

## Chris Steller

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**From:** Kochanski, Alexis R (DHS) <Alexis.Kochanski@state.mn.us>  
**Sent:** Tuesday, April 2, 2019 8:15 PM  
**To:** 'Sen. Michelle Benson'; Sen. Jim Abeler; 'sen.jeff.hayden@senate.mn'; 'jmarty@senate.mn'  
**Cc:** Chris Steller; James Nobles; Frans, Myron (MMB); Andrea Todd-Harlin; Dennis Albrecht; Katie Cavanor; LaRissa Fisher; Liam Monahan; Patrick Hauswald  
**Subject:** DHS Legislative Report Submission - Access to Waiver Transportation Used by Minnesota's Home and Community-Based Program Participants  
**Attachments:** 2019-DSD-transportation-report.pdf

Dear Legislators,

Good evening.

Please find the following legislatively mandated report attached:

- Access to Waiver Transportation Used by Minnesota's Home and Community-Based Program Participants

Please let me know if you have any questions.

Thank you.

Alexis Russell Kochanski, MPH  
Director of State Legislative Relations | External Relations

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## Chris Steller

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**From:** Kochanski, Alexis R (DHS) <Alexis.Kochanski@state.mn.us>  
**Sent:** Tuesday, April 2, 2019 8:13 PM  
**To:** Rep.Tina Liebling; Rep.Rena Moran; Rep.Jennifer Schultz; Rep.Joe Schomacker; Rep.Debra Kiel; Rep.Glenn Gruenhagen  
**Cc:** James Nobles; Frans, Myron (MMB); Chris Steller; Chris McCall; Danyell Punelli; Doug Berg; Elisabeth Klarqvist; Joe Durham; Pat McQuillan; Randall Chun; Sarah Sunderman  
**Subject:** DHS Legislative Report Submission - Access to Waiver Transportation Used by Minnesota's Home and Community-Based Program Participants  
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# Legislative Report

## **Access to Waiver Transportation Used by Minnesota's Home and Community-Based Program Participants**

Prepared by Navigant Consulting

**Disability Services Division**

January 2019

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# I. Executive summary

In 2017, the Minnesota Legislature directed the Department of Human Services (DHS) to conduct a study of the current transportation system available to people who receive home and community-based waiver services (HCBS) related to aging and/or disabilities. Through waiver transportation services, people are able to access the community, go to work, meet their friends and family and attend community events.

This study is a result of the:

- Increasing demand for waiver transportation as Minnesota supports more people in waiver programs in non-congregate care environments.
- Identification of the need to increase waiver transportation options by the DHS 2015 Gaps Analysis Study.
- Need to achieve community integration and community employment goals set forth in Minnesota's Olmstead Plan.

DHS contracted with Navigant Consulting to conduct this study. Navigant's team included the University of Minnesota's Humphrey School of Public Affairs and national transportation expert David Raphael of Community Mobility Solutions.

There are two components of this HCBS waiver transportation study:

- **Rate Study:** This identifies and recommends HCBS non-medical related transportation service rates for Minnesota's four disability waiver programs and the Elderly Waiver and Alternative Care programs.
- **Access Study:** This identifies and recommends technical and administrative improvements to HCBS transportation available to people under Minnesota's four disability waiver programs and the Elderly Waiver and Alternative Care programs.

## Background on waiver transportation

Home and community-based services provide opportunities for older adults and people with disabilities to receive services in their own homes or communities, rather than institutional settings. Examples of services are adult day services, customized living, personal care assistance, day training and habilitation (DT&H) and waiver transportation. States must ask special permission from the federal government to use Medicaid funding to deliver HCBS. This permission is granted in the form of a waiver of federal requirements. As such, these programs are called "HCBS waiver programs," and they vary across states in terms of the included services and eligibility.

DHS administers six HCBS programs:

- Community Alternative Care (CAC)
- Community Access for Disability Inclusion (CADI)
- Brain Injury (BI)
- Developmental Disabilities (DD)
- Elderly Waiver (EW)
- Alternative Care (AC) program.

The first four waivers provide disability-related services to eligible people with disabilities. The last two programs provide eligible people with services related to aging. Lead agencies (i.e., county social service agencies, managed care organizations [MCOs] and tribal agencies) coordinate and manage the delivery of services for these programs.

Waiver transportation is an HCBS service that allows people to access their communities and lead productive and fulfilled lives. This includes transportation for people so they can shop for groceries, go to work and participate in recreational and community activities. In State Fiscal Year (SFY) 2016, 16,254 people in Minnesota received waiver transportation services totaling \$24,688,151 in Medicaid expenditures. This accounts for approximately 1 percent of overall HCBS waiver spending.

Navigant limited its study to separately billable waiver transportation services. As such, the waiver transportation study does not include the following Medicaid-funded transportation services:

- Services provided as a component of another waiver service and reimbursed within the rate for the other service (e.g., adult day care, in-program DT&H and residential services, etc.)
- Emergency medical (EMT) and non-emergency medical (NEMT) transportation services.

Types of waiver transportation providers include:

- Taxis
- Van services
- Public buses and trains
- Metro Mobility
- Volunteer drivers.

The Centers for Medicare & Medicaid Services (CMS) requires that HCBS providers be Medicaid-enrolled. To meet that requirement, DHS created policies that allow lead agencies to recognize a provider as Medicaid-enrolled for the purposes of waiver transportation services.

DHS also established [provider standards and qualifications](#) for three types of transportation providers:

- Specialized
- Individual driver
- Common-care/direct-delivery services.

In 2013, CMS required states, including Minnesota, to develop standardized service definitions and rates for all HCBS waiver programs. In 2014, DHS implemented new statewide HCBS rates for a majority of services, but excluded waiver transportation services. This exclusion was largely due to the relatively low percentage of HCBS expenditures on waiver transportation services and the complex variations in the delivery of waiver transportation services.

However, by excluding these services in the HCBS rate-setting process, the program has experienced more inconsistency, variability and challenges related to data collection and the analysis of:

- Utilization
- Payments
- Service
- Access needs.

## **Waiver transportation study methodology**

The Navigant team developed recommendations based on extensive and comprehensive research and analysis of the delivery of waiver transportation services in Minnesota and nationwide. This research and analysis included:

- Interviewing approximately 90 Minnesota waiver transportation stakeholders who represent counties, tribal agencies, MCOs, providers, consumer organizations and state agencies
- Conducting a Minnesota-specific cost and wage waiver transportation survey
- Conducting an access survey with providers of waiver transportation services focused on understanding fleet capacity and barriers to providing services
- Reviewing documentation and research related to Minnesota's transportation-related programs and activities.

Navigant also reviewed programs in other states through interviews with state staff who are responsible for waiver transportation. It compared national emerging trends in this area, as well.

## Key themes from stakeholder feedback

Stakeholder feedback generated six consistent themes regarding barriers to access for waiver transportation. These themes provided context and a foundation for Navigant's final recommendations. They are:

- Lead agency authorization and coordination of services take a lot of time and could be more efficient.
- There is wide variability with provider approval requirements and payment policies across lead agencies.
- Lead agencies and providers could benefit from improved infrastructure support and centralization of administrative functions.
- Vehicle sharing among transportation providers is limited, if not prohibited, due to liability and other issues. Expanding vehicle sharing could increase the availability of and hours of operation for waiver transportation providers.
- Evaluating the quality and cost of waiver transportation services is challenging without defined statewide service standards, more detailed utilization and expenditure reporting capabilities and a process for uniform tracking of individual access and service issues.
- The widespread perception of an inadequate and uneven rate structure hampers provider participation.

## Recommendations

Navigant's recommendations aim to improve access to and the efficiency of waiver transportation services, and address changes to the state's reimbursement structure for waiver transportation rates. These recommendations specifically include:

1. Identifying the necessary changes to policies, regulations and/or state law to support recommendations and secure enhanced federal Medicaid matching funds (90/10) to implement administrative changes.
2. Developing and establishing uniform, statewide provider requirements and corresponding rates for a new waiver transportation program.
3. Developing a centralized infrastructure to support a waiver transportation program for provider network and payment management (this would include an online provider database for lead agency use and the ability to convert provider invoices into claims for Medicaid reimbursement).
4. Developing and implementing a centralized infrastructure to support lead agency service authorization and coordination functions, based on further study after implementing recommendation No. 3 (e.g., DHS could contract with coordination service organizations to support the use of a mobile app similar to what is used by other on-demand transportation providers, such as Uber and Lyft).

5. Developing and implementing a new rate methodology for waiver transportation that considers provider costs and the variation in provider and service types.

The implementation of Navigant’s recommendations may require a four-year period. Further details on these recommendations and related timelines are in [Section VI: Recommendations for technical and administrative improvements](#) and [Section VII: Recommendations related to rate methodology](#) of the report.

## II. Legislation

Laws of Minnesota 2017, Chapter 6, Article 1, section 48 provides:

The Commissioner of Human Services, with cooperation from lead agencies and in consultation with stakeholders, shall conduct a study to identify opportunities to increase access to transportation services for an individual who receives home and community-based services. The Commissioner shall submit a report with recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over human services by January 15, 2019. The report shall:

- (1) study all aspects of the current transportation service network, including the fleet available, the different rate-setting methods currently used, methods that an individual uses to access transportation, and the diversity of available provider agencies;
- (2) identify current barriers for an individual accessing transportation and for a provider providing waiver services transportation in the marketplace;
- (3) identify efficiencies and collaboration opportunities to increase available transportation, including transportation funded by medical assistance, and available regional transportation and transit options;
- (4) study transportation solutions in other states for delivering home and community-based services;
- (5) study provider costs required to administer transportation services;
- (6) make recommendations for coordinating and increasing transportation accessibility across the State; and
- (7) make recommendations for the rate setting of waived transportation.

## III. Introduction

Home and community-based services (HCBS) provide opportunities for older adults and people with disabilities to receive services in their own homes or communities rather than institutional settings. Many people in Minnesota who receive waiver services rely on waiver transportation to access community resources and supports, such as shopping, employment, community and recreational opportunities. Waiver transportation services are important to help people participate more fully in their communities and lead more productive, self-determined and fulfilled lives.

The Minnesota Department of Human Services' (DHS) Disability Services Division works with the DHS Health Care Administration, Aging and Adult Services Division, the Minnesota Department of Transportation (MnDOT), and statewide transportation service providers to ensure that appropriate, statewide solutions are identified to support access to waiver transportation services.

### Purpose of report

In 2017, the Minnesota Legislature directed DHS to conduct a study of the current transportation system available to people who receive HCBS. This study is a result of the:

- Increasing demand for waiver transportation as Minnesota moves toward supporting more waiver recipients in non-congregate care environments.
- Identification of the need to increase waiver transportation options by the 2015 DHS Gaps Analysis Study.
- Need to achieve community integration and employment goals set forth in Minnesota's Olmstead Plan.

Following the study, the statute requires the DHS commissioner to submit a report containing recommendations to the legislature by Jan. 15, 2019.

DHS contracted with Navigant Consulting to conduct this study. Navigant's team includes the University of Minnesota's Humphrey School of Public Affairs and national transportation expert David Raphael of Community Mobility Solutions.

This study had two main parts:

- An **access study** to identify and recommend technical and administrative improvements to waiver transportation.
- A **rate study** to identify and recommend service rates.

Navigant conducted the study during a six-month period (June 2018 – December 2018). This report represents Navigant's findings and final recommendations for changes to the current waiver transportation program.

The Navigant team conducted the study in collaboration with:

- DHS and MnDOT
- An Access Advisory Group established for this study
- A Rate Advisory Group established for this study
- Stakeholder groups representing consumer groups, other government agencies, waiver transportation providers, counties, managed care organizations (MCOs), tribal agencies and service organizations.

As part of the project, the University of Minnesota developed and conducted a survey on waiver-transportation access issues (referred to in this report as the “access survey”). It focused on obtaining information from providers to better understand and assess the current capacity and characteristics of the waiver transportation fleet and the opportunities for shared services. Navigant developed a cost and wage survey of waiver transportation providers (referred to in this report as the “cost survey”). The results of the cost survey were used to inform the proposed new reimbursement rates for waiver transportation providers.

Table 1 provides a list of common acronyms for ease of reference.

**Table 1: Common related acronyms**

<b>Acronym</b>	<b>Description</b>
AAA	Area Agencies on Aging
ACA	Affordable Care Act
AC	Alternative Care program
BI	Brain Injury Waiver
CAC	Community Alternative Care Waiver
CADI	Community Access for Disability Inclusion Waiver
CBSM	Minnesota’s Community-Based Services Manual
CMS	Centers for Medicare & Medicaid Services
DD	Developmental Disabilities Waiver
DHS	Minnesota Department of Human Services
DT&H	Day training and habilitation (a waiver service)
DWRS	Minnesota Disability Waiver Rate System
EAA	Environmental accessibility adaption (a waiver service)
EW	Elderly Waiver
EMT	Emergency medical transportation (a state plan service)
FFS	Fee-for-service
FTA	Federal Transit Authority

<b>Acronym</b>	<b>Description</b>
HCBS	Home and community-based services
HIPAA	Health Insurance Portability and Accountability Act
I/DD	Individuals with intellectual and/or developmental disabilities
MACSSA	Minnesota Association of County Social Service Administrators
MCO	Managed care organizations
MCOTA	Minnesota Council on Transportation Access
MnDOT	Minnesota Department of Transportation
MSP	Mobility service providers
NCI-AD	National Core Indicators – Aging and Disability
NEMT	Non-emergency medical transportation (Medicaid state plan)
OOA	Older Americans Act
RTCC	Regional Transportation Coordinating Council
SFY	State fiscal year
STS	Specialized transportation services
TNCs	Transportation network companies (e.g., Veyo, Uber, Lyft, etc.)

## IV. Methodology

Navigant’s study methodology involved qualitative, mixed method and quantitative research components. The observations gained from this research, including the input of the two advisory groups, informed and guided Navigant’s recommendations. These components are described in more detail below.

### Qualitative research

- Interviews with representatives from eight states regarding their non-emergency medical transportation (NEMT) and HCBS programs to understand their structure and potential relevance for Minnesota.
- Input and guidance from the Access Advisory Group and the Rate Advisory Group (these two groups included representatives from consumer-based organizations, transportation providers, and government agencies)
- Interviews with DHS staff to understand the history of waiver transportation rates.
- Interviews with approximately 90 stakeholders comprised of individuals and groups, and email-based discussion groups including:
  - Associations representing people who use waiver services and providers who deliver those services
  - Waiver transportation providers
  - Minnesota state agency representatives from DHS, MnDOT, Metro Council and the University of Minnesota Humphrey School of Public Affairs
  - Lead agencies, including:
    - Representatives from four counties – Dakota, Scott, Meeker – who represented the Minnesota Association of County Social Service Administrators (MACSSA), and Itasca who represented both the county and MCO perspectives
    - All seven MCOs responsible for delivering waiver services for older adults
    - Email solicitation from tribal agencies that have waiver programs
  - Literature and document review that included:
    - National and local emerging transportation initiatives and new technology
    - Studies conducted on Medicaid transportation programs across the country
    - Scan of approved waiver applications from other states and the rate methodologies for transportation services
    - Relevant Minnesota transportation-related programs, activities and published documents/reports, for example:
      - Metro Mobility Task Force’s legislative report
      - Reports and white papers developed by the Minnesota Council on Transportation Access (MCOTA)

- Minnesota local human service public transit coordination plans
- Olmstead Transportation Forum’s final report
- Minnesota Olmstead Plan Quality of Life Survey’s baseline report
- DHS Gap Analysis for long term services and supports
- Minnesota-specific results for National Core Indicators – Aging and Disability (NCI-AD)
- Minnesota and Medicaid statutes, policies and regulations, such as:
  - State laws regarding STS providers
  - Minnesota’s HCBS 1915(c) waiver applications
  - Minnesota’s Community-Based Services Manual (CBSM)
  - Minnesota rate setting-related administrative rules (e.g., Minnesota Statutes Chapter 256B, Minnesota Administrative Rules 256B.4914, etc.)
  - NEMT requirements
  - Medicaid HCBS regulations.

### Mix method research

- Access study, which was conducted by the University of Minnesota, Humphrey School of Public Affairs. It focused on understanding fleet capacity and barriers to providing waiver transportation.

### Quantitative research

- The cost survey, which requested specific information from waiver transportation providers about the costs of providing services
- Review of Federal Transit Authority (FTA) grant awards for Minnesota
- Review of existing rate models and rate assumptions from the Minnesota Disability Waiver Rate System (DWRS)
- Review and analysis of Minnesota Medicaid expenditure and utilization data
  - Summaries of HCBS paid claims data for SFYs 2016 and 2017
  - SFYs 2016 and 2017 of fee-for-service Medicaid NEMT and waiver transportation claims
  - SFYs 2016 and 2017 managed care summary data for HCBS waiver transportation services
  - Audited line item expenditure data from MnDOT transit systems in Greater Minnesota for calendar years 2015-2017
  - Vehicle cost and useful life data from Metro Mobility and MnDOT for 2017 and 2018
  - Minnesota statewide wage data from the 2017 Bureau of Labor Statistics.

For reference, [Appendix A](#) provides a short summary of the function/scope of key agencies and organizations that are involved in the delivery of waiver transportation services.

# V. Research summary and key themes

## Part I: Background on waiver transportation

This study focused on separately billable non-medical transportation services provided and paid for under Minnesota’s HCBS waiver programs for people with disabilities and older adults. These programs – referred to collectively as “waiver programs” throughout this report – are Medicaid-funded through Section 1915(c) of the Social Security Act and include:

- Community Alternative Care (CAC) Waiver
- Community Access for Disability Inclusion (CADI) Waiver
- Brain Injury (BI) Waiver
- Developmental Disabilities (DD) Waiver
- Elderly Waiver (EW)
- Alternative Care (AC) program.

The array of services provided under the waiver programs include residential habilitation (e.g., in-home family support and supported living services), personal support services, adult day services, day training and habilitation (DT&H), home-delivered meals, respite, supported employment services and others.

Waiver transportation services (used by 16,254 people in SFY 2016) are those necessary to gain access to community services, resources and activities.<sup>1,2</sup> These services were slightly less than 1 percent of the total waiver program budget in SFY 2016 (approximately \$24,688,151).<sup>3</sup>

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<sup>1</sup> [Minnesota Department of Human Services, Community-Based Services Manual, Transportation page, 2018](#)

<sup>2</sup> Expenditures from State Fiscal 2017 (1) fee-for-service claims from Minnesota MMIS and (2) summary managed care expenditures, received from DHS on June 8, 2018. Data represents CAC, CADI, BI, DD, EW and AC waiver programs.

<sup>3</sup> Expenditures from State Fiscal 2017 (1) fee-for-service claims from Minnesota MMIS and (2) summary managed care expenditures, received from DHS on June 8, 2018. Data represents CAC, CADI, BI, DD, EW and AC waiver programs.

As this study was limited to separately billable waiver transportation services, waiver transportation services examined by this study do not include the following:

- **Transportation services provided as an essential component of another Medicaid HCBS service.** Examples include adult day health care, DT&H and group homes. Transportation is included in the rate for those services and not billed separately.
- **Medical transportation services.** These services are paid for by the Medicaid program and include emergency medical transportation (EMT) and NEMT used by people to access medical services such as doctor's appointments. In Minnesota, medical transportation is purchased by managed care organizations (MCOs) and by DHS directly for populations covered under fee-for-service care.

