disadvantaged. Adequate transportation services are necessary to access the community, meet people’s needs, and comply with Federal Waiver requirements.

References:

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¹⁰ Consumer Price Index, United States Department of Labor.

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¹¹ Bear River Region Mobility Management Business Plan-Final Report, Bear River Association of Governments. September 2012. www.bearrivermobility.org/uploads/1/0/8/0/.../businessplan_final.pdf

And exhaustive reference to:

Transportation Project, Utah United We Ride Initiative, Improving Transportation Services for DSPD Consumers, August 2012. IBI Group, TransitPlus, WESTAT and VIA. To find out more information, please visit the Utah Department of Transportation's website

at: <http://www.udot.utah.gov/main/uconowner.gf?n=11137317426209167>