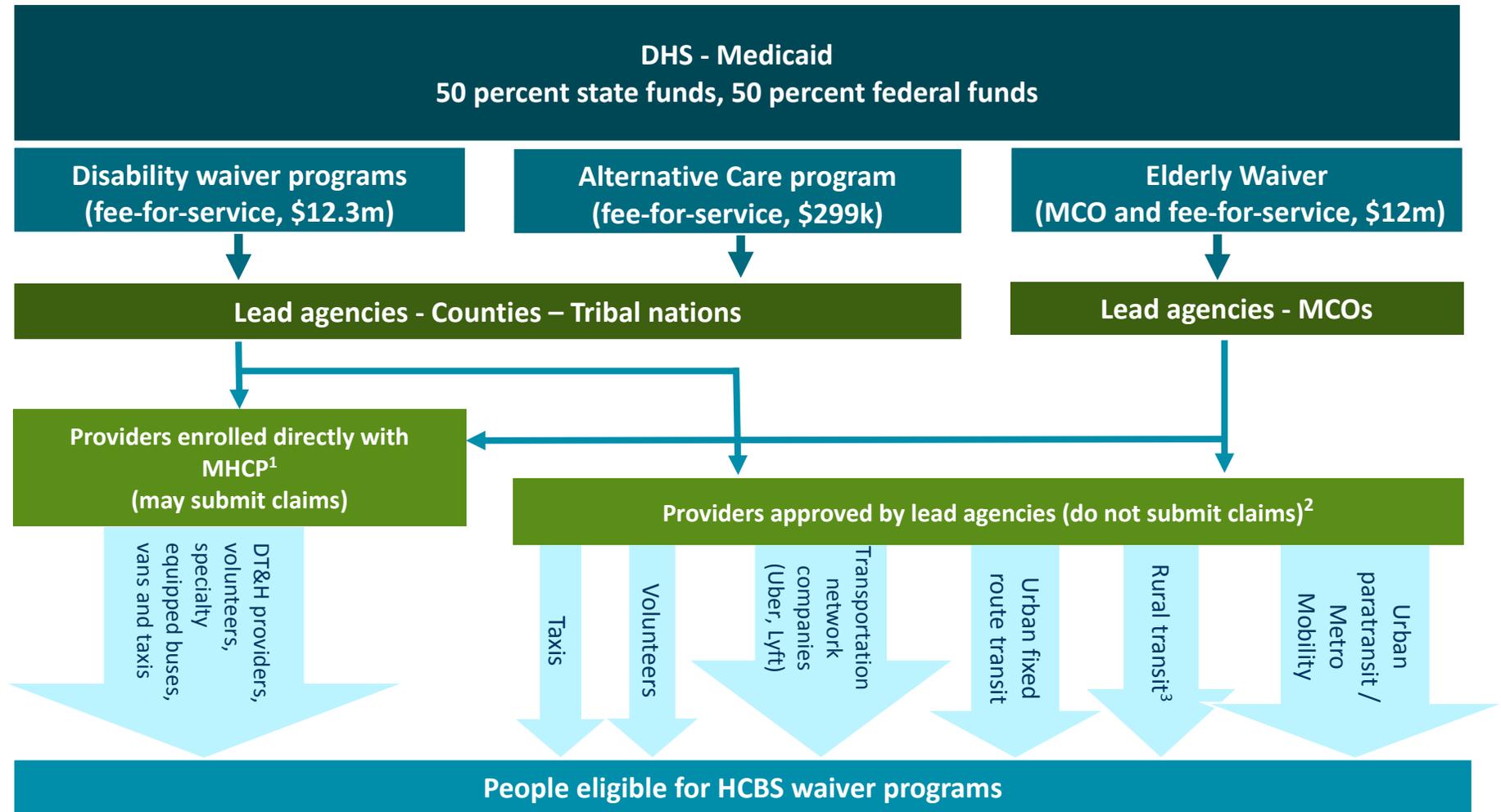
In Minnesota, lead agencies are responsible for the delivery of waiver program services. Lead agencies include 87 county agencies, four tribal agencies and seven MCOs. The disability waiver and AC program services are coordinated and delivered by county social service and tribal agencies. MCOs deliver most of the services under the Elderly Waiver (EW).

Before 2014, all HCBS rates were developed by lead agencies and were not standardized. In 2013, the Centers of Medicare & Medicaid Services (CMS), which oversees state Medicaid programs at the federal level, required all states to develop statewide service definitions and reimbursement rates for HCBS programs.

DHS subsequently developed and implemented standardized statewide HCBS definitions and rates for all providers except waiver transportation providers. DHS excluded waiver transportation in the preliminary group of services for which standardized rates were set. This exclusion was largely due to the relatively low percentage of HCBS spending on waiver transportation services.

Figure 1 provides a high-level overview of the funding flow for waiver transportation services, which also is described in detail in the following pages.

Figure 1: Funding flow for separately billable waiver transportation services (SFY 2016)



NOTES

1. Providers that deliver DHS enrollment-required services and have previously been referred to as Tier 1 providers.
2. Providers that deliver DHS or lead agency approval-option services and have previously been referred to as Tier 2 or Tier 3 providers.
3. Fixed route, Dial-A-Ride, small bus, etc.

## Waiver transportation coordination and role of lead agencies

CMS requires that all Medicaid HCBS providers be Medicaid-enrolled. To meet these requirements, DHS created policies that allow lead agencies to approve providers for purposes of delivering waiver transportation services if a provider is not already enrolled as a Minnesota Health Care Programs (MHCP) provider. Lead agencies may choose to use exclusively MHCP-enrolled providers or approve their own service vendors.<sup>4</sup> Most providers approved by lead agencies and not MHCP-enrolled submit invoices (not in a Medicaid claim format) for payment. Lead agencies then convert documentation from invoices into Medicaid claims to receive DHS reimbursement.

For waiver transportation services, Minnesota's lead agencies are responsible to:

- Develop a provider network
- Coordinate and authorize services
- Develop payment rates
- Pay for all services.

These agencies work with people with disabilities and older adults to schedule waiver transportation trips, which provide the type of transportation needed and available to each person, based on his/her specific needs and requirements. People who are eligible for waiver transportation services may coordinate their own transportation, but since authorization for transportation services is required, they typically work with a case manager employed by the lead agency. Table 2 provides a description of the key differences between the lead agencies for EW, AC and other waiver programs related to disabilities.

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<sup>4</sup>Minnesota Department of Human Services, Community-Based Services Manual, [Lead agency oversight of waiver/AC approval-option service vendors page](#)

**Table 2: Lead agency differences between waiver programs**

Category	Fee for service purchasing model (Disability waivers, AC, and some EW )	Managed care purchasing model (Most of EW)
<b>Lead agency</b>	County social service agencies and some tribal nations	MCOs
<b>Payment methodology</b>	County agencies and tribal nations may use the published DHS maximum rates when available, but otherwise negotiate their own rates with providers.	MCOs may establish their own fee schedules, which may include the published DHS maximum rate.
<b>Contracted providers</b>	Lead agencies contract with providers.	MCOs may use county-approved providers, develop their own network of providers or use a combination of both.
<b>Claim submission</b>	Lead agencies submit Medicaid claims to receive payment from DHS. For providers who submit invoices instead of Medicaid claims, lead agencies must translate the information on the invoices into the Medicaid claims format.	MCOs must provide DHS with Medicaid encounter data, which meets the federal and state Medicaid claims reporting requirements. For providers who do not submit claims, MCOs must translate the information on invoices into the Medicaid encounter claims format.

**Waiver transportation provider types**

Generally, the types of transportation providers range widely, (e.g., individual personal vehicles, on demand vehicles, small vans, buses, etc.), but fall into three main categories:

- Specialized transportation services (STS)
- Non-commercial individual drivers
- Common carriers.

Each category has certain enrollment, billing and provider standards and qualifications it follows, as described here:<sup>5</sup>

### **Specialized transportation service (STS) providers**

Specialized transportation consists of public or private entities or people who exclusively or primarily serve older adults or people with disabilities who are unable to use regular means of transportation but do not require ambulance services. These are referred to as “door-through-door” and include, for example, those provided by specially equipped buses, vans, taxis and volunteers driving private automobiles.<sup>6</sup> Generally, specialized transportation service providers must be licensed by MnDOT and available to serve the public.<sup>7</sup>

The state laws governing the licensing of specialized transportation service exempt nursing homes, DT&H providers and group-home providers from obtaining a license if they:

- Meet DHS requirements
- Meet MnDOT STS inspection standards
- Agree not to provide transportation services to anyone other than their own residents or clients<sup>8</sup>.

The specific statute reads:

174.30 Operation Standards for Special Transportation Service:

(b) The operating standards adopted under this section only apply to providers of special transportation service who receive grants or other financial assistance from either the state or the federal government, or both, to provide or assist in providing that service; except that the operating standards adopted under this section do not apply to any nursing home licensed under section 144A.02, to any board and care facility licensed under section 144.50, or to any day training and habilitation services, day care, or group home facility licensed under sections 245A.01 to 245A.19 unless the facility or program provides transportation to nonresidents on a regular basis and the facility receives reimbursement, other than per diem payments, for that service under rules promulgated by the commissioner of human services.

Specialized transportation is a DHS enrollment-required service with specialized transportation services providers enrolling directly with DHS. Many submit Medicaid claims directly to lead agencies. The Minnesota Department of Transportation (MnDOT) must certify

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<sup>5</sup> [Minnesota Department of Human Services, Community-Based Services Manual, Transportation page](#), 2018

<sup>6</sup> [2017 Minnesota Statute, Section 174.30, Subdivision 1](#)

<sup>7</sup> [2017 Minnesota Statute, Section 174.30, Subdivision 1](#)

<sup>8</sup> [Minnesota Department of Transportation, Special Transportation Services](#)

specialized transportation services not excluded by state law ([Minn. Stat. §174.29 to §174.29](#)).

### **Non-commercial, individual drivers:**

Non-commercial, individual drivers can provide transportation as a paid service provider or in volunteer capacity for mileage reimbursement using the Internal Revenue Service (IRS) standard mileage rate. An individual driver must:

- Meet the person's needs and preferences in a cost-effective manner
- Meet all applicable state laws/rules and local regulations
- Maintain a valid Minnesota driver's license and adequate automobile insurance coverage, as required under [Minnesota Statutes, Chapter 65B](#).

Individual driver transportation providers either can enroll with DHS or be approved by a lead agency. Lead agencies may authorize and pay these providers for waiver transportation services.

Lead agencies are authorized by DHS to develop their own criteria for using waiver transportation providers. They must follow the vendor approval process outlined by DHS. This includes conducting criminal background and driver's license checks, validating insurance coverage and requiring provider training on the Health Insurance Portability and Accountability Act (HIPAA) as well as other provider training.<sup>9</sup> These providers submit invoices to the lead agencies, where they are translated into Medicaid claims to receive payment from DHS.

### **Common-carrier**

A common-carrier provider includes transportation such as buses, taxis and light-rail trains. Common carriers must meet all applicable state laws/rules and local regulations. Metro Mobility is considered a common carrier that provides paratransit services in the Twin Cities metropolitan area.<sup>10</sup> Like individual drivers, common-carrier drivers must:

- Meet the waiver recipient's needs and preferences in a cost-effective manner.
- Enroll with DHS or be approved by a lead agency as a pass-through provider. (If approved as a pass-through provider, they must submit invoices to the lead agencies and the lead agencies then translate these invoices into Medicaid claims to receive payment from DHS.)

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<sup>9</sup>Minnesota Department of Human Services, Community-Based Services Manual, [Lead agency oversight of waiver/AC approval-option service vendors page](#), 2018

<sup>10</sup> Paratransit services are special transportation services for people with disabilities, often provided as a supplement to fixed-route bus and rail systems by public transit agencies.

## Insurance requirements of waiver transportation providers

As with all vehicles in Minnesota, waiver transportation providers must insure their vehicles.<sup>11</sup> Most waiver transportation providers purchase insurance for their vehicles through the commercial insurance market as opposed to the personal auto insurance market. The premium rates and policy terms in the commercial market are driven principally by market competition among insurers and insurer underwriting practices. They are comparatively less regulated in Minnesota than the personal auto insurance market.<sup>12</sup> In addition, specialized transportation services and for-hire carriers have mandatory minimum insurance coverage requirements, which may require policies with greater coverage and higher costs than a private carrier or small-vehicle-passenger-service provider.<sup>13</sup>

### The remainder of the report will refer to:

- Individual drivers and common carrier providers as those who do not submit claims.
- Specialized transportation services providers as those who do submit claims.

## Waiver transportation reimbursement

DHS instructs lead agencies to pay the “market rate” for waiver transportation. Information gathered during lead agency interviews (as part of this study) suggests they typically refer to the Medicaid fees/schedule to determine their rates<sup>14</sup>. The maximum amounts for Medicaid fees/schedules are the same rates for the disability waivers, EW and AC. Specifically:

- One-way trip – procedure code T2003, modifier UC, \$20.21
- Per mile payment – procedure code S0215, modifier UC
  - Commercial vehicle, \$1.54 per mile
  - Non-commercial vehicle, \$0.54 per mile

Special transportation providers may bill both a one-way trip and the commercial per-mile rate. The payment for common carrier or private individual (either commercial or non-commercial) is for a one-way trip or mileage.

For comparison, the codes for NEMT include more variation than the waiver transportation codes (eight procedure codes total), with payment for some codes adjusted when transportation is delivered to an individual residing in areas defined by Minnesota’s Rural-Urban Commuting Area (RUCA) as “super-rural Minnesota.” NEMT may include the following modes of transportation:

- Personal mileage reimbursement
- Volunteer transport

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<sup>11</sup> Minnesota Commerce Department, [Auto Insurance Basics](#)

<sup>12</sup> See for example, [Minn. Rule 2700.2470](#) (2012).

<sup>13</sup> [Minn. Stat. 174.30, subd.2 \(b\)\(4\)](#) (2012); [Minn. Stat. 221.0252, subd. 3\(a\) \(3\)](#) (2012)

<sup>14</sup> Minnesota Department of Human Services, Community-Based Services Manual, [Waiver/AC service provider overview page](#), 2018

- Unassisted transport (includes public transit and curb-to-curb)
- Assisted transport (door-to-door and door-through-door)
- Wheelchair/lift equipped transport
- Protected transport
- Stretcher transport.

### **Billing of services for providers that do not submit Medicaid claims**

The majority of waiver transportation providers do not submit claims. Most of these providers have receipts or invoices and – unless enrolled in the NEMT program – have limited knowledge of the claims submission process, nor the accounting information or other systems needed to generate a Medicaid claim. For those providers who do submit claims, they use DHS-provided claim forms and may submit electronically with the option to submit a hard copy. After claims processing, DHS pays these providers directly.

Since most providers do not submit claims, lead agencies must translate provider invoices into a required claim format to receive Medicaid reimbursement from DHS (and meet federal and state Medicaid reporting requirements). Similarly, MCOs must convert these provider invoices into claim encounter data to meet federal and state Medicaid reporting requirements. This requirement creates an administrative burden for providers and lead agencies. Some lead agencies charge providers an administrative fee to cover the costs of translating invoices into Medicaid claims, which further reduces provider payment.

Through lead agencies, waiver transportation is purchased and reported using waiver-specific procedure codes and modifiers. However, existing procedure codes and modifiers do not reflect the variety of available waiver transportation services, such as distinguishing between a bus pass, a Lyft on demand service or a Metro Mobility service. As a result, this creates a challenge for DHS to monitor waiver transportation expenditures, utilization and provider network changes over time. Table 3 shows a comparison of NEMT and lead agency requirements.

**Table 3: Comparison of NEMT and lead agency HCBS waiver transportation provider requirements<sup>15,16,17</sup>**

Item	NEMT requirements	Lead agency waiver provider requirements
<b>Background check</b>	Not required	Not required
<b>Provider training</b>	Not required	Not required
<b>License confirmation</b>	Not required	Not required
<b>Service authorization</b>	Not required	Not required
<b>Retention of financial data</b>	<p>Five years. Data must include:</p> <ul style="list-style-type: none"> <li>• NPI</li> <li>• Medicaid ID number</li> <li>• Person’s Name</li> <li>• Date of service</li> <li>• Signature of driver and person/authorized party</li> <li>• Address of origin/destination</li> <li>• Mode of transportation</li> <li>• License plate number</li> <li>• Type of transportation</li> <li>• Time of pickup/drop off</li> <li>• Name of other passengers</li> <li>• Electronic source of documentation to calculate driving direction and mileage.</li> </ul>	Five years. Type of data not specified.
<b>Billing/claims submission</b>	Many providers submit Medicaid claims (with procedure codes and modifiers) to the lead agencies. These identify length and type of trip.	<p>Providers submit invoices to the lead agency, which the lead agency often must translate into a Medicaid claim format.</p> <p>No specific oversight or provider billing verification procedures, but DHS suggests lead agencies consider reviewing claims to see if there are duplicates, missing fields, incorrect changes or other errors.</p>
<b>Service authorization and provider agreement</b>	Standard DHS template used.	Lead agency standard format required with a suggested (but not required) template from DHS.

<sup>15</sup> Minnesota Department of Human Services, [Non-emergency Medical Transportation \(NEMT\) Services \(Overview\)](#), 2018

<sup>16</sup> Minnesota Department of Human Services, [Lead agency oversight of waiver/AC approval-option service vendors page](#), 2017.

<sup>17</sup> Minnesota Department of Human Services, [Billing for special transportation services \(STS\) page](#), 2018

## Waiver transportation expenditures and utilization

Table 4 provides a summary of Minnesota fee-for-service and managed-care expenditures by HCBS program for all waiver services including transportation services.

Navigant also performed a comparison of NEMT and waiver transportation expenditures, utilization and providers based on SFY 2016 and 2017 fee-for-service claims. Managed care expenditures specific to NEMT services were not included in the paid claims data from DHS, which created challenges when comparing NEMT and waiver transportation managed care expenditures. As a result, managed care EW expenditures are not represented. As illustrated in Tables 5 to 7, this comparison indicated that:

- Both waiver transportation and NEMT services experienced increases in overall fee-for-service payments between 2016 and 2017. However, the fee-for-service payment per recipient for waiver transportation decreased between 2016 and 2017.
- Fee-for-service waiver transportation expenditures are higher than fee-for-service NEMT (34 percent higher in SFY 2016 and 19 percent higher in SFY 2017).
- The average fee-for-service waiver transportation expenditure per recipient was higher than NEMT for waiver programs for older adults, but lower than NEMT for the waiver programs that serve people with disabilities.
- Of the 875 providers that delivered either NEMT or waiver transportation fee-for-service services in SFYs 2016 and 2017, less than one quarter (23 percent) delivered both types of services, while 39 percent delivered waiver transportation services only.

**Table 4: 2017 Minnesota HCBS programs waiver transportation summary (waiver and home care services)**<sup>18</sup>

Waiver	Description	Transportation service usage	Total waiver program usage
Alternative Care (fee-for-service)	Serves people 65 years and older who are at risk of nursing home placement.	<ul style="list-style-type: none"> <li>• 572 people</li> <li>• \$298,915 in Medicaid expenditures</li> <li>• \$523 per person</li> </ul>	<ul style="list-style-type: none"> <li>• 3,610 people</li> <li>• \$27,292,678 in Medicaid expenditures</li> <li>• \$7,560 per person</li> </ul>
Elderly Waiver (fee-for-service and managed care)	Serves people 65 years and older who require the level of care provided in a nursing facility and choose to reside in the community.	<ul style="list-style-type: none"> <li>• 5,095 people</li> <li>• \$12,075,901 in Medicaid expenditures</li> <li>• \$2,370 per person</li> </ul>	<ul style="list-style-type: none"> <li>• 28,765 people</li> <li>• \$469,766,063 in Medicaid expenditures</li> <li>• \$16,331 per person</li> </ul>
Brain Injury Waiver	Serves people with a traumatic, acquired or degenerative brain injury who require the level of care provided in a nursing facility that provides specialized services for people with brain injury or who require the level of care provided in a neurobehavioral hospital.	<ul style="list-style-type: none"> <li>• 641 people</li> <li>• \$1,052,033 Medicaid expenditures</li> <li>• \$1,641 per person</li> </ul>	<ul style="list-style-type: none"> <li>• 1,421 people</li> <li>• \$105,696,347 in Medicaid expenditures</li> <li>• \$74,382 per person</li> </ul>
Community Alternative Care Waiver	Serves people who are chronically ill and medically fragile who require the level of care provided in a hospital.	<ul style="list-style-type: none"> <li>• 9 people</li> <li>• \$3,658 in Medicaid expenditures</li> <li>• \$406 per person</li> </ul>	<ul style="list-style-type: none"> <li>• 497 people</li> <li>• \$69,838,267 in Medicaid expenditures</li> <li>• \$140,520 per person</li> </ul>
Community Access for Disability Inclusion Waiver	Serves people with disabilities who require the level of care provided in a nursing facility.	<ul style="list-style-type: none"> <li>• 8,446 people</li> <li>• \$9,006,953 in Medicaid expenditures</li> <li>• \$1,066 per person</li> </ul>	<ul style="list-style-type: none"> <li>• 24,027 people</li> <li>• \$873,000,459 in Medicaid expenditures</li> <li>• \$36,334 per person</li> </ul>
Developmental Disabilities Waiver	Serves people with developmental disabilities or a related condition who require the level of care provided in an intermediate care facility for persons with developmental disabilities (ICF/DD).	<ul style="list-style-type: none"> <li>• 1,491 people</li> <li>• \$2,250,692 in Medicaid expenditures</li> <li>• \$1,510 per person</li> </ul>	<ul style="list-style-type: none"> <li>• 17,498 people</li> <li>• \$1,267,220,690 in Medicaid expenditures</li> <li>• \$72,421 per person</li> </ul>

<sup>18</sup> Minnesota Department of Human Services, Request for Proposal for a Qualified Contractor to Conduct a Study and Provide Recommendations to Improve Access to Waiver Transportation used by Minnesota’s Home and Community-Based Program Participants. 2017. Includes waiver and home care expenditures.

**Table 5: SFY 2016 expenditures and recipients by waiver program – waiver transportation and NEMT services (fee-for-service only) <sup>19</sup>**

Waiver	Waiver transportation services			NEMT services		
	Unduplicated users	Medicaid fee-for-service payments	Medicaid fee-for-service payment per person	Unduplicated users	Medicaid fee-for-Service payments	Medicaid fee-for-service payment per person
Disability waivers <sup>20</sup>	856	\$424,231	\$496	8,138	\$7,890,173	\$969
EW and AC program	10,588	\$12,315,080	\$1,163	5,881	\$1,600,704	\$272

**Table 6: SFY 2017 expenditures and recipients by waiver program – waiver transportation and NEMT (fee-for-service) <sup>21</sup>**

Waiver	Waiver transportation services			NEMT services		
	Unduplicated users	Medicaid fee-for-service payments	Medicaid fee-for-service payment per person	Unduplicated users	Medicaid fee-for-service payments	Medicaid fee-for-service payment per person
Disability waivers <sup>22</sup>	864	\$384,091	\$445	6,830	\$9,668,918	\$1,416
EW and AC program	12,338	\$13,246,876	\$1,074	6,586	\$1,774,690	\$269

<sup>19</sup> All unduplicated user (i.e., people who receive services) counts are by waiver. A person who changes a waiver throughout the course of year may be counted twice (e.g., a person who changes eligibility from AC to EW would be counted twice, once under the AC and a second time under the EW).

<sup>20</sup> DD, CADI, CAC and BI waiver programs.

<sup>21</sup> All unduplicated user (i.e., people who receive services) counts are by waiver. A person who changes a waiver throughout the course of year may be counted twice (e.g., a person who changes eligibility from AC to EW would be counted twice, once under the AC and a second time under the EW).

<sup>22</sup> DD, CADI, CAC and BI waiver programs.

**Table 7: Providers delivering NEMT and waiver transportation services, SFYs 2016-2017 (fee-for-service only and based on the treating provider as opposed to the pay-to-provider)**

Provider service	Number of providers	NEMT fee-for-service payments	Waiver transportation fee-for-service payments	Total NEMT and waiver transportation fee-for-service payments
Providers delivering NEMT only	332	\$7,104,262	0	\$7,104,262
Providers delivering waiver transportation only	340	0	\$17,663,001	\$17,663,001
Providers delivering both	203	\$13,830,224	\$8,707,277	\$22,537,501
<b>Total</b>	<b>875</b>	<b>\$20,934,486</b>	<b>\$26,370,278</b>	<b>\$47,304,764</b>

### Minnesota-specific initiatives related to waiver transportation

Navigant and the University of Minnesota reviewed the following statewide initiatives relevant to waiver transportation services:

- Scott and Carver counties' [SmartLink Transit](#) Initiative
- [Twin Cities Shared Use Mobility Center Action plan \(PDF\)](#)
- [Dakota County](#) Lyft Experiment
- WACOSA and Tri-County Action Program, Inc. (Tri-CAP) collaboration
- [Vehicle sharing study by Minnesota Council on Transportation Access \(MCOTA\)](#)
- [Newtrax](#)
- [MN DeafBlind](#) Technical Assistance Project.

The scope of these initiatives ranges from county-specific to statewide. They target people with disabilities, older adults or both populations. Most of the initiatives are delivered by non-profits, largely funded by either the state, local agencies or large for-profit companies.

The focus is on increasing access to and improving overall efficiency of waiver transportation services. Some focus on collaborating with state agencies, lead agencies, non-profit organizations and other stakeholders to better provide transportation services. Others represent creative ways to increase transportation access and decrease the cost of providing services. Through innovative partnerships, strategic coordination and thoughtful collaboration, these initiatives illustrate the different ways Minnesota transportation providers and stakeholders are helping people with disabilities and older adults overcome various transportation barriers. For more details about each initiative, see [Appendix B](#).

## Part II: Stakeholder feedback on barriers and potential solutions

Navigant interviewed nearly 90 stakeholders for this study. It asked them to describe barriers and potential solutions to improve access to waiver transportation services. Navigant conducted interviews in group settings and through individual interviews. Stakeholder engagement activities are described first, followed by a summary of the key barriers and potential solutions gleaned from stakeholder feedback and the review of background materials described in [Part I](#).

### Access and rate advisory groups

Navigant and DHS facilitated access and rate advisory groups to gather input from key stakeholders for the duration of the study. The advisory groups included:

- Several representatives from DHS
- Staff from statewide associations that represent waiver transportation providers
- Representatives from associated government agencies and councils
- Waiver transportation providers.

Meeting topics included providing feedback on study methodologies, recommendations and interim reports.

- Access Advisory Group focused on:
  - Identifying and discussing barriers to access for waiver transportation and potential solutions.
  - Discussing delivery of waiver transportation in Minnesota and approaches in other states.
  - Providing feedback on the access survey design and survey results.
- Rate Advisory Group focused on:
  - Reviewing and providing feedback on the provider cost survey design.
  - Reviewing and providing feedback on rate components and assumptions implemented in other state models for Medicaid rates for transportation.
  - Providing feedback on rate model assumptions and design.

## Stakeholder engagement

Along with the advisory groups, Navigant collected additional feedback through stakeholder engagement that helped clarify stakeholder perspectives on expectations for defining effective, high-quality service delivery of waiver transportation services. Stakeholders offered first-hand insights and observations on barriers and potential solutions related to waiver transportation in Minnesota. Navigant obtained input by engaging with various councils and stakeholder segments, including:

- Individual groups such as the Minnesota Governor’s Council on Developmental Disabilities, Minnesota Council on Disability and National Alliance on Mental Illness Minnesota
- Managed care organizations (all seven in Minnesota provide HCBS services to older adults)
- County social service organizations
- Key staff involved in shared vehicle case initiatives
- Transportation providers
- Tribal nations
- Staff from various state agencies
- Regional Transportation Coordination Councils (RTCCs)

Navigant also reviewed National Core Indicators – Aging and Disability (NCI-AD) survey results to understand the perspective of older adults who receive waiver transportation services through the EW and AC program.

On Oct. 23, 2018, DHS held public meetings specific to the Access Study and Rate Study to discuss preliminary findings and recommendations. The meetings consisted of public webinars that included transcript services for people with hearing impairments. All materials were posted to the DHS website. Public comment was open until Nov. 6, 2018.

In Table 8, Navigant provides an overview of other stakeholder engagement activities.

**Table 8: Overview of stakeholder engagement activities**

Activity	Description
<p><b>Experience of people using waiver transportation services</b></p>	<p>Navigant and DHS attended several events to collect input from the perspective of people using waiver transportation services:</p> <ul style="list-style-type: none"> <li>• Minnesota Governor’s Council on Developmental Disabilities public policy meeting Aug. 1, 2018</li> <li>• National Association of Mental Illness Minnesota meeting Aug. 14, 2018.</li> </ul> <p>The discussions during these events focused on obtaining feedback on customer experience, challenges and service-access issues.</p>
<p><b>Managed care interviews</b></p>	<p>Navigant conducted seven interviews in August 2018, with the MCOs that provide HCBS waiver transportation services to older adults who receive services through the EW and AC program. The interviews focused on:</p> <ul style="list-style-type: none"> <li>• Access barriers to providing service</li> <li>• Feedback from members about access and quality of provider services</li> <li>• Solutions to increase provider networks and people’s access to transportation services</li> <li>• Service coordination and reimbursement methods</li> <li>• Recommendations for improvement.</li> </ul>
<p><b>County and local organization interviews</b></p>	<p>Navigant interviewed approximately 40 people representing counties and local organizations identified by DHS as being involved in initiatives to improve waiver transportation services. Interviewees included representatives from Carver, Dakota, Meeker and Scott counties, as well as people with the Regional Transportation Coordinating councils and service providers WACOSA and Tri-CAP. The discussions focused on:</p> <ul style="list-style-type: none"> <li>• Differences in providing transportation services to Greater Minnesota versus urban areas</li> <li>• Local transportation networks and county involvement</li> <li>• Challenges and barriers to providing transportation services</li> <li>• Creative solutions to address waiver population transportation needs.</li> </ul>
<p><b>Email discussion groups</b></p>	<p>Navigant and DHS conducted three virtual email discussion groups for Minnesota transportation providers, volunteer coordinating organizations and tribal representatives. Discussions focused on:</p> <ul style="list-style-type: none"> <li>• Challenges with coordination and provision of waiver transportation services</li> <li>• Solutions to address barriers and increase access.</li> </ul>
<p><b>In-person provider discussion groups</b></p>	<p>Navigant and DHS conducted two in-person on-site provider discussion groups in the Twin Cities metro area. The discussion groups consisted of 13 local providers of waiver transportation services. Discussions focused on:</p> <ul style="list-style-type: none"> <li>• Challenges with coordination and provision of waiver transportation services</li> <li>• Solutions to address barriers and increase access.</li> </ul>

Activity	Description
<p><b>State agency staff interviews</b></p>	<p>With help from the University of Minnesota, Navigant conducted four interviews with DHS staff. Those interviewed were:</p> <ul style="list-style-type: none"> <li>• Alex Bartolic, director of disability services</li> <li>• Elyse Bailey, research, evaluation and fiscal policy lead</li> <li>• Diogo Reis, benefit policy manager</li> <li>• Sue Kvendru, MSHO project manager.</li> </ul> <p>Discussions focused on:</p> <ul style="list-style-type: none"> <li>• Challenges with the current waiver transportation rates and access to services</li> <li>• Feedback from providers, people with disabilities and older adults on the current rate methodology</li> <li>• Potential solutions to unique funding issues for services being delivered by public transit providers</li> <li>• Factors of success for other rate studies and potential implementation strategies.</li> </ul>
<p><b>Tribal nations</b></p>	<p>Together with the DHS tribal liaison, Navigant contacted the four tribal nations in Minnesota that provide waiver transportation services. Discussions focused on:</p> <ul style="list-style-type: none"> <li>• Workforce challenges (particularly in rural areas)</li> <li>• Potential solutions for provider recruitment (specifically a revised rate structure).</li> </ul>

## Barriers for people with disabilities and older adults and providers

The Access Advisory Group and stakeholders (people with disabilities and older adults, counties, MCOs, Minnesota Council on Transportation Access [MCOTA], providers, and tribal nations) identified barriers and issues to waiver transportation services, including:

- Program design
- Policies
- Regulations
- Provider service patterns
- Provider service incentives
- Funding.

Navigant assessed these barriers from two perspectives - the person who receives the services and the waiver transportation provider.

### Barriers to access for people with disabilities and older adults

Navigant asked for feedback from people with disabilities and older adults to understand their perspective on major barriers to accessing available waiver transportation services. The following key themes surfaced from these discussions.

#### *Lack of flexibility for people*

Most stakeholders (including consumer groups, providers and lead agencies) mentioned the lack of service flexibility for people, specifically:

- Limited on-demand access, with most providers unable to schedule rides without at least 48-hour notice. This makes it difficult for people who need last-minute transportation or who wish to engage in community activities without having to plan ahead of time.
- Many people (especially in Greater Minnesota) face narrow service hours with limited to no transportation on nights and weekends.
- In some cases, people can find a ride to a destination, but not a return ride. This is particularly an issue when large distances are involved, as it is in Greater Minnesota. This can make it very difficult for people to access community events such as church on weekends or town meetings on weeknights.

#### *Lack of provider and volunteer availability*

Counties, tribal nations and MCOs reported challenges finding available providers in greater Minnesota. Suburban counties with geographic areas that range from highly urban to rural (e.g., Dakota, Scott, Meeker counties etc.) have challenges finding providers after-hours and weekends or providers who will drive long distances.

Frequently cited reasons for this lack of availability are:

- Providers such as taxi companies will not accept the DHS reimbursement rate, as reimbursement does not cover the cost of service.
- There is a lack of direct-service providers available to make long trips and meet on-demand requests.
- Providers choose not to go through the DHS enrollment process due to administrative difficulty and cost burden.
- There has been a substantial decrease in the number of available volunteer drivers lately.

Volunteer drivers have been a primary source of waiver transportation drivers, particularly for Greater Minnesota. Lead agencies reported that the overall number of volunteer drivers is decreasing significantly because:

- Many volunteer drivers are retired or older, and are uncomfortable driving in poor weather conditions or they no longer live in the area.
- It is difficult to recruit volunteers due to:
  - Concerns about driver qualifications around safety, certification, education and reliability
  - Varying insurance requirements that make it difficult for volunteers to provide service in their communities (For more information, see the [barriers for providers section](#)).

### *Service coordination inefficiencies*

Lead agencies indicated that coordinating services for people was challenging because:

- There are a limited number of available providers, and it is difficult to locate specialized providers who can meet unique individual needs (e.g., accessible vehicles that can accommodate wheelchairs).
- Providers, people with disabilities and older adults often cancel rides with limited notice, which results in the constant need to develop alternative travel and back-up plans (i.e., use of a friend, neighbor or family member)
- There is a high amount of lead-time required to set up transportation arrangements (i.e., notice may require up to three days).
- There are difficulties in coordination, including challenges related to:
  - Being able to identify available providers
  - Providers who have quit
  - Last-minute changes in the client's needs without back up plans to accommodate
  - Lack of on-demand options.

Lead agencies report there is no centralized way to coordinate rides for people. Therefore, caseworkers must separately schedule NEMT and waiver transportation rides even if the same provider supplies those rides.

#### *Wait times, no shows and route inefficiencies*

Most stakeholders (including consumer groups, providers and lead agencies) referenced barriers for people with disabilities and older adults that included:

- Long wait times
- Provider no-shows
- Route inefficiencies.

These barriers caused frustration for people and made using transportation time consuming. Examples included:

- Some providers are unwilling to wait for long periods due to experiences with “no shows.”
- Pick-up wait times can be too long, forcing people to wait for an hour or more for rides (and then, when the ride eventually arrives, the provider will only wait a few minutes and then leave while the person is getting a drink or using the restroom.
- Transportation providers may not show up for scheduled rides, which can cause people to miss appointments or become stranded.
- People who obtain transportation through vehicles that transport multiple people with separate destinations may experience long inefficient routes and can spend hours getting to and from their destination as they wait for their stop.

#### *Challenges related to accommodations for special needs*

People enrolled in waiver programs have a wide variety of needs, some of which require an accommodation within the transportation service. This can prove challenging for some providers. These needs can range from requiring lifts for wheelchairs, addressing behavioral issues, assisting older adults with their groceries, escorting people in and out of buildings, and assisting people with getting in and out of vehicles. People reported the following examples:

- An insufficient number of providers have adaptive vehicles that can accommodate wheelchairs and assist people who have vision loss, impairment, blindness or people who are deaf, deafblind or hard of hearing. This is a proportionally greater issue for non-urban areas.
- Providers are not always available or, when scheduled, do not always arrive with the proper equipment.

- Many drivers lack training or, due to liability or company policy restrictions, are unable to assist people with specific needs.

Lead agencies and consumer groups indicated a need for specialized services such as:

- **Door-to-door services**, where drivers assist passengers to the entrance of their origin or destination.
- **Door-through-door services**, where drivers assist passenger to the inside of their origin or destination.
- **Curb-to-curb services**, where drivers assist passengers in and out of vehicles only.

These three specialized services would allow people with disabilities and older adults to receive more assistance as needed.

Providers reported that adaptive vehicles (e.g., day training and habilitation [DT&H] and nursing home vehicles), which could serve a broader population, often sit unused because of insurance restrictions, county certification issues and/or state laws that prohibit the use of vehicles for people who are not considered a direct client of an organization.

### **Barriers for providers**

Stakeholder feedback on the primary barriers for providers to deliver transportation services to people with disabilities and older adults included information on:

- How the reimbursement rate is lower than the cost of doing business
- Procedural and administrative barriers
- Issues with funding, billing and claims
- The inability to subsidize costs for transportation services with other revenue.

#### *Current reimbursement structure and funding level*

The advisory groups and provider stakeholders reported that current reimbursement is:

- Insufficient to cover the cost of doing business
- Not sustainable
- A large barrier to maintaining a sufficient provider fleet.

Stakeholder feedback focused on inadequate reimbursement rates as:

- Often lower than the cost of providing waiver transportation services where losses increase as the cost of providing transportation services increase. Factors that impact this include:
  - Higher/additional expenses for providers due to insurance, fuel expenses and technology/software costs.

- Rising wages for drivers in response to difficulties related to recruiting and retaining drivers. With a chronic shortage of qualified drivers to meet the demand of transportation vendors (especially for drivers who maintain a commercial driver’s license and STS certification).
- Administrative expenses are not covered by reimbursement (e.g., staff time for unloaded miles, compliance with various requirements and policies, scheduling, billing, training, insurance, certification and scheduling costs). (Note: The reference to “unloaded miles” refers to when there is no passenger or client in a vehicle [e.g., a trip to pick someone up or the return trip after dropping someone off at his/her destination.<sup>23</sup>])
- Barriers that do not account for 1.) Owning and operating accessible vehicles that are lift enabled or STS certified by MnDOT and 2.) Vehicle replacement costs (especially for vehicles that experience harsher road conditions in Greater Minnesota). This results in fewer accessible vehicles, difficulties in providing services to people in Greater Minnesota and fewer providers and volunteers willing to accept long distance rides.

Lead agencies (counties, tribal nations and MCOs) sometimes provide passes to people who receive waiver services for fixed route transit services (e.g., a public bus pass). People who are eligible for Medicaid, including people with disabilities and older adults who receive waiver services, may use public transit providers, and they may or may not submit receipts for reimbursement depending on program policies and coverage. (Public transit agencies receive reimbursement for their published fares or published contract rates established under MnDOT oversight.)

According to feedback from MnDOT and providers, these public rates are not sufficient to cover actual costs of providing services and, as a result, these services are subsidized with Federal Transit Authority (FTA) funds.

Public transit agencies do not receive a Medicaid-specific subsidy to cover the costs of providing services to Medicaid-eligible people with disabilities and older adults. Since the Medicaid expansion, the Medicaid population in Minnesota has increased. As a result, public transit providers have encountered challenges because their FTA subsidy does not adequately cover the cost of also providing waiver transportation services. (For more information on Medicaid expansion, see pg. 10 of the [DHS Medicaid Matters report, DHS-7659 \(PDF\).](#))

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<sup>23</sup> Unloaded miles do not include congregate miles which allow providers to drop off one person but still have other consumers in their vehicles

Stakeholders also reported challenges with reimbursing volunteers for their services, because any per-mile payment over the IRS charitable rate is considered taxable income. In addition, stakeholders noted that per-mile rates do not allow for payment of unloaded miles where they do not have a passenger in the vehicle.

#### *Procedural and administrative barriers*

Providers indicated there are several procedural and administrative barriers in place that prohibit them from becoming waiver transportation providers. These include:

- Insurance restrictions that prohibit organizations from using multiple vehicles
- Insurance rules related to which vehicles can service certain populations
- Time-consuming licensing, certification and enrollment procedures that create a duplication of efforts and additional time/cost for providers (i.e., MnDOT, DHS, lead agencies and MCOs all have different provider requirements)
- County/tribal boundary and policy issues, which limit the number of available transportation providers. A common example is that a provider in one county may not be contracted to provide services to a person in another county.
- Lack of effective and efficient mechanisms to communicate with providers by both lead agency care coordinators and the people who receive the transportation services, such as:
  - Lead agencies often use faxed requests for transportation because it provides a document trail; however, this results in inefficient and antiquated procedures
  - MCOs indicated many seniors have cell phones; however (as noted in the Access Study Survey), the majority of transportation providers do not offer mobile application technology services for people with disabilities and older adults.

#### *Funding, billing and claims issues*

Providers also noted inconsistent payments exist for the same type of service among lead agencies. A provider approved for the same type of service in two counties or with two MCOs may receive a very different payment for that service from each lead agency or MCO.

Most providers submit invoices rather than Medicaid claims for transportation services. As a result, lead agencies must manually translate provider invoices into Medicaid-compliant claims to submit to DHS. This manual conversion of provider invoices into Medicaid claims is time consuming, inefficient and costly for lead agencies. Some lead agencies charge providers a fee to cover the administrative costs of the waiver transportation program. This affects providers' ability to cover their own costs.

### *Inability to subsidize the transportation deficit with other revenue within DT&H programs*

As mentioned in the previous section, providers report that the reimbursement rate for waiver transportation has traditionally been lower than the actual cost to provide the service. Some providers – in particular, day training and habilitation (DT&H) providers – rely on revenues from other services to make up the difference. This is becoming less viable with DHS’ recent unbundling of services. Services are divided into distinct components, and therefore are no longer within providers’ historic per diem rates.<sup>24</sup>

### *Current policy and law barriers to vehicle sharing*

DHS policy and state law requires DT&H, nursing home and group home providers to serve only people who receive their specific services. Vehicles owned by these organizations are not available to provide transportation services to others who could benefit from these services. To increase availability of transportation providers across the state, providers recommended that state law be changed to allow them to provide transportation services to all people on an HCBS waiver regardless of a provider’s affiliation.<sup>25</sup>

## **Potential solutions**

Stakeholders (including advisory groups, organizations that represent people eligible for waiver transportation services, counties, MCOs, MCOTA, providers and tribal nations) identified a range of solutions to address person- and provider-access barriers. These solutions included:

- Changes to reimbursement levels and methodology
- Reduction in administrative and procedural burdens
- Centralized system support
- Scheduling streamlining to increase transportation flexibility
- On-demand transportation
- Vehicle sharing
- Enhanced collection of service and access information to better identify needs and gaps.

The following sections include high-level descriptions of each solution as identified by one or more stakeholder groups.

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<sup>24</sup> In response to a 2014 Centers for Medicare & Medicaid (CMS) rule that requires person-centered services and full access to the community for people who receive home and community-based services (HCBS), Minnesota has been working on an HCBS Statewide Transition Plan. As part of that process, DT&H services were unbundled to allow people to make choices about which services they receive. [DHS — Minnesota’s HCBS Rule Statewide Transition Plan](#), September 2018.

<sup>25</sup>For example, 2017 Minnesota Statute, Section 174.30, as referenced earlier in this report.

### *Changes to reimbursement levels and methodology*

Providers and lead agencies indicated that higher reimbursement levels would better support providers by covering the cost of delivering transportation services. It also would help with the cost of special services, coordination of services and unloaded miles. Greater reimbursement levels were also seen as a strategy to increase the driver workforce, as it would allow providers to increase wages and support the costs of bringing new drivers onboard.

Providers proposed several methods for increasing reimbursement rates and improving the payment methodology for waiver transportation services. This included:

- Increasing overall reimbursement rate levels (i.e., mileage and cap rates)
- Tying annual increases to the inflation index
- Implementing a flat initial rate plus mileage (to include unloaded miles)
- Using a bundled transportation rate that includes mileage and level of defined special services along with reimbursement for time traveled in addition to mileage
- Reimbursing providers for service time and special services, which also was proposed by lead agencies).<sup>26</sup>

MCOs, consumer representatives and providers gave feedback that providing reimbursement for unloaded miles would increase access for people with disabilities and older adults by encouraging providers to expand service areas with limited transportation options. The issue of unloaded miles was discussed frequently in relationship to Greater Minnesota where providers and people with disabilities and older adults must travel long distances.

### *Reduction in administrative burden*

Lead agencies and providers recommended reducing the administrative burden related to provider approval, licensing and enrollment between DHS, MnDOT, MCOs, counties and tribal nations. This was of particular importance for providers who offer multiple types of transportation services. This recommendation was aimed at addressing what stakeholders reported were complex and often conflicting sets of licensing and certification requirements, driver requirements and rules for providing services. Stakeholders indicated that reducing the administrative and procedural burden would

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<sup>26</sup> These add-on services should not be confused with those required of MnDOT special transportation services providers, who must meet other public accessibility standards.

require better coordination, flexibility and streamlining of regulations and processes across lead agencies and funding sources.

Lead agencies emphasized the administrative burden associated with translating transportation expenses into claims for reimbursement by Medicaid. Since the majority of waiver transportation providers do not submit claims in the approved format, lead agencies would benefit from an information system that would automatically translate transportation expenses/invoices into reimbursable Medicaid claims.

Stakeholder feedback also indicated a need for updated technology for service coordination, billing and claims. Lead agencies reported spending significant staff time and resources on providers who do not submit claims and on billing and workarounds for antiquated systems. These stakeholders suggested that an investment in updated technology could reduce the administrative burden and decrease costs of coordinating and providing services.

#### *Centralized system*

Lead agency and state agency stakeholders raised the need for a technological solution for a common system or point of entry for authorization and service coordination. One centralized system would allow agencies to share information about clients in need of services, which would increase the efficiencies of service coordination.

#### *Streamlining of scheduling/increase transportation flexibility*

Having one phone number or website to schedule all transportation needs (waiver services, employment and NEMT) would streamline scheduling for people with disabilities and older adults. Stakeholders said this would decrease confusion, make it easier to schedule rides and increase access to the community. This option could expedite communications between care coordinators, people who receive services and providers when last-minute cancellations or changes occur when a person seeks transportation after regularly scheduled daytime hours.

#### *Enhanced collection and reporting of service information*

Lead agencies are not required to and do not consistently collect or report information to DHS on issues related to accessing service. Providers said that without this information, it is difficult to understand where to direct their limited resources to address unmet needs and service gaps. Providers recommended that the state collect information on provider service issues or access problems. Information could include:

- Service denials (which happens most commonly because of a lack of available providers or having available providers within a certain time frame)
- Cancellations by either the provider or the person who requests the service

- Long wait times
- Lack of available door-through-door assistance
- Lack of available accessible vehicles and on-demand providers
- Safety issues for people who use waiver transportation services or drivers who provide those services.

### *On-demand transportation*

Most stakeholders mentioned the need for additional on-demand services to better serve people's needs and allow them full integration into the community. A common recommendation was to require providers to have a way to communicate directly with people (e.g., the cell phone app used by Uber and Lyft). Lead agency feedback was that many people with disabilities and older adults have cell phones and could benefit from an optional mobile phone app that allows for direct communication between the person and provider.

This approach may require investment in on-demand scheduling technology and would require (and perhaps even incentivize) provider and client use of cell phone apps. Lead agency stakeholders recommended using ride-sharing platforms (i.e., Uber, Lyft and Veyo) as a possible solution to increase on-demand transportation, but also raised concerns about the lack of accessible vehicles, driver training, safety and personal knowledge of how to use the technology.

Concerns have been expressed in the broader marketplace regarding the additional training and other additional insurance and regulatory requirements related to waiver transportation that would require a transportation network company, such as Uber or Lyft, to move away from a contract arrangement with drivers to an employee relationship. This would represent a significant adjustment to the current Uber/Lyft model.

### *Increase vehicle sharing*

Vehicle sharing allows providers to share vehicles between agencies that would otherwise be empty and unused. It assumes drivers authorized by one agency can drive the vehicles of another agency.

While many providers expressed an interest in vehicle sharing, they also reported that it is unfeasible due to barriers such as:

- Insurance carrier restrictions
- Licensing issues
- Geographic or jurisdictional border concerns.

Vehicle sharing has the potential for increasing transportation provider options and lowering provider costs, particularly in Greater Minnesota. Those stakeholders interviewed who were involved in vehicle-sharing arrangements recommended policy changes and regional-cooperative agreements to address these issues to promote vehicle sharing across providers. These recommendations also were echoed in a 2013 MCOTA report regarding vehicle sharing prepared by Frank Douma and Thomas Garry at the University of Minnesota Humphrey School of Public Affairs.<sup>27</sup> In this report, two types of vehicle sharing were referenced and defined as follows:

- **Time sharing:** With time sharing, two or more independent organizations operate the same vehicle for apportioned periods of time. There are many ways to structure timesharing arrangements, but generally, one organization will own and operate the vehicle and lease it to one or more other organizations to operate it on a recurring basis. For example, a workforce development organization may use the vehicle during the day, while an organization providing services to people who are homeless may use the same vehicle during the evening.
- **Ride sharing:** With ride sharing, one organization transports the clients of another organization. For example, a nursing home facility that operates a vehicle to transport its residents may also use that vehicle to transport residents of other nursing home facilities. Typically, the organizations in a ride-sharing arrangement will provide similar services or serve the same type of clientele, but this need not be the case.

Navigant gathered additional information on two key initiatives related to vehicle sharing in Minnesota: The Scott and Carver counties' Smart Link Transit program and a program between Tri-CAP and WACOSA located in St Cloud.

These case studies provided the following conclusions regarding barriers and considerations in developing shared vehicle arrangements:

- **Disparities between regulating agencies:**
  - Per state law, DHS and MnDOT requirements prohibit some providers (e.g., DT&H, group homes, nursing homes, etc.) from providing transportation to anyone other than the provider's own Medicaid clients or residents.
  - The Federal Transit Authority (FTA) grant funding reporting requirements require that agencies report the number of people they served. However, FTA does not allow two agencies to report serving the same person (i.e., "double counting" one person), which can be problematic for agencies when using one shared vehicle.

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<sup>27</sup> Douma, F. and Garry, T. University of Minnesota Hubert Humphrey School of Public Affairs, [Vehicle Sharing Among Human Service Providers in Minnesota: Steps to Address Barriers](#), September 2013.

- **Requirement for a thorough needs assessment:** An understanding of needs and service gaps is necessary to most efficiently and effectively structure vehicle-sharing programs.
- **Insurance restrictions:** Insurance carriers may not cover or they may have limitations when the driver from one organization drives another organization's vehicle.
- **Optimizing hours of operation:** Different providers have different operating times. Coordination is required to assure coverage and availability to meet defined needs.
- **Size of vehicle:** Vehicles over a certain size may require a commercial driver's license.
- **Geographic distance from transporters:** Organizations that rent a bus or other vehicle need to achieve a set number of people riding the bus consistently to cover the rental costs.
- **Payment variation:** Bus and vehicle owners may customize payment to whatever the bus owner wants or needs. This can be by the hour, passenger, trip or mile.
- **Geographic route limits:** There may be limits that inhibit the ability for vehicles to serve geographic areas outside their approved routes.

[Appendix C](#) summarizes input from these two case studies regarding specific recommendations for payment and other policy changes to the current waiver transportation program.

## Part III: Access survey key themes

Navigant contracted with the University of Minnesota's Humphrey School of Public Affairs to develop and conduct a survey to:

- Identify the capacity and characteristics of waiver transportation providers across the state
- Collect information on barriers to vehicles sharing and service coordination.

The survey was sent to direct providers of transportation services. Since lead agencies administer the HCBS programs, no consolidated database of waiver transportation providers exists. The survey was widely distributed by industry associations, the DHS provider communication system, the MnDOT provider list and lead agency social service agencies to achieve the widest distribution possible.

There were 97 usable survey responses representing services provided in 81 of 87 counties. Most respondents currently provide waiver transportation and included DT&H, public transit (bus), disability service, adult day care and private providers (i.e., not taxis or schools).

Highlights from the survey are as follows:

- Minnesota's transportation system has wide variability in service delivery including training, requirements, services provided, routes, hours of operation, type of vehicle, etc.
- Public transit (i.e., bus companies) provides most services and has the greatest capacity, but other providers are needed for people who live off fixed public transit routes.
- There is a wide range in technology use with few people using phone apps or internet scheduling.
- There is heavy reliance on care coordinators to schedule trips.
- Cost, funding, scheduling conflicts, insurance and billing are the most commonly cited barriers to coordination (e.g., vehicle sharing).
- Unloaded miles (miles not paid for because there is no passenger) affect small-vehicle trips the most.

For more information on survey findings, refer to [Appendix F](#).

## Part IV: Cost survey key themes

Navigant collaborated with DHS to develop a customized transportation cost survey to gather cost data directly from waiver transportation providers. The cost survey was self-administered and submitted electronically.

The cost survey was sent to Minnesota Health Care Programs (MHCP)-enrolled providers of waiver transportation services and DT&H providers. It was delivered through the Medicaid Management Information System (MMIS) mailbox (which is known as MN-ITS). The cost survey also was distributed widely by industry associations and county social service agencies to achieve the widest distribution possible, as MHCP-enrolled provider contact information outside of MN-ITS is not updated regularly and does not include providers that are approved by lead agencies. The cost survey was sent through the following channels:

- **Release notification:**
  - **Via email:** The following provider associations were provided with and asked to distribute the cost survey release information, including access to the survey and training materials:
    - LeadingAge
    - Minnesota Organizations for Habilitation and Rehabilitation (MOHR)
    - Association of Residential Resources in Minnesota (ARRM)
    - Minnesota Association of County Social Service Administrators (MACSSA)
    - Minnesota Department of Transportation (MnDOT).
  - **Via MN-ITS:** An announcement with the cost survey release information, including access to the survey and training materials, was sent out to DT&H and waiver transportation providers. This targeted communication was sent to increase the visibility of the cost survey to the relevant provider population.
- **Follow-up notification:** A reminder email was sent to the same provider associations that distributed the initial release notification. This notification included frequently asked questions for additional technical assistance. The questions were submitted from providers during and after the training and a link to the project website that had training and support materials (including a recording of the live trainings).
- **MN-ITS:** A reminder notification was sent to all providers with a link to the project website.

Navigant also encouraged all Rate Advisory Group members to reach out to any potential participants to encourage their participation.

Navigant supported providers to complete the cost survey through:

- Comprehensive instructions
- Two live training webinars
- An FAQ document
- Real-time, one-on-one phone and email support (from Navigant staff).

Upon participant submission, Navigant conducted quality assurance of the survey responses to identify missing or erroneous inputs. When necessary clarifications or revised inputs were needed, Navigant followed-up directly with providers. Navigant did not audit the cost surveys.

Navigant received cost surveys from 61 providers (approximately 12 percent of the 491 active and enrolled waiver transportation and DT&H providers). These 61 providers provide service in 72 out of Minnesota's 87 counties. Respondents reported providing over 2.3 million one-way waiver transportation services during the course of cost survey period.

Highlights from the cost survey are as follows:

- The most common type of vehicle used by provider respondents were medium-sized buses, with minivans being the second most common.
- Providers offer a wide array of services such as fixed route, curb-to-curb, door-to-door and door-through-door.
- Providers delivered services an average of 255 days a year.
- The median distance for a trip was 6 miles.
- The majority of provider respondents (87 percent) were DT&H providers.
- The median driver wage across all surveys was \$13.30 and the average wage was \$13.47.

## Part V: Other state approaches

Navigant, in partnership with David Raphael of Community Mobility Solutions, conducted research and interviews with nine states (Colorado, Florida, Georgia, Michigan, Ohio, Oregon, Virginia, Washington and Wisconsin) to learn more about their waiver transportation programs and payment methodologies. Navigant selected states based on their similarities to Minnesota and/or for their effective practices for waiver transportation or NEMT. (The review included non-emergency medical transportation because approaches and advances in its service delivery and payment methodologies can parallel waiver transportation.)

The research identified the following model other states use to deliver non-medical transportation:

- **Transportation Broker:** In this model, a state agency contracts with an intermediary (e.g., a transportation broker, coordinator or mobility manager) to administer Medicaid non-medical waiver transportation services. These contractors can operate on a statewide, regional or local basis. Brokers include:
  - **National contract broker:** Private for-profit corporation
  - **Community broker:** Local public agency or indigenous non-profit organization
- **Managed care organization (MCO):** With the MCO model, responsibility for providing transportation and other waiver services is turned over to managed care organizations that participate in the state's Medicaid managed care program.
- **State in-house management:** Describes model where the waiver transportation program is state-administered and locally managed, often by state or county human

services staff. States using the in-house management method usually operate on a fee-for-service basis.

- **Mixed model:** Some states use more than one model to provide non-medical transportation to clients of different waivers. These mixed models often coexist within the same agency or are used by several separate agencies to manage waiver transportation services.

## Minnesota

Minnesota uses a mixed model approach, as the lead agencies responsible for the coordination and delivery of waiver transportation services include managed care organizations, county agencies and tribal agencies. While all other HCBS service definitions and rates are set by DHS and adhered to by lead agencies, waiver transportation remains a standalone HCBS service and functional area that is delegated to lead agencies. Table 9 provides highlights of selected states' waiver and NEMT transportation service delivery approaches.

## Other states

In general, the states we analyzed lean toward increased consolidation, standardization and coordination of waiver transportation services (usually through a special transportation program). However, some states do contract out waiver transportation to managed care organizations and county agencies, and in other cases, they use transportation brokers. There are varying levels of coordination across states between waiver and other types of transportation services (e.g., non-emergency medical transportation).

Of note, Oregon's Lane County uses a one-call, integrated brokerage model that includes:

- Non-emergency medical transportation
- Non-medical waiver transportation
- Public transportation
- ADA paratransit.

Other states are considering the use of on-demand ride-hailing companies, and at least one state (Georgia) has developed a vehicle insurance program, although it is limited to county agencies. All of these approaches can help Minnesota identify opportunities for improvements to the waiver transportation system (in particular, improvements related to standardizing the administration and coordination of the service).

**Table 9: Highlights of selected states' waiver and non-emergency medical transportation (NEMT) transportation service delivery approaches**

State / model type	Selected key findings
<p><b>Colorado</b> In-house management</p>	<p>Waiver transportation in Colorado is coordinated and delivered through regional care coordinators. The NEMT program is structured similarly to Minnesota's model. It involves a regional transportation broker that serves Denver and metro counties, as well as giving Colorado's non-metro counties responsibility for NEMT services. The state has created a special Medicaid Client Transport category with rules/qualifications for waiver transportation providers. It is rethinking coordination of non-medical waiver transportation and NEMT. The state contracts with a national ride-hailing company to broker NEMT, but does not use its independent driver network.</p>
<p><b>Florida</b> Managed care organizations</p>	<p>Historically, Florida has been the premiere state for coordinating human service transportation. Waiver transportation in Florida currently is managed separately from the NEMT program by the Agency for Persons with Disabilities and Agency for Health Care Administration. The state's managed care plans are responsible for both waiver transportation and NEMT for people with disabilities and older adults who receive waiver services. Managed care plans also contract with their own transportation brokers. The state currently is reviewing possible realignment of all waiver transportation services and exploring the use of on demand ride-hailing companies in the Medicaid program.</p>
<p><b>Georgia</b> In-house management</p>	<p>Georgia was one of the earliest states to adopt a NEMT brokerage model and was identified as having a state-run vehicle insurance program. At least one regional NEMT broker employs an on-demand ride-hailing provider, but transportation network companies (i.e., Uber, Lyft, etc.) are not used in waiver programs. The vehicle insurance program is only available to county agencies.</p>
<p><b>Michigan</b> Managed care organizations</p>	<p>Managed care organizations are responsible for both waiver transportation and NEMT for people who use waivers. Michigan's NEMT program is structured similarly to Minnesota's model. A regional transportation broker serves Detroit and the metro counties, but local state staff manage the program in non-metro counties. The state is proposing to consolidate both services into single community transportation program.</p>
<p><b>Ohio</b> Managed care organizations</p>	<p>The state's seven HCBS waivers are administered by three separate state departments, which represent a variety of models. Similar to Minnesota, Ohio is in the process of reviewing the delivery of all state-supported transportation services (including NEMT and waiver transportation). Managed care plans are responsible for both non-medical waiver transportation and NEMT for people who use waivers. Managed care plans use contracted transportation brokers.</p>

State / model type	Selected key findings
<p><b>Oregon</b></p> <p>Transportation broker</p>	<p>Oregon and Minnesota have similar approaches. Oregon’s Medicaid agency has created a community transportation program for everyone who uses waivers. It contracts with counties, cities and local transit districts to provide community transportation services. NEMT is the responsibility of health plans. Oregon’s Lane County case study represents a one-call, integrated brokerage model (including NEMT, non-medical waiver transportation, public transportation and ADA paratransit). The state’s coordinated care organizations are responsible for medical care transportation and NEMT.</p>
<p><b>Virginia</b></p> <p>Transportation broker and Managed care organizations</p>	<p>Managed care plans provide both non-medical waiver transportation and NEMT to people who use waivers. Virginia has more than 20 years of experience in blending MCO-managed care and statewide fee-for-service brokered transportation in its Medicaid NEMT programs. Managed care plans contract with transportation brokers, including Veyo, a national transportation network company. People with developmental disabilities that receive waiver services must use a statewide NEMT broker for non-medical transportation. The state currently is considering consolidating all non-medical waiver transportation services into the “CCC Plus” model, a statewide managed care plan.</p>
<p><b>Washington</b></p> <p>In-house management</p>	<p>Washington operates a decentralized waiver program for older adults and reportedly has begun an informal review of how non-medical transportation services are being delivered. Furthermore, the state is undertaking an informal, inter-agency review to improve utilization of waiver transportation services. Similar to Minnesota, it is considering a number of approaches to improve transportation services. They have the oldest NEMT brokerage system in the nation, but it is not used for non-medical waiver transportation. Washington is one of the model states for utilizing community-based (indigenous) brokers in its NEMT program.</p>
<p><b>Wisconsin</b></p> <p>Managed care organizations</p>	<p>NEMT services currently are managed by a controversial statewide transportation broker program. In contrast, their waiver program for older adults called Family Care relies on managed care organizations to deliver waiver transportation. Health plans are responsible for both waiver transportation services and NEMT.</p>

For more information on each state’s service delivery approach and state-specific waiver transportation service delivery summary profiles, see [Appendix D](#).

## Payment/rate methodologies

States use similar rate components/assumptions when developing rate methodologies. For example, the following rate components/assumptions have been commonly used across states:

- Wages of the direct service professional
- Factors for benefits, administrative overhead and costs that support service provision
- Intensity of care
- Locality or geographical adjustments.

Navigant has considered these different components in the development of the new rate methodology, as described in [Section VII Recommendations related to rate methodology](#).

For a summary of selected state-related reimbursement methodologies, see [Appendix E](#).

## Part VI: National emerging trends and technology

Twenty-first century technologies are creating new opportunities for:

- Facilitating coordination across providers
- Simplifying the ride-scheduling and billing process for clients
- Reducing overall costs of operation.

These changes, at their most basic level, stem from the development and maturity of smartphone apps that enabled transportation network companies like Uber and Lyft to become realistic transportation options for the public. (These companies are also referred to as mobility service providers [MSPs] or ride-hailing services.) They pair passengers with drivers via websites and mobile apps. By allowing real-time scheduling and trip tracking along with seamless cost billing, these providers significantly reduce the overhead costs (including time and labor) previously needed for third party transportation providers to thrive. The potential for further cost reduction once these self-driving technologies mature have led providers to invest significantly in eventually bringing those technologies into their operating model as well.

These advances have led to questions about whether similar innovations could bring benefits to trips made under the HCBS waiver programs. Indeed, the experiment Dakota County is engaged in with using Lyft as a provider and the legislatively mandated study of whether Metro Mobility may benefit by utilizing transportation network companies for some trips, are examples of this interest.<sup>28</sup>

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<sup>28</sup> Metropolitan Council, [Metro Mobility Task Force](#), 2018

To address these questions, this section of the report reviews the obstacles and opportunities in each area affected:

- Back-office operations
- Simplified client interfaces
- Changes to the vehicle itself.

### **Back-office operations**

The ability to directly schedule and pay for a trip via a smartphone, as transportation network companies do, shows that trip dispatching and billing can be done automatically, rather than requiring people to provide these scheduling, dispatching and billing processes (as is often the case with providers of waiver and similar trips). The myriad rules and regulations regarding eligibility and reimbursement of costs for waiver trips, however, means that the apps that enable transportation network companies' operation do not immediately translate to waiver transportation providers. While technology facilitates a transaction between three parties (the user, the driver and the company itself) with transportation network companies, the use of government funds and regulation of providers adds additional layers of complexity that cannot be solved with the simple application of an app.

Nevertheless, while direct employment of transportation network company providers may not work, several initiatives have sprung up that could help facilitate the use of these technologies for waivers or similar community-based transit settings. These initiatives include:

- [Reveal](#)
- [Schedule Viewer](#)
- [Veyo](#).

All of these companies advertise the ability to use data and technology to streamline and automate much of the trip scheduling and billing processes. Beyond the technology enabled by other transportation network companies, these technologies account for restrictions and specific billing processes required for waiver-related trips. These companies focus on NEMT trips, as this helps limit the number and variety of clients and billing entities they need to accommodate. However, it is not beyond reason to expect that capabilities will expand as the technology continues to evolve.

### **Simplified client interfaces**

Community-based transit operations increasingly give people the freedom to arrange their own transportation based on their unique needs and use the providers they think will best meet their needs. In addition to the ease demonstrated by transportation network companies, Google Maps and Kayak allow people to schedule any number of trips for nearly any purpose by using a common platform. The New York Times profiled a number of companies that provide

trip planning, scheduling, tracking and payment services through one online interface.<sup>29</sup> One particular provider, [GoGoGrandparent](#), makes this process simple and transparent by interfacing with the Uber and Lyft apps. Rather than directly using Uber and Lyft, GoGoGrandparent provides a simpler touch-tone telephone interface to translate the information necessary to schedule and pay for a ride. GoGoGrandparent handles the payment to the ride-sharing company and then passes that charge (along with its own “concierge fee”) to its client. While these services can simplify travel for the client, they also face challenges in ensuring necessary billing, payments and reimbursement information is handled properly.

## Vehicle changes

Technology also may be able to address the need for specialized vehicles. Requirements for accessibility mean that older adults and people with disabilities must have access to buses or other vehicles that meet ADA requirements. However, most providers cannot accommodate this (this is especially true in passenger vehicles owned and operated by the public and transportation network companies). In addition to the limit of available wheel chair and other accessible vehicles, drivers also need more specialty transportation training to address adequately the special needs of some older adults and people with disabilities.

The development of self-driving technologies may provide the opportunity to share accessible vehicles with a larger portion of the population, while removing the need for trained and licensed drivers. This possibility increasingly is being considered for a wide variety of transportation needs. During a Minnesota Governor's Advisory Council on Connected and Automated Vehicles meeting in October 2018, a representative from the Minnesota Council on Disabilities and a representative of Governor’s Advisory Council of Connected and Automated Vehicles provided recommendations about how this technology could be deployed to the benefit of people with disabilities.

Several examples of self-driving vehicles (e.g., the EZ-10, Olli and others) are being demonstrated in the United States and around the world. While these vehicles alone do not address all the needs of people that require personal attendants, they create the opportunity to reduce operational costs through economies of scale (i.e., providing a greater number of trips to a larger number of people) and eliminate the need for a paid driver. The greatest limitation at this time is that the technology has only developed to the point that these vehicles can operate at low speeds on limited roadways. The development of vehicles that can meet all needs is likely at least five years away.

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<sup>29</sup>Morrissey, Janet; The New York Times; [Companies Respond to an Urgent Health Care Need: Transportation](#), August 2018

## NEMT approaches that may apply to waiver transportation service delivery

The demand for non-emergency medical transportation (NEMT) services is growing as the Medicaid population expands and the number of older adults increases. Physicians and payers are beginning to rethink how they can deliver transportation to their patients, thus improving appointment attendance and overall outcomes. Examples of organizations who offer services to meet increasing non-emergency medical transportation demand include privately held start-up companies like [Kaizen Health](#), [Circulation](#) and [Round Trip](#). These companies are present in various markets in the country and they may provide a solution for waiver transportation.

These companies operate taxis, vehicles with infant/child car seats, small buses, non-emergency ambulances and wheelchair accessible vehicles. All provide an array of services, which focus on ensuring patient access to healthcare appointments. They collaborate with healthcare systems and transportation companies, as well as communicate with insurance organizations to provide coordinated services for their clients. Major health systems including Hennepin Health System in Minnesota, Mount Sinai Health Partners, Advocate Health Care, Boston Children's Hospital and Intermountain Healthcare have collaborated with at least one of these companies to offer their services to their patients. In some cases, the partnerships use an online portal that complies with HIPAA regulations. Employees help the client get to and from appointments, as well as provide reminders for upcoming appointments.

Since every person's need is unique, services are tailored accordingly. Options include door-to-door, bed-to-bed, or curb-to-curb services. The Circulation option, for example, allows nurses to go ride with patients, ensuring that care is fulfilled before, during and after a doctor's visit. The company also hopes to expand services to provide patients with prescriptions, medical equipment, lab collections or other health products.

Uber offers [UberWAV](#), which includes vehicle requirements that support passengers with disabilities. UberWAV providers receive more reimbursement and bonuses and can have the opportunity to lease a car from Uber.<sup>30</sup> Although UberWAV providers do not contract directly with lead agencies or payers, they offer services directly to people with disabilities and older adults. UberWAV service currently is not offered across the nation, but it will likely expand in the next few years.

Other companies, like [TenderCare](#) of Virginia, have been operating programs like this for years. Since 1986, TenderCare realized that there was a disparity in transportation services for people who are older or who have disabilities. The company began operating accessible vehicles in Richmond, Va., and its surrounding areas with the purpose to help people access non-emergency medical transportation. It coordinates with physicians and health systems to provide services to the community and offers several options for people to schedule and change rides.

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<sup>30</sup> Ridester website, [Complete Guide to UberWAV](#).

## VI. Recommendations for technical and administrative improvements

Navigant's recommendations for technical and administrative improvements to waiver transportation aim to provide solutions to allow Minnesota to provide waiver transportation services effectively. This would support people who receive waiver services to lead independent, productive and fulfilled lives.

These recommendations are grounded in key themes from stakeholder feedback along with objectives and measures of success identified in collaboration with the Access and Rate advisory groups.

### Key themes guiding the recommendations

Stakeholder feedback, as detailed in [Section V Research summary and key themes](#), generated six consistent themes regarding barriers to access for waiver transportation (including information specific to DHS' current rate methodology). These themes are:

- Lead agency authorization and coordination of services takes a lot of time and could be made more efficient.
- There is a wide variability with provider approval requirements and payment policies across lead agencies.
- Lead agencies and providers could benefit from improved infrastructure and centralized administrative functions (in particular related to provider contracting, coordination and invoice/claim submission).
- Vehicle sharing among transportation providers is limited, if not prohibited due to liability and other issues. Vehicle sharing could increase the availability and hours of operation for waiver transportation providers.
- Evaluating the quality and costs of waiver transportation services is challenging without defined statewide service standards, more detailed utilization and expenditure reporting capabilities and a process for uniform tracking of individual access and service issues.
- Provider participation is hampered by the widespread perception of an inadequate and uneven rate structure.

The following summarizes general stakeholder feedback related to each of these themes (note that feedback is not specific to stakeholder type):

- **Authorization and coordination of services:**
  - Arranging provider transportation can require up to three days of advanced planning. Cancellations (by people and providers) are common, making it difficult to find last minute replacement services. There is limited to no communication between a provider and person for scheduling, notification of changes or cancellations.
  - There are an insufficient number of on-demand providers such as taxis, Uber, Lyft and Dial-a-Ride vendors (this is especially true in Greater Minnesota).
  - The limited and decreasing pool of volunteer providers significantly increases the time for a case manager to find an available provider (particularly in Greater Minnesota).
  - Additional providers are needed to offer adaptive assistance (i.e., accommodating wheelchairs and providing special assistance for people who are visually impaired, deaf, deafblind or hard of hearing, etc.).
  - Providers do not always provide additional assistance such as help with getting in and out of vehicles, accommodation of service dogs and assistance with packages (Note: It is important to remember that service dogs are allowed everywhere their user goes. Not accommodating a person with a service animal would violate [Minn. Stat., §363A.19](#) of the Minnesota Human Rights Act [MHRA].)
- **Variability between lead agencies:** DHS delegates authority to lead agencies to evaluate, contract and pay waiver transportation providers. This has created an environment where:
  - Most waiver transportation providers are not approved directly by DHS.
  - There is variation between lead agencies that does not readily allow for uniform-quality reporting and monitoring of providers.
  - The providers in one county may not be approved to provide transport to people in another county, which limits travel options for the people who need the rides and the lead agency case managers who arrange the rides.
  - Most waiver transportation providers are not able to submit claims because it is not their business model. This requires lead agencies to convert invoices and receipts into claims for submittal to DHS for reimbursement (which takes time).
  - While counties and tribal nations are required to set rates, this is not in the core skill set for them. They have expressed a need for additional guidance and expertise to establish rates.
- **Need for improved infrastructure and centralization of administrative functions** to address the need to assist lead agencies in recruiting, approving, contracting and paying waiver transportation providers.

- This requires the need for significant lead agency administrative costs including the use of dedicated staff to manage waiver provider networks/payments and to translate provider invoices into DHS-standardized claims.
  - State and lead agency stakeholders suggested that to reduce provider administrative costs and increase overall waiver transportation enrollment, the state should establish a process that allows providers to electronically bill a central location for fare reimbursement (i.e., create a system that converts invoices into claims automatically).
  - Lead agency service authorization and coordination of waiver transportation is manual, and lead agencies would benefit from centralized access point to a list of providers.
  - People and lead agencies would benefit from system support (which would include a mobile application capability for direct communication between people and providers/driver, similar to Uber and Lyft, etc).
- **Limitations on vehicle sharing:** Information collected from interviews related to two examples of vehicle sharing (Scott and Carver counties and WACOSA and Tri-CAP in the St. Cloud area) pointed to the following barriers to developing such arrangements:
    - Laws prohibiting specialized transportation services exempt providers (i.e., DT&H providers, nursing homes and groups homes) from providing transportation to anyone other than the people they serve directly.
    - Access to vehicle insurance.
    - County border issues where one provider is not approved by another county for service delivery.
    - Agency competition, which prevents a willingness to work together.
    - Federal funding reporting requirements, which are perceived to inhibit vehicle sharing
    - Varying hours of operation and needs for covering costs across providers.
- **Need for reliable information on frequency, cost and quality of services:**
    - The provider enrollment and billing structure for waiver transportation (including claim-submission requirements) does not allow for detailed analysis on costs and frequency of service by provider and service type.
    - There is no current waiver transportation-specific system for collecting and reporting reliable and consistent data on people's access and service issues.
    - There is no set of standardized terms across lead agencies (e.g., a way to describe provider types or the wide variety of support people may need when accessing waiver transportation).
- **Perceived inadequate and uneven rate structure**
    - There is a large variation between waiver transportation rates and rate-setting methodologies across lead agencies.

- Providers reported that rates do not cover the costs of transportation delivery, including but not limited to:
  - Licensing and compliance with policies and regulations
  - Unloaded miles (which are miles when there is not a passenger in the car, e.g., the first leg of a pick-up trip)
  - Vehicle maintenance
  - Cancelled rides
  - Driver recruitment and training
  - Insurance costs
  - Medicaid program requirements (e.g., programs are tied to federal “usual and customary” charge requirements and as such, public transit providers such as Metro Mobility may only charge the published rate offered to the public. At the same time, non-public, transit waiver transportation providers can receive higher rates from the fee schedule).
- Current rates established by lead agencies do not consistently account for specialized services such as:
  - Curb-to-curb service where drivers will assist passenger in and out of vehicles only
  - Door-to-door service where drivers will assist passengers to the entrance of their origin or destination
  - Door-through-door service where drivers will assist passenger to the inside of their origin or destination.
- Lack of reimbursement for unloaded miles discourages volunteer and other private driver participation.
- There is a cost to providers to coordinate volunteer drivers.

## Objectives guiding the recommendations

The Navigant team worked with DHS and the Rate and Access advisory groups to develop objectives to guide the recommendations. Specifically, the objectives are to:

- Advance access and availability of waiver transportation services to all waiver participants regardless of program type, participant’s abilities or geographic location.
- Support an increase in appropriate and cost-effective person-centered delivery of transportation, including an on-demand (“demand request”) response option.
- Maximize use of cost-effective pre-existing community capacity for transportation.
- Adjust the current reimbursement structure to better reflect cost of providing services.
- Adjust the current reimbursement structure to support the delivery of quality services to meet identified individual needs.

## Measures of success for recommendations

The Navigant team worked with DHS and the Rate and Access advisory groups to develop measures of success for the recommendations. Specifically, the measures of success are to:

- Establish a uniform and statewide set of requirements for pass-through (formally Tier 2 and 3) providers that lessen the current administrative burden on lead agencies and providers.
- Develop and implement the corresponding rate structure for the newly defined standards.
- Support infrastructure development to achieve:
  - A “real-time” online and easily searchable database for lead agency use that contains approved/certified/licensed waiver transportation providers statewide by type of driver (including their availability and operating hours). This database would be accessible by an app or commercial off-the-shelf solution for use by care coordinators.
  - An expedited and real-time provider billing to counties, DHS, managed care organizations and other quasi-governmental organizations.
  - A common training module that providers can take remotely, when appropriate, to meet DHS and MnDOT training requirements.
  - A defined quality metric for tracking and trending to monitor service and access issues.
  - An increase of the total number of DHS-enrolled waiver transportation providers by 25 percent relative to the year the new rate and standards are established.

## Need for a centralized approach

The current waiver transportation program involves 87 counties, seven MCOs and four tribal agencies. Each have different approaches to rate setting, vetting and approving waiver transportation providers. This does not lend itself to program continuity or fostering the development of a provider network that meets growing needs and reduces administrative barriers for providers and lead agencies. To be consistent with current DHS oversight of home and community-based services that currently have common service definitions and statewide rates, **our overall recommendation is that the state move to a centralized approach for developing statewide rates and policies for DHS-approved waiver transportation providers and services.**

Centralization would reduce variation, increase efficiencies and standardize state oversight needed to monitor access and rate issues. Lead agencies would retain HCBS case management functions (which includes transportation service authorization and coordination). The state should contemplate developing information-system support that reduces administrative work

related to lead agency case management functions. This ultimately could include the state outsourcing this support with a transportation coordination service (as other states have done) or developing its own system support.

The recommendation for a centralized approach where DHS administers the waiver transportation program is similar to the state law regarding the non-emergency medical transportation program. Specifically, Minnesota Statutes 256B.0625 subd. 18e and subd. 18g read as follows:

**Subd. 18e. Single administrative structure and delivery system.**

The commissioner, in coordination with the commissioner of transportation, shall implement a single administrative structure and delivery system for nonemergency medical transportation, beginning the latter of the date the single administrative assessment tool required in this subdivision is available for use, as determined by the commissioner or by July 1, 2016.

In coordination with the Department of Transportation, the commissioner shall develop and authorize a Web-based single administrative structure and assessment tool, which must operate 24 hours a day, seven days a week, to facilitate the enrollee assessment process for nonemergency medical transportation services. The Web-based tool shall facilitate the transportation eligibility determination process initiated by clients and client advocates; shall include an accessible automated intake and assessment process and real-time identification of level of service eligibility; and shall authorize an appropriate and auditable mode of transportation authorization. The tool shall provide a single framework for reconciling trip information with claiming and collecting complaints regarding inappropriate level of need determinations, inappropriate transportation modes utilized and interference with accessing nonemergency medical transportation. The Web-based single administrative structure shall operate on a trial basis for one year from implementation and, if approved by the commissioner, shall be permanent thereafter. The commissioner shall seek input from the Nonemergency Medical Transportation Advisory Committee to ensure the software is effective and user-friendly and make recommendations regarding funding of the single administrative system.

**Subd. 18g. Use of standardized measures.**

Beginning in calendar year 2015, the commissioner shall collect, audit, and analyze performance data on nonemergency medical transportation annually and report this information on the agency's Web site. The commissioner shall periodically supplement this information with the results of individual surveys of the quality of services and shall make these survey findings available to the public on the agency Web site.

## Change as a continuum

Movement toward a more centralized program for waiver transportation services can be seen in the framework of a continuum in which important administrative and policy changes are phased-in. This would support enhanced waiver transportation service delivery over several years' time. Some of these changes would involve the collection of reliable information that DHS can use to track and monitor access, provider network changes and service costs.

(NOTE: DHS and lead agencies are required to report to the Centers for Medicare & Medicaid about the information needed to monitor waiver transportation access and costs as defined by DHS [including use of additional procedure codes and modifiers to reflect the range of waiver transportation services and providers].)

Navigant proposes that the recommendations be considered in the context of a four-year implementation to appropriately phase-in the necessary changes. This phase is necessary, as the changes proposed will require:

- Changing roles for lead agencies
- New administrative duties for DHS and other State agencies
- Development of standard program terms and definitions
- Development of new reporting data requirements
- Development of information system support
- Legislative support
- Collaboration between multiple government agencies such as DHS, MnDOT, the Met Council, counties and tribal agencies
- Integration with Regional Transportation Coordinating Council (RTCC) efforts, providers and related provider associations
- Federal agency approval.

If possible, the state should secure enhanced federal Medicaid matching funds (90 percent/10 percent) for these administrative changes.

## Recommendations

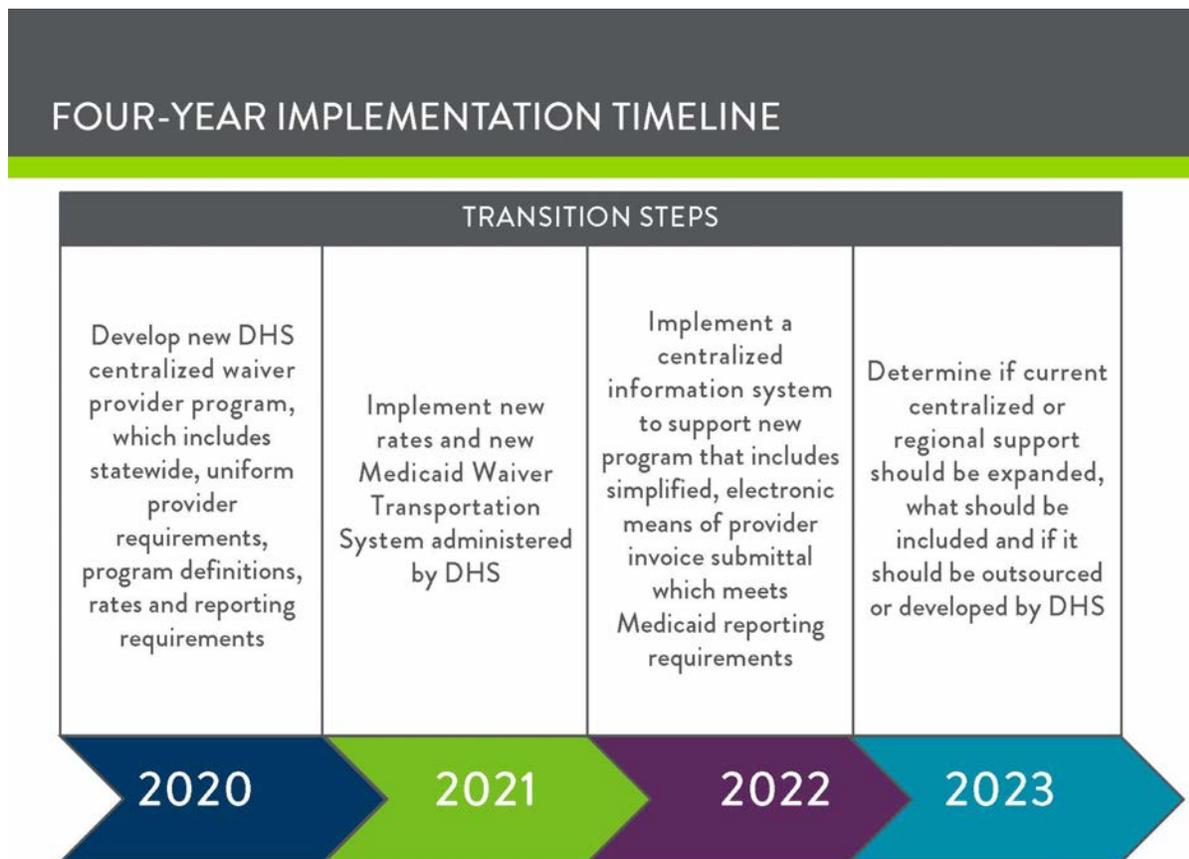
Overall recommendations for waiver transportation program changes to support improvement in administrative efficiencies are described below; these proposed changes include the development of a new rate structure, which is detailed in [Section VII Recommendations related to rate methodology](#) along with the proposed rate methodology. Recommendations are for DHS to work with stakeholders to:

1. Identify changes to policies, regulations and/or state law needed to support recommendations and secure enhanced federal Medicaid matching funds (90/10) for implementation of administrative changes. (For example, state law would need to be changed to allow DT&Hs, group homes and nursing homes to provider waiver transportation services beyond just the people they serve directly.)
2. Develop and establish uniform statewide provider requirements and corresponding rates for a new waiver transportation program:
  - DHS would develop and establish uniform and statewide provider-enrollment requirements, rates, terminology, definitions and reporting requirements for access, service and cost
  - DHS would approve all waiver providers
  - Lead agencies would use consistent rates, although managed care organizations would maintain the flexibility to develop their own rate methodologies
  - DHS would define and lead agencies would report data needed to monitor utilization and expenditures
  - DHS would perform on-going monitoring of utilization and the impact of rate changes after any new rate implementation.
  - DHS changes would result in uniform, statewide participation and payment requirements that may include:
    - Background checks
    - Provider participation requirements
    - Uniform payment policies
    - Claims and service reporting
    - State-funded insurance coverage
3. Develop centralized infrastructure to support a waiver transportation program specific to provider network and payment management:
  - DHS would develop a centralized system that supports electronic means for providers to submit invoices to be automatically converted into claims for state Medicaid reporting.
  - DHS would develop and implement an online, easily searchable database for lead agency use that would include all approved providers by type of driver and services, unique identifiers for each provider, geographic service areas and availability of services.

4. Develop and implement a centralized infrastructure to support lead agency service authorization and coordination function. (This change would be based on additional study to determine what services would be supported and if this approach is feasible and warranted after recommendation No. 3 is implemented. This infrastructure could include DHS contracts with transportation coordination service organizations so that lead agencies are no longer responsible for the majority of the coordination. It could also include the use of a mobile app for individual and lead agency use, like what is used by other on demand providers such as Uber and Lyft).
5. Develop and implement new rate methodology for waiver transportation that considers provider costs for doing business, understands the variation in provider/service types, recognizes unloaded miles and includes payment for special services. ([Section VII Recommendations related to rate methodology](#) provides specific recommendations regarding this new rate methodology.)

Recommendations should be implemented over a four-year period to allow for appropriate development and implementation of changes. Figure 2 provides an illustration of how implementation could occur.

**Figure 2: Timing of recommendations**



## Timing of recommendations

This subsection provides additional detail on each recommendation by year.

### 2020 activities related to recommendations

Before and into 2020, DHS would conduct the following activities:

- Identify required state law and other policy changes needed to implement changes (done together with MnDOT).
- Request (by July 1, 2019) Medicaid administrative funding from CMS (90/10 match) to support changes (for example, this funding could be used to develop a statewide online provider database for lead-agency use to perform, assess and implement changes to the coordination function of lead agencies).
- Identify data needs for program monitoring of cost, service quality and access to be collected and reported by DHS and lead agencies. This may include a definition of “special services.”
- Foster the growth of shared vehicle arrangements and development of improved support together with MnDOT by:
  - Supporting agencies to understand and navigate Federal Transit Authority (FTA) grant fund reporting requirements for vehicle purchases. (There currently is a perception that they deter shared vehicle arrangements.) An example of this would be how FTA grant funding reporting requirements require that agencies report the number of people served. However, FTA does not allow two agencies to report serving the same person (double counting one person). This can be problematic for agencies when using one shared vehicle. In such a case, the two agencies would need to establish an ownership arrangement so that the vehicle could be used by both agencies without creating issues with FTA grant regulations.
  - Identifying and requesting state law and regulation changes so that DT&Hs, nursing home, group home and day service providers can provide transportation services to Medicaid and HCBS covered people other than their residents.
- DHS would develop standard program terms/related definitions and reporting elements to monitor program cost, service quality and access. These terms would include, for example, defining specialized services that some waiver transportation participants require (such as door-to-door and door-through-door services) and the identification of additional procedure codes and modifiers to more clearly report the wide variety of transportation services currently provided.

## 2021 activities related to recommendations

During 2021, DHS would engage in the below activities to support successful implementation:

- Implement a DHS-administered waiver transportation program in which DHS enrolls and could pay all providers.
- Implement statewide rates (finalized in 2020) for waiver providers that include:
  - Recognition for assistance in and out of the vehicle
  - Recognition of unloaded miles
  - Consideration of provider costs of doing business
  - Consideration of the variation in provider and service types.

[Section VII Recommendations related to rate methodology](#) provides a description of the rate recommendations and related rate methodology.

## 2022 activities related to recommendations

On or by January 2022, DHS would implement the information system support for the new waiver transportation providers, which includes:

- Development of centralized information system that facilitates electronic means for providers to submit invoices. This electronic means would automatically convert invoices into claim formats that meet federal and state Medicaid reporting requirements.
- Development of a “real-time” online, easily searchable database for use by lead agencies of approved/certified/licensed waiver transportation providers statewide by type of driver (including their availability and operating hours).
- Reporting of cost, service quality and access data to monitor waiver transportation services on an ongoing basis.
- Enhanced monitoring of utilization and access.

## 2023 activities related to recommendations

After implementing the activities mentioned above, DHS should determine if established centralized or regional support should be expanded to include support for lead agencies for service authorization and coordination. It should also consider the need to purchase or develop related system support. This may include DHS developing its own system support or outsourcing this support with a transportation coordinator (similar to what other states have done).

# VII. Recommendations related to rate methodology

The Navigant team's recommendations for a revised rate methodology for Minnesota's waiver transportation services centered on information taken from:

- Stakeholder engagement
- Research of other state's methodologies
- Review of DHS data sources
- Input from DHS staff.

The rate methodology recommendations are closely related to the Access Study recommendations described in [Section VI Recommendations for technical and administrative improvement](#). As described in detail in [Section VI Recommendations for technical and administrative improvement](#), the process to implement the recommendations fully from both the Access and Rate studies associated with this project will take several years.

Providers reported that current reimbursement rates for waiver transportation are too low and do not adequately support the costs associated with providing these services ([Section V Research summary and key themes](#)). Navigant solicited feedback from stakeholders (i.e., DHS, the Rate Advisory Group, providers [via the cost survey, which collected information on costs and revenues], a public webinar and website comments) to deliver rate methodology that reflect the relevant themes identified by stakeholders, as shown in [Table 10](#). Additionally, feedback on rate issues was provided through the group and individual stakeholder interviews, which indicated low reimbursement rates create barriers to transportation access for people who use waiver services.

The recommendations from the Rate Study are intended to be phased-in over time, as recommended changes from the Access Study will impact the way that transportation providers are reimbursed (for instance, one recommendation is that contracted providers who work with lead agencies use the fee schedule and not a negotiated or published rate in the future).

As part of the initial rate recommendations, Navigant recommends three initial approaches to reimbursing waiver transportation services.

- 1. Per trip rates:** This would apply to providers who meet the DHS Medicaid enrollment requirements for participation. It would include:
  - Fee-for-service fee schedules
  - Five mileage bands (ranges of miles traveled per one-way trip).

## 2. Contracted reimbursement

- Published fares for public transit fixed routes
- Market or negotiated rates for public transit non-fixed route rides, on-demand transit providers or taxis.

3. **Volunteer per mile rates:** Reimbursed at the allowable federal transportation rate as set by the Internal Revenue Services (IRS).<sup>31</sup>

Different rates are required as not all providers will be using the calculated per trip rate. Contracted providers will continue providing services outside of the fee schedule and volunteer drivers are not paid the per trip rate.

The following subsection describes the overall approach to developing the rate methodology assumptions and proposed rate recommendations.

## Key themes guiding the recommendations

Five themes described in [Section V Research summary and key themes](#) provide guidance regarding rate development and decisions around the rate methodology.

**Table 10: Themes relevant to rate development**

Theme	Relevance for rate development
1. Lead agency <b>authorization and coordination of services</b> takes a lot of time and could be made more efficient.	Rate methodology includes assumptions for administrative costs.
2. There is a wide <b>variability with provider approval requirements and payment policies</b> across lead agencies.	Rate methodology establishes statewide rates that represent consistent costs for delivering services across Minnesota.
3. Lead agencies and providers could benefit from <b>improved infrastructure support and centralization</b> of administrative functions (e.g., support related to translating provider invoices into claims and maintaining a statewide online database of waiver transportation providers).	Rate methodology is flexible and allows for future improvements to administrative function and changes to costs, as administrative factors can be updated independent of other factors.

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<sup>31</sup> Beginning Jan. 1, 2019 the standard mileage rate was 58 cents for every mile. [Internal Revenue Service's Standard Mileage Rates for 2019](#).

Theme	Relevance for rate development
<p>4. Evaluating the <b>quality and costs of waiver transportation services is challenging</b> without defined statewide service standards, more detailed utilization/expenditure reporting capabilities and a process for uniform tracking of person access and service issues.</p>	<p>Rate methodology is flexible and allows for more specific procedure codes and modifiers to delineate service type and utilization.</p>
<p>5. Provider participation is hampered by the widespread perception of an <b>inadequate and uneven rate structure</b>.</p>	<p>Rate methodology is specific to the person’s needs and recognizes the variation in the delivery and funding of waiver transportation services.</p>

### Public transit rates

During the rate development discussion, stakeholders identified two primary issues regarding the funding of fixed-route paratransit services offered to both the general population and people enrolled in HCBS waiver programs:

1. Current funding of Metro Mobility and other paratransit does not benefit from federal matching funds at the 50 percent Federal Medical Assistance Percentages (FMAP) rate for State General Fund expenditures.
2. Federal regulations require Medicaid to pay the market rate (published fare) for services that are also offered to the public (as Medicaid will not pay more than the usual and customary cost of a service).

These issues are interrelated, as the state would be able to receive matching funds if there were an established specialized waiver transportation service that is not offered to the public, and, as such, funded under DHS.

DHS's current reimbursement policy allows for payment of the published fare for all fixed-route public transit. In its February 2018, report to the legislature, the Metro Mobility Task Force provided data about the differential between the cost to provide a trip and the current fares. That differential is approximately \$26 per trip (\$26 in operating costs plus \$3.88 in capital costs per trip, less fares of \$3.50 off-peak or \$4.50 peak).

Navigant recommends the rate for public transit remains as the published fare for all fixed-route public transit services. Navigant recommends that DHS work with MnDOT and the Metropolitan Council to develop a unique waiver transportation service that meets federal standards and is a separate service from what is offered to the public. DHS and MnDOT have previously discussed creating a “higher level of service than service offered to other customers

paying the public transit fares,” as a way for Minnesota to receive the 50 percent federal match.<sup>32</sup>

## On-demand rates

The Access Study explored the possibilities for implementing on-demand waiver transportation. In particular, it looked at the use of Uber and Lyft as potential partners. For the Rate Study, Navigant reviewed the research from other states and Access Study interviews to understand potential options for recommendations.

Navigant’s rate recommendations coincide with recommendations from the Access Study related to on-demand waiver transportation. As mentioned in the [Part VI: National emerging trends and technology section](#), Uber offers a wheelchair accessible vehicle (UberWAV) option when scheduling a ride. However, this is a service offered to the general population and like paratransit, would be paid at the rate available to the general population unless DHS could negotiate a lower rate. Current rates for the UberWAV service are similar to that of a standard ride from Uber, but it is unclear the extent to which the driver will provide assistance with entering and exiting the vehicle for someone who is non-ambulatory.

Until there is an agreement with on demand providers to create a new specialized transportation service, Navigant recommends continuing to reimburse on-demand service providers at the market rate.

## Per-mile-volunteer rates

Volunteer drivers have been a key component of delivering waiver transportation service, particularly the transportation for people enrolled in Elderly Waiver. Lead agencies that use volunteer drivers reported that – in addition to the stipend or per-mile rate they pay volunteers – they also incur administrative costs related to the time they spend to coordinate volunteers. Challenges for establishing a reimbursement rate for volunteers are twofold:

- Any per mile payment to a volunteer over the Internal Revenue Service (IRS) charitable rate (currently 14 cents per mile) is taxable income (however, the amount that the provider pays to the volunteer is at its discretion)
- Medicaid is not allowed to reimburse for unloaded miles, which limits payment to volunteers to only loaded miles.

The current non-emergency medical transportation (NEMT) volunteer rate is established as the standard mileage rate from the IRS, rounded down to the nearest whole cent. The current recommendation is to align the waiver transportation volunteer rate with non-emergency

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<sup>32</sup> Metropolitan Council, [Report of the Metro Mobility Task Force \(PDF\)](#), 2018

medical transportation. The current standard mileage rate of 54 cents used by NEMT allows for 14 cents per mile for the volunteer (to avoid exceeding the charitable threshold set by the IRS), with 40 cents per mile remaining to help cover costs to the provider for waiver coordination.

Navigant recommends that DHS consider establishing a service coordination function in [2023](#), and if that recommendation moves forward, develop a rate to account for the cost of coordinating waiver transportation services. If a service coordination function is implemented, the rate will be dependent upon the scope of the service coordinator and costs to implement the function (costs will vary depending if the coordinator is outsourced or an in-house resource).

## Independent rate build-up methodology for per-trip rates

Navigant used its experience from rate development with other states, review of other state waiver transportation rate models and in-depth discussions with DHS staff to guide the development of an independent rate build-up approach for per trip rates. The proposed per-trip rate will be used by providers who submit claims (described as Tier 1 providers in [Section V Research summary and key themes](#)). This type of approach:

- Uses a variety of data sources to establish rates for services that are “...consistent with efficiency, economy and quality of care and are sufficient to enlist enough providers so that care and services are available under the plan at least to the extent that care and services are available to the general population in the geographic area.” – 1902(a)30(A) of the Social Security Act.
- Relies primarily on reported cost data (i.e., costs are not audited, nor are rates compared to costs after a reporting period and adjusted to reflect those costs).

Using cost information and wage rates collected from providers, in addition to data from similar services in other Minnesota waivers and federal data sources, Navigant calculated the values for different rate components and built rates from the bottom up for the waiver transportation services included in this rate study. Navigant determined each cost component associated with the direct care provided for a service (e.g., direct care worker wages and benefits), identified the corresponding payment amount(s) and then added on payment amounts reflecting costs required to deliver the service. The recommended rate methodology generally aligns with those used by other states, as outlined in [Section V Research summary and key themes](#), and the rate frameworks included in the Minnesota Disability Waiver Rate System (DWRS).

The rate methodology includes the following direct and indirect factors:

- **Direct care costs** (i.e., professionals deliver the service):
  - **Wages**
  - **Employee related expenses (ERE):** Includes benefits, federal and state payroll deductions, health insurance and retirement

- **Program plan support:** Represents time that program staff must spend on non-reimbursable activities, which may include completing administrative paperwork or attending team meetings.
- **Indirect care costs**
  - **Client absence factor:** Accounts for person “no-shows” for scheduled waiver transportation pick-ups (i.e., scheduled services, where the person does not use the transportation service).
  - **Administration factor:** Reflects the administrative costs associated with delivering services (for example, administrative employee salary and wages), and is expressed as the ratio of administration expenses to program employee salaries, wages and benefits.
  - **Vehicle and program support factor:** Reflects expenses tied to supporting the delivery of the transportation services (e.g., fuel, vehicle cost, tires, licensing fees, insurance, maintenance and other expenses). This factor is expressed as the ratio of vehicle and program support expenses to program employee salaries, wages and benefits.

## Recommendations for model rate factor components

The approach developed by Navigant adds together the direct and indirect factors, described above, to create a cost-per-day value, which is then converted to a per-trip rate. The upcoming subsections provide further detail about the reported values from the cost survey and recommended values for the rate factor components for:

- Wages
- Employee related expenses
- Client absences
- Program plan support
- Vehicle programming and supports
- Administration.

In addition, each subsection includes a preliminary value that Navigant presented to public stakeholders, feedback from the stakeholders and a final recommendation.<sup>33</sup>

### Wages

Hourly wages for program employees serve as the baseline for the proposed waiver-payment rates. The provider cost survey resulted in a median hourly wage value of \$13.30 per hour.

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<sup>33</sup> Twelve providers submitted feedback after the public meeting on the Rate and Access Studies preliminary findings.

Navigant compared the cost survey results to the United States Department of Labor's Bureau of Labor Statistics' (BLS) data available at the statewide level for Minnesota. Navigant worked with DHS to determine two occupational classifications to create a weighted average to calculate a comparable hourly wage of \$13.64:<sup>34</sup>

- Personal and home care aides (standard occupational classification code of 39-9021) - \$11.78, assumes 60 percent of the hourly wage for blended hourly wage
- Bus drivers, school or special client (standard occupational classification code of 53-3022) - \$16.42, assumes 40 percent of the hourly wage for blended hourly wage

The two BLS classifications generally align with staff who typically provide waiver transportation services, as the driver is not always dedicated to providing transportation services (e.g., bus drivers or train operators). For example, a day training and habilitation (DT&H) provider may use an employee providing program services also to deliver a transportation service.

Summary for wages:

- **Preliminary component for public review:** Navigant proposed using the blended hourly wage from the BLS data of \$13.64. This value is slightly higher than the reported provider data through the cost survey. Using the BLS data allows for future wage adjustments, as the BLS wages are published annually and it is representative of statewide wages at the time.
- **Stakeholder feedback:** Stakeholders stated that the wages are too low and not competitive. The cost survey results reflect what providers can pay and not what they should pay (higher rates could lead to higher wages). It was also noted that Metro Mobility pays \$16.50 an hour for a straight shift. Stakeholders recommended adjusting the BLS blend to reflect 100 percent or 85 percent of a bus driver wage.
- **Final recommendation:** Navigant recommends keeping the blended hourly wage from the BLS data of \$13.64. The wage is reasonable compared to the cost survey results. The approach aligns with other rates in the Disability Waiver Rate System (DWRS) and reflects providers delivering the transportation services for which the per-trip rate is intended. While Metro Mobility pays its employees a higher wage, it also requires additional training and higher standards to deliver transportation services. We recommend:
  - Applying an index to the wages when the proposed rates are implemented
  - Aligning the index schedule with other services in the DWRS.

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<sup>34</sup> The median value of May 2017 hourly wage was used for this analysis.  
Bureau of Labor Statistics: [Occupational Employment Statistics, May 2017 State Occupational Employment and Wage Estimates Minnesota](#)

## Employee related expenses (ERE)

The employee related expenses factor is used to reflect the cost of program employee benefits, specifically:

- Federally required benefits, e.g., Federal Insurance Contributions Act (FICA), Federal Unemployment Tax Act (FUTA), and State Unemployment Tax Act (SUTA), along with insurance costs for state workers' compensation
- Health, dental, unemployment and life insurance
- Retirement benefits
- Long- and short-term disability benefits.

The provider cost survey analysis resulted in employee related expenses as a percentage of employee salaries and wages of 21.9 percent at the median. In comparison, the results for employee related expenses in the Disability Waiver Rate System (DWRS) are set at 23.6 percent of employee salaries and wages.

Summary for ERE:

- **Preliminary component for public review:** Navigant proposed using the DWRS employee related expenses of 23.6 percent of salary and wages, as it is similar to the results of the provider-reported values. Using the DWRS value will align rate factors across waivers for similar services as they are used extensively for setting HCBS rates in Minnesota.
- **Stakeholder feedback:** There was no feedback related to the proposed employee related expense.
- **Final recommendation:** Navigant recommends using the DWRS employee related expense of 23.6 percent of salary and wages.

## Client absences

The client absences factor is used to account for scheduled waiver transportation services that the person does not use. The cost survey captured the following information to calculate this factor:

- Typical number of scheduled waiver transportation trips (per week)
- Typical number of canceled waiver transportation trips (per week)
- Typical number of delivered waiver transportation trips (per week)

An analysis of provider-reported data on the cost surveys resulted in a median value of 3.7 and an average value of 5.4 percent of employee salaries, wages and benefits. In comparison, the absence factor included in the Disability Waiver Rate System (DWRS) is set at 3.9 percent of employee wages.

Summary for absences:

- **Preliminary component for public review:** Navigant proposed using the DWRS absence factor of 3.9 percent of wages, as it is similar to the results of the provider-reported values. Using the DWRS value will align rate factors across waivers for similar services as they are used extensively for setting HCBS rates in Minnesota.
- **Stakeholder feedback:** Stakeholders stated the client absences value was too low and it does not reflect the actual absence levels they experience.
- **Final recommendation:** Navigant recommends using the average cost survey value of 5.4 percent.

### Program-plan support

Program employees must perform certain activities that are not reimbursable and are outside the provision of a direct service. This non-face-to-face time is not billable and includes activities such as:

- Participating in planning meetings
- Recordkeeping and documentation
- Employer time like staff meetings.

The provider cost survey analysis resulted in a median value of 16.7 percent for program plan support, which is 6.66 billable hours in an 8-hour day.

In comparison, the program-plan support factor from the Disability Waiver Rate System (DWRS) is set at 15.5 percent (for employment services) or 6.76 billable hours in an 8-hour day.

Summary for program-plan support:

- **Preliminary component for public review:** Navigant proposed using the DWRS program-plan support factor of 15.5 percent, as it is similar to the results of the provider-reported values. Using the DWRS value will align rate factors across waivers for similar services as they are used extensively for setting HCBS rates in Minnesota.
- **Stakeholder feedback:** Stakeholders stated that the 6.76 billable hours in a day reflects group transportation services (more than one rider) and the value should be adjusted to reflect individualized services.
- **Final recommendation:** Rate Advisory Group members stated that helping someone exit and enter a vehicle usually takes three minutes without the use of a lift and six minutes for rides that require the use of a lift. Navigant adjusted the 6.76 billable hours in a day to reflect:
  - 5.36 billable hours in a day for rides that do not require a lift: This accounts for three minutes to enter/exit per one-way trip, 28 times a day (14 one-way, individual rides that can be delivered per day, multiplied by two to account for one exit and one entry).

- 4.76 billable hours in a day for rides requiring a lift: This accounts for six minutes to enter/exit per one-way trip, 20 times a day (10 one-way, individual rides that can be delivered per day, multiplied by two to account for one exit and one entry).

In addition, Navigant recommends an additional rider add-on, which also accounts for the time to help a person enter/exit a vehicle.

### **Vehicle programming and supports**

The vehicle programming and supports factor reflects the costs that support the delivery of the transportation service. These include fuel, vehicle, tires, licensing fees, insurance, maintenance and other expenses. It is factored as a percent of employee salaries, wages and benefits.

An analysis of the provider cost surveys resulted in a median value of 23.1 percent of employee salaries, wages and benefits. Navigant imposed a cap of 50 percent for the median calculation to contain the impact of this factor.

The results of a comparison between the vehicle programming and supports value from the cost survey against the data in the Disability Waiver Rate System (DWRS) showed that transportation services have higher program costs (the numerator) and lower direct care costs (the denominator) than other home and community-based services, and as such, the DWRS values were not comparable.

Navigant used data from MnDOT to calculate a comparable vehicle programming and supports factor, which resulted in a median value of 44.01 percent as a percent of employee salaries, benefits and wages.<sup>35</sup> It is important to note that the data from MnDOT represents audited costs of dedicated transportation providers for Greater Minnesota counties and that all vehicles are ADA compliant with lifts. Conversely, the providers reporting on the cost survey (mostly day training and habilitation, public transportation, and occupational training providers) may or may not have costs related to vehicles with lifts. As such, the costs and resulting median value based on MnDOT data may be inflated compared to the statewide cost survey data.

Summary for vehicle programming and supports:

- **Preliminary component for public review:** Navigant proposed using the provider-reported vehicle programming and supports factor of 23.1 percent
- **Stakeholder feedback:** Stakeholders stated that the methodology does not address the disparity between different types of waiver transportation services and operating subsidies (which can be up to 80 percent of costs)
- **Final recommendation:** Navigant revisited and revised the vehicle programming and supports factor and made the following adjustments:
  - Removed all vehicle costs (purchase and lease) from the factor

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<sup>35</sup> MnDOT cost data includes public transit costs as reported to MnDOT by public transit providers and audited by the MnDOT Audit Unit. MnDOT submitted cost data to Navigant on Sept. 5, 2018.

- Removed contracted services from the factor (these are paid outside of the fee schedule).

The two changes resulted in an increased vehicle programming and support factor of 23.3 (contracted maintenance services were in the denominator and by removing those costs, the factor increased).

### **FTA subsidy factors**

Navigant removed vehicle costs because the stakeholders reported that providers do not know the true costs of their vehicles due to subsidies for vehicles from the Federal Transit Authority. Using median values from the cost survey would over pay some providers and under pay others.

To determine a fair “true cost,” Navigant got data from Metro Mobility about its average vehicle costs for lift and non-lift vehicles. DHS and Navigant agreed that Metro Mobility was a reliable source for cost information and that its reported costs for vehicles were representative costs for purchasing these types of vehicle in Minnesota (understanding that some providers may pay more or less for a non-lift vehicle).

Therefore, to account for the variation in subsidies and costs, Navigant added vehicle-type adjustments to the rate:<sup>36</sup>

- **Non-lift vehicle:** Adjustment uses an average vehicle cost of \$52,000, divided by 255 days (average number of operational days, as reported through the cost survey), divided by 10 (to account for the useful life of a vehicle in years).
- **Lift vehicle (without subsidies):** Adjustment uses an average lift-equipped vehicle cost of \$68,187, divided by 255 days (average number of operational days, as reported through the cost survey), divided by 10 (to account for the useful life of a vehicle in years).
- **Lift vehicle (with subsidies):** Adjustment uses an average lift-equipped vehicle cost of \$13,637 (20 percent of \$68,187), divided by 255 days (average number of operational days, as reported through the cost survey), divided by 10 (to account for the useful life of a vehicle in years).

In the new structure, providers would bill for waiver transportation services depending upon the type of vehicle used to deliver the service. There is not a rate for non-lift vehicles with subsidies, as non-ADA compliant vehicles cannot receive Federal Transit Authority (FTA) funding. This rate model addresses stakeholders concerns regarding inequitable rates for providers receiving FTA funding. While this rate model creates

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<sup>36</sup> The Metropolitan Council provided Navigant with costs associated with ADA compliant 14 passenger buses, medium sized SUVs, and mini-van conversions that are all equipped with required transit technology (for example, a camera system, fare collection, scheduling computer, on-board router, etc.).

additional billing complexities, DHS valued and included stakeholder feedback when making their recommendations.

### **Administration factor**

The administration factor reflects the costs associated with operating an organization. These include costs for administrative employees' salaries, wages and benefits along with non-payroll administration expenses, e.g., licenses, property taxes, liability and other insurance, IT costs and office supplies.

The provider cost surveys resulted in a median value of 20.8 percent for the administration factor as a percent of employee salaries, wages and benefits. In comparison, the administration factor from the Disability Waiver Rate System (DWRS) is set at 23 percent of employee salaries and wages.

- **Preliminary component for public review:** Navigant proposed using the DWRS administration factor of 23 percent, as it is similar to the results of the provider-reported values. Using the DWRS value will align rate factors across waivers for similar services and as they are used extensively for setting HCBS rates in Minnesota.
- **Stakeholder feedback:** There was no feedback related to the proposed administration factor.
- **Final recommendation:** Navigant recommends using the DWRS administration factor of 23 percent of salary, wages and benefits.

### **Methodology for determining per-trip rates**

Navigant worked with DHS to develop a methodology to convert the per-day costs of waiver transportation into a proposed per-trip rate that varies according to mileage bands and number of riders within the same vehicle.

Navigant proposes rates for one-six riders within each of five mileage bands:<sup>37</sup>

- 0-9 miles
- 10-19 miles
- 20-39 miles
- 40-59 miles
- 60+ miles.

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<sup>37</sup> Many waiver transportation vehicles can accommodate more than six passengers. We limited the rate tables to six passengers for the purposes of developing and evaluating the rate methodology; however, the methodology allows for development of rates for more than six passengers should DHS want to expand the rates based on rider count for the per trip service.

Feedback from the Rate Advisory Group recommended fewer mileage bands; however, this would widen the ranges, making the providers less accountable for the cost of the trip. This might result in DHS having less specificity about trips (and therefore less ability to discern what the actual cost of rides are) when providers submit claims for the payment of waiver trips.

### Developing the cost per day

The proposed rate methodology calculates the costs per day and then converts the daily costs to a per-trip cost, which varies by the trip miles and number of riders. To build-up to the per-day cost, Navigant summed the results of applying the direct and indirect factors to employee costs. Navigant calculated the cost per day by applying each of the factors against the total staff compensation (i.e., base wages multiplied by the employment related expenses factor [ERE]).

- The overall estimated cost per day for Minnesota waiver transportation calculates to:
  - Non-lift equipped vehicle individual transportation service: \$228.98
  - Lift equipped vehicle individual transportation service (without FTA subsidies): \$235.34
  - Lift equipped vehicle individual transportation service (with FTA subsidies): \$213.95
- Total staff compensation = Wages \* ERE factor
- Total cost per day = the sum of:
  - Total staff compensation \* absence factor
  - Total staff compensation \* program plan support factor (varies by ambulatory or non-ambulatory ride)
  - Total staff compensation \* vehicle programming and supports factor (varies by vehicle type and subsidies)
  - Total staff compensation \* admin factor<sup>38</sup>

### Converting the per day cost to a proposed single occupant per trip rate

To convert the cost per day to a cost per trip, Navigant divided the cost per day by an estimate of average trips per day (by mileage band). The methodology used to determine the average trips per day is as follows:

- **Calculate drive time:** 32 MPH average of driving (this represents both loaded and unloaded miles), multiplied by the upper bound of the mileage band (the upper bounds used are 9, 19, 39, 59, and 79) and converted to minutes.
- **Calculate total trip time:** Add six minutes (ambulatory) and 12 minutes (non-ambulatory) to the drive time to account for assistance in and out of a vehicle.

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<sup>38</sup> See [Appendix G](#) for details about the costs per day calculation.

- **Calculate average trips per day:** Take the total trip time and multiply by the billable hours in a day (5.36 for ambulatory and 4.76 for non-ambulatory). The resulting per trip rate represents the proposed per trip rate at each mileage band for a single occupant.<sup>39</sup>

### Rate add-on component for multiple riders

For trips with more than one person, there is an add-on rate for each additional rider that varies by mile band.

The add-on component for additional people using a waiver transportation service is calculated as the:

- The individual rate
- Divided by the number of riders
- Divided by the number of billable hours in a day (5.36 for ambulatory and 4.76 for non-ambulatory).

The rider add-on is intended to incentivize providers to deliver shared rides. Table 11 shows the add-on by mile band and vehicle type.

**Table 11: Per-rider add-on by vehicle type**

Number of riders	No lift vehicle	Lift equipped vehicle (no FTA funding)	Lift equipped vehicle (with FTA funding)
2 riders	\$1.52	\$2.50	\$2.27
3 riders	\$1.47	\$2.20	\$2.00
4 riders	\$2.10	\$2.95	\$2.68
5 riders	\$2.48	\$3.40	\$3.09
6 riders	\$2.73	\$3.70	\$3.36

### Final rate recommendations

Summaries of the final rate recommendations are in Tables 12 through 14.

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<sup>39</sup> For each mile band beyond 0 to 9 miles, a “fixed cost policy” adjuster of 80 percent was applied. This factor is based on the principle that “not all business costs are fixed; some costs are variable and scalable, dependent on the volume of service provided.” DHS applied a similar adjustment to day services. Minnesota Department of Human Services: Legislative Report, [Disability Waiver Rate System Absence Factor in Day Services Study \(PDF\)](#)

**Table 12: Non-lift vehicle, waiver transportation per-trip rate**

Mileage band	1 rider	2 riders	3 riders	4 riders	5 riders	6 riders
0-9 miles	\$16.29	\$17.81	\$17.76	\$18.39	\$18.77	\$19.02
10-19 miles	\$23.71	\$25.23	\$25.18	\$25.81	\$26.19	\$26.44
20-39 miles	\$45.07	\$46.59	\$46.54	\$47.17	\$47.55	\$47.80
40-59 miles	\$66.43	\$67.95	\$67.90	\$68.53	\$68.91	\$69.16
60+ miles	\$87.79	\$89.31	\$89.26	\$89.89	\$90.27	\$90.52

**Table 13: Lift-equipped vehicle without FTA funding, waiver transportation per-trip rate**

Mileage band	1 rider	2 riders	3 riders	4 riders	5 riders	6 riders
0-9 miles	\$23.79	\$26.29	\$25.99	\$26.74	\$27.19	\$27.49
10-19 miles	\$31.39	\$33.89	\$33.59	\$34.34	\$34.79	\$35.09
20-39 miles	\$56.12	\$58.61	\$58.31	\$59.06	\$59.51	\$59.81
40-59 miles	\$80.84	\$83.33	\$83.03	\$83.78	\$84.23	\$84.53
60+ miles	\$105.56	\$108.05	\$107.75	\$108.50	\$108.95	\$109.25

**Table 14: Lift-equipped vehicle with FTA funding, waiver transportation per-trip rate**

Mileage Band	1 Rider	2 Riders	3 Riders	4 Riders	5 Riders	6 Riders
0-9 miles	\$21.63	\$23.90	\$23.63	\$24.31	\$24.72	\$24.99
10-19 miles	\$28.54	\$30.81	\$30.54	\$31.22	\$31.63	\$31.90
20-39 miles	\$51.01	\$53.29	\$53.01	\$53.69	\$54.10	\$54.37
40-59 miles	\$73.49	\$75.76	\$75.49	\$76.17	\$76.58	\$76.85
60+ miles	\$95.96	\$98.23	\$97.96	\$98.64	\$99.05	\$99.32

## Preparation

As the proposed new waiver transportation rates would not be implemented until 2020 if adopted (see section [2021 activities related to recommendations](#)), DHS should help prepare providers for the upcoming changes. We recommend that DHS provide a demonstration that shows the difference between the prior procedure codes and modifiers and the new procedure codes and modifiers (and other necessary technical assistance materials) to help providers understand what will change when the new rates are in place.

Of note: The rates would be subject to the current Disability Waiver Rate System (DWRS) updating requirements, and DHS would require providers to submit cost reports.

## Fiscal impact analysis

Navigant developed an estimated fiscal impact of the newly calculated transportation rates. The methodology of this analysis consisted of three steps:

1. Summarize historical SFY 2017 data
2. Project changes in trips, mileage and reimbursement.
3. Estimate the fiscal impact between the new and old transportation rates.

The rate methodology between the current rate and proposed rate is very different. The rate methodology will transition from mileage and per-trip billing to mile bands that vary by the number of riders. Based on this difference, Navigant had to make educated assumptions about utilization, trip mileage and number of trips to develop the fiscal impact analysis. Any variations in the assumptions will change the outcome of the analysis.

### Step 1: Summarize historical SFY 2017 data

The historical data is organized into two categories:

1. Fee-for-service data (as reported in claims data from DHS)
2. Managed care data (as reported by DHS<sup>40</sup>)

Navigant summarized these datasets by procedure code. The procedure codes used for this analysis were for waiver transportation, S0215 (mileage) and T2003 (per trip), with the UC modifier.

### Estimate units of service

Navigant determined the units of service (miles or trips) for the SFY 2017 waiver transportation services. The specific methodologies as part of the fiscal impact for all studied services are listed in Table 15.

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<sup>40</sup> Navigant did not have access to detailed managed care paid claims information. The managed care data used was the Elderly Waiver Payment Summary, as reported by DHS on Feb. 1, 2018

**Table 15: Methodology – Determining units of service (SFY 2017)**

Procedure code	Service type	Methodology for estimating units
<b>S0215 – Paid on per mile basis</b>	Fee-for-service waiver	Reimbursements / S0215 rate
<b>T2003 – Paid on per trip basis</b>	Fee-for-service waiver	Reimbursements / T2003 rate
<b>S0215 – Paid on per mile basis</b>	Managed care waiver	Use the reported units
<b>T2003 – Paid on per trip basis</b>	Managed care waiver	Reimbursements/fee-for-service T2003 rate <sup>41</sup>

### Estimate average miles per trip

Navigant then derived the average miles per trip from the fee-for-service non-emergency medical transportation (NEMT) claims (i.e., using NEMT claims with procedure code S0215, with the same start and end dates).<sup>42</sup> Average miles per trip equals the total miles divided by the total number of claims divided by two (assumes two trips per round trips). **The result was 6.57 miles per trip.**

### Estimate trips for services

After calculating the service units and the average miles per trip, Navigant estimated the volume of trips for services paid on a per mile basis. For both fee-for-service and Managed Care, Navigant divided the miles by the average miles per trip from the non-emergency medical transportation claims.<sup>43</sup>

## Step 2: Project changes in trips, mileage, and reimbursement

To estimate the expected average rate for trips under the new rate structure, Navigant assumed no changes in projected utilization due to changes in reimbursement.

To arrive at the expected average rate<sup>44</sup>, Navigant used the fee-for-service non-emergency medical transportation data (limited to claims with the same start and end dates) to determine the distribution of claims by mileage band. This dataset included procedure codes to distinguish

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<sup>41</sup> Navigant assumed managed care organizations are paying the Medicaid fee schedule, which was a common practice discussed during the interviews with the managed care organizations.

<sup>42</sup> The fee-for-service claims data contained span billing, which included multiple dates of service on one claim. Multiple dates of service limited Navigant’s ability to make reasonable assumptions about rendered units, miles or encounters, so they were removed from this analysis.

<sup>43</sup> Navigant used non-emergency medical transportation claims to estimate trips for services as non-emergency medical transportation services include miles in the paid claims units.

<sup>44</sup> Navigant uses the expected average rate as a representation of what will be paid in the future. This is done because the underlying rate structure is considerably different from the older per mile and per trip rates. Therefore, trip type assumptions are required to generate a rate that is closer to the baseline rates.

between non-lift and lift claims. For non-lift claims, Navigant used procedure code S0209, and for lift claims, it used procedure code S0215. Navigant generated mileage-band assignments by dividing the miles for each claim by two (assumed round trips). See Table 16 for the mile band estimates by vehicle type.

**Table 16: Percent of trips by mileage band**

Mileage band	Lift	No-Lift
0-9	83%	59%
10-19	16%	28%
20-39	1%	10%
40-59	0%	2%
>60	0%	0%
<b>Total</b>	100%	100%

Next, Navigant estimated the percent of trips in SFY 2017 by each vehicle category (i.e., no-lift, lift with Federal Transit Authority [FTA] funding and lift without FTA funding) based on provider survey data (as respondents indicated whether their organization received grants and/or funding). Navigant assumed that all vehicles for providers that reported FTA funding were FTA-funded vehicles, and that trips are proportional to vehicles. See Table 17 for the percent of trips by vehicle type estimates.

**Table 17: Percent of trips by vehicle type**

Vehicle type	Percent of trips
No lift	59%
Lift, no FTA subsidy	26%
Lift with FTA subsidy	15%
<b>Total</b>	100%

Navigant assumed half of all trips have one rider and every additional rider is half as likely to be present as the number of riders before it (i.e., trips with one rider are 50 percent of all trips,

trips with two riders are 25 percent of trips, trips with three riders are 12.5 percent of trips and so on).<sup>45</sup> See Table 7.9 for full detail on the number of riders related to the percent of trips.

**Table 18: Percent of trips by number of riders**

Number of riders	Percent of trips
1 rider	50.0%
2 riders	25.0%
3 riders	12.5
4 riders	6.3%
5 riders	3.1%
6+ riders	1.6%

Navigant presumed all assumptions in Step 2 are independent and the percent of trips within a category is determined by multiplying the three appropriate factors above. For example, trips with one rider in mileage band 10-19 miles in a van with no-lift would be found by multiplying the percent of trips with one rider (50%) by the percent of no-lift trips going 10-19 miles (28%) by the percent of vehicles with no-lifts (59%).

Navigant multiplied the trips by the proposed rates to determine the expected total reimbursements under the newly proposed rates.

### **Step 3: Projected changes in trips, mileage and reimbursement between current and recommended waiver transportation rates**

Navigant determined the fiscal impact by subtracting the actual trips, miles and reimbursements from the expected trips, miles and reimbursements. See Table 19, Table 20 and Table 21 to observe the fiscal effect on fee-for-service, managed care Elderly Waiver and total rides.

Overall, the impact to fee-for-service and managed care were similar at around \$3.7 million increases for each. The total estimated fiscal impact of the per-trip rate methodology change is \$7.4 million increase in payments.

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<sup>45</sup> The proposed rates include the number of riders. The old rate structure did not include this level of specificity.

**Table 19: Fiscal impact (fee for service)**

		SFY 2017 actuals					Modeled rates					Impact		
CPT	Description	Trips	Miles	Rate	Unit	Paid	Trips	Miles	Rate	Unit	Paid	Trips	Miles	Paid
S0215	Mileage	90,650	595,196	\$1.54	Per mile	\$916,602	90,650	595,196	\$24.10	Per trip	\$2,185,096	-	-	\$1,268,494
T2003	Encounter	629,046	N/A	\$20.21	Per trip	\$12,713,010	629,046	N/A	\$24.10	Per trip	\$15,163,047	-	N/A	\$2,450,037
<b>Total</b>	<b>-</b>	<b>719,695</b>	<b>595,196</b>	<b>-</b>	<b>-</b>	<b>\$13,629,612</b>	<b>719,695</b>	<b>595,196</b>	<b>-</b>	<b>-</b>	<b>\$17,348,143</b>	<b>-</b>	<b>-</b>	<b>\$3,718,531</b>

**Table 20: Fiscal impact (managed care Elderly waiver)**

		SFY 2017 actuals					Modeled rates					Impact		
CPT	Description	Trips	Miles	Rate	Unit	Paid	Trips	Miles	Rate	Unit	Paid	Trips	Miles	Paid
S0215	Mileage	43,600	286,271	\$0.54	Per mile	\$154,352	43,600	286,271	\$24.10	Per trip	\$1,050,964	-	-	\$896,612
T2003	Encounter	720,698	N/A	\$20.21	Per trip	\$14,565,299	720,698	N/A	\$24.10	Per trip	\$17,372,307	-	N/A	\$2,807,008
<b>Total</b>	<b>-</b>	<b>764,297</b>	<b>286,271</b>	<b>-</b>	<b>-</b>	<b>\$14,719,651</b>	<b>764,297</b>	<b>286,271</b>	<b>-</b>	<b>-</b>	<b>\$18,423,271</b>	<b>-</b>	<b>-</b>	<b>\$3,703,620</b>

**Table 21: Fiscal impact (total)**

		SFY 2017 actuals					Modeled rates					Impact		
CPT	Description	Trips	Miles	Rate	Unit	Paid	Trips	Miles	Rate	Unit	Paid	Trips	Miles	Paid
S0215	Mileage	134,249	881,467	\$1.21	Per mile	\$1,070,954	134,249	881,467	\$24.10	Per trip	\$3,236,060	-	-	\$2,165,105
T2003	Encounter	1,349,743	N/A	\$20.21	Per trip	\$27,278,309	1,349,743	N/A	\$24.10	Per trip	\$32,535,354	-	N/A	\$5,257,045
<b>Total</b>	<b>-</b>	<b>1,483,992</b>	<b>881,467</b>	<b>-</b>	<b>-</b>	<b>\$28,349,263</b>	<b>1,483,992</b>	<b>881,467</b>	<b>N/A</b>	<b>-</b>	<b>\$35,771,413</b>	<b>-</b>	<b>-</b>	<b>\$7,422,150</b>

## **Additional public comments**

Providers submitted additional feedback that fell outside of the factors included in the rate model. This section summarizes the additional provider submitted feedback and any next steps necessary.

### **Rates available to review**

#### **Stakeholder feedback**

No final rate for group or single occupancy trips (along with the actual formulas) have been provided for public comment. This should not be permitted by DHS.

#### **Navigant response**

The intent of the Rate Advisory Group and public meeting was to help guide the development of a transportation rate framework, independent of the resulting rate. As a component of the legislative process, all stakeholders will have the opportunity for further comment on the methodology and potential rate.

### **Cost survey data**

#### **Stakeholder feedback**

Information from the cost survey may not be reliable due to confusion with what the survey was asking — particularly bookend trip costs (not program costs). Also, concerns that not all costs were considered, especially when it comes to "subsidized rides," and that providers do not know that certain contracted rides are subsidized or that the true costs of rides from subsidized providers are being accounted for in the cost survey results.

#### **Navigant response**

Navigant published frequently asked questions (FAQs) to the project website, emailed the FAQs to providers and sent the FAQs to the provider associations. The FAQs noted that in-program costs should be excluded from the cost survey.

In addition, Navigant completed an additional analysis of the cost survey responses, and when there was a high percent of provider costs associated to waiver transportation, we reached out to the provider in question to clarify if the costs were for in-program or "bookend" transportation. Any providers who did not respond to the request for additional information or answered with in-program had their cost removed from the analysis. Navigant considered information outside of costs from these providers as part of the rate analysis.

The adjusted rate model takes into account subsidized rides from an independent and public organization (Metro Mobility). Navigant and DHS explored a representative rate model using median vehicle costs from the cost survey, which included some providers with subsidies and some without. DHS recommended the proposed rate model as it addressed stakeholder feedback.

## Capital expense and useful life

### Stakeholder feedback

The cost study and ensuing methodology does not accurately reflect the capital cost of vehicles, nor does it appear to include the cost of physical space to house/store vehicles or conduct operations. Providers were required to report capital costs, only if vehicles were still in their useful life

### Navigant response

Navigant instructed cost survey respondents to follow generally acceptable accounting principles when reporting costs. That included useful life guidelines for capital expenses, which is a standard approach for reporting costs.

## Direct support providers (DSP) for people with disabilities

### Stakeholder feedback

The proposed rate methodology does not address or provide for individualized direct care support for vulnerable riders who have a disability that requires some level of staffing to ensure, at minimum, health and safety. The state policy manual (CBSM) that describes waiver transportation prohibits billing for another waiver service during the same time as providing waiver transportation services.

### Navigant response

Providers can bill for a waiver transportation service and for a direct service provider (DSP) to accompany the person as long as there are two distinct providers and both services are authorized by the lead agency. Examples of an allowable and non-allowable service are below:

- When there is a single day training and habilitation (DT&H) worker both driving the vehicle and accompanying the person, the provider **cannot bill for two services**
- When there is a direct service provider accompanying a person, and not driving the vehicle, the provider agency **may bill** for that service separately (if an authorized service).

To bill for these services, the service authorization must include the necessity for a direct service provider during a waiver transportation service. This is not a formal recommendation of this study, but it is a clarification of current policy because of stakeholder feedback.

## Future rate development

Navigant has outlined additional considerations for future rate development and activities to support the transition to the new rates. Navigant proposed these additional considerations to:

- Address stakeholder feedback that was not initially included in the initial rate changes, including: Regional adjustments and services delivered outside of normal business hours.
- Acknowledge that change is constant and the initial rate changes may require additional adjustments to support future needs.
- Strengthen the potential that the new rates remain relevant. It is important that DHS commit to a planned schedule for periodic review and updating of the data elements that are key inputs to the methodology. Demographic and economic environments are not static, so as changes occur, these will affect the accuracy and fairness of the rates generated through the new rate setting methodology. This aligns with the Disability Waiver Rate System rate frameworks, and similarly, waiver transportation services will include cost reporting to adjust the rates in the future.

## Centralized operations fee

As outlined in [2023 activities related to recommendations section](#), there is a recommendation to explore if a “centralized or regional support should be expanded to include support for lead agencies regarding service authorizations and coordination. They should also consider if this would merit the need to purchase or develop related system support.” If there is a centralized or regional coordinator to schedule transportation services, DHS should explore an administrative fee to pay for these services or technologies.

## Regional adjustments

Stakeholders stated that the costs to deliver waiver transportation services vary between Greater Minnesota and the Twin Cities metro area. The recommendations from the Rate Study will result in both new rates and a new billing structure (e.g., moving to mile bands, rates for multiple riders, etc.), and those changes will require providers to adjust their billing practices.

Due to the substantial changes to the rate structure, DHS did not want to explore a regional rate adjustment with the initial implementation. Navigant recommends that DHS explore implementing a regional rate adjustment in 2024, three years after implementing the new rates. Three years will allow DHS and providers to adjust to the rate structure and identify

specific rate factors or components that need to be adjusted due to regional variations (e.g., wages, gasoline, vehicle costs, etc.).

## Value-based payments

DHS should explore implementing value-based payment (VBP) strategies to incentivize the delivery of more efficient, higher-quality waiver transportation services. These arrangements could fall under three potential areas:

- **Compliance-based payment:** Requires providers to meet a minimum regulatory requirement to receive an incentive payment
- **Goal-achievement payments:** Requires providers to meet a goal before they receive a payment (the goal achievements can be part of the incentive payment or could be a condition for the payment for service performed)
- **Pay-for-performance:** Is focused on the outcome and can be tied to satisfaction surveys or other means for collecting performance data.

Navigant has identified a preliminary list of value-based-payment opportunities for DHS to consider creating incentives for providers:

- **Compliance-based:** 100 percent of drivers have completed training and certification.
- **Goal achievement:** Providers deliver services outside of normal business hours (8 a.m. to 6 p.m., Monday through Friday) to increase access to transportation
- **Pay-for-performance:** Consumer satisfaction ratings from satisfaction surveys or performance scores could be used to pay providers an incentive payment for high performance/high quality service.

The opportunities to introduce value-based payment in waiver transportation service payments will be driven by the recommendations that are implemented by DHS from both the Access and Rate studies. The success of a value-based-payment arrangement will be rooted in the development of a transparent process that involves:

1. **Issue identification:** Must have an issue or problem that could result in cost savings
2. **Stakeholder buy-in and feedback:** Obtain provider and member buy-in before implementation
3. **Data collection and analysis:** Set expectations and collect timely data for goals and measures
4. **Analysis and adjustment:** Continue to analyze data and adjust expectations during implementation.

## VII. Summary

Navigant's study of Minnesota's waiver transportation system, including barriers to accessing waiver transportation for providers and people, indicates that there are significant opportunities to increase efficiencies, collaboration and transportation options for people who receive home and community-based services. Navigant's recommendations aim to improve waiver transportation access/efficiency and address changes to the state's reimbursement structure of waiver transportation rates. Specifically, to:

1. Identify changes to policies, regulations and/or state law needed to support recommendations and secure enhanced federal Medicaid matching funds (90/10) to implement administrative changes
2. Develop and establish uniform, statewide provider requirements and corresponding rates for a new waiver transportation program
3. Develop centralized infrastructure to support a waiver transportation program specific to provider network and payment management (which would include an online provider database for lead agency use and the ability for provider invoices to be automatically converted into claims for Medicaid reporting purposes)
4. Develop and implement centralized infrastructure to support lead agency service authorization and coordination function, based on further study after implementing Recommendation No. 3 (this function could include, for example, DHS contracts with transportation coordination service organizations and the use of a mobile app for individual and lead agencies similar to what is used by other on demand providers, such as Uber and Lyft)
5. Develop and implement a new rate methodology for waiver transportation that considers provider costs for doing business and the variation in provider and service types. That would include:
  - A rate methodology that uses a cost per trip, based off of:
    - Estimated median costs per day
    - The five proposed mileage bands (ranges of miles traveled per one-way trip)
    - The number of people using the transportation service
  - Specific, separate rates created for:
    - Volunteer per-mile rates (reimbursed at the allowable federal transportation rate as set by the Internal Revenue Service [IRS])
    - Contracted reimbursement, which would include:
      - Published fares for public transit fixed routes
      - Market or negotiated rates for public transit, non-fixed route rides, on-demand transit providers or taxis.

Navigant recommendations would need to be implemented over a multi-year period to allow for appropriate development and implementation of changes.

The implementation of these recommendations would allow Minnesota to address the increasing need for waiver transportation as the state moves toward supporting more people who are eligible for home and community-based services in non-congregate, care environments. Ultimately, increasing waiver transportation options will allow people in Minnesota who have disabilities or who are older to have the opportunity to live with dignity and achieve their highest potential.

## VIII. Appendix

# Appendix A: Agency and organization overview

This appendix gives a brief description of key agencies and organizations involved in providing waiver transportation in Minnesota, organized alphabetically.

### Counties

There are 87 counties in Minnesota. Each develops its own waiver transportation policy based on state requirements and the interests and needs of its residents. Across Minnesota, county social service agencies are responsible to administer waiver transportation under disability- and aging-relates waiver programs. This responsibility includes recruiting, vetting, contracting and setting rates for providers and authorizing/coordinating waiver transportation services.

### Managed care organizations

Managed care organizations (MCOs) deliver health care to people who are eligible for Medicaid through a contracted arrangement with the Minnesota Department of Human Services (DHS). MCOs receive a per-member, per-month payment for each enrolled member. They manage costs, quality and overall healthcare use. Minnesota DHS enrolls almost all people who receive services through the Elderly Waiver (EW) program into an MCO.

### Minnesota Board on Aging

The [Minnesota Board on Aging](#) is the “gateway to services for Minnesota seniors and their families.” The Minnesota Board on Aging allocates funding received from the Older Americans Act, which authorizes “grants to states for community planning, services, research, and demonstration and training projects in the field of aging.”<sup>46</sup> The Older Americans Act also provides grants for local needs identification, planning and funding of services.

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<sup>46</sup> [Minnesota Association of Area Agencies on Aging, Policies that Matter.](#)

## Metropolitan Council

The [Metropolitan Council](#) is the policy-making and regional governance body for the Minneapolis-St. Paul Metropolitan Area. Operationally, council staff coordinate transit, municipal airports, housing and parks in a seven-county area. One service of the Metropolitan Council is Metro Transit, which is the primary transit operator in the region. Metro Transit offers the Metro Mobility service to provide public transportation in the seven-county metro area to certified riders who are unable to use fixed-route buses because of a disability or health condition.<sup>47</sup>

## Minnesota Council on Transportation Access

The [Minnesota Council on Transportation Access \(MCOTA\)](#) was established by the 2010 Legislature to “study, evaluate, oversee and make recommendations to improve the coordination, availability, accessibility, efficiency, cost-effectiveness and safety of transportation services provided to the transit public.” It succeeded the Interagency Committee on Transit Coordination (established in 2005 by Minnesota Governor Tim Pawlenty) and is composed of representatives from state agencies. DHS and the Minnesota Department of Transportation (MnDOT) have been MCOTA members since its inception. One of MCOTA’s areas of focus for research has been looking for opportunities and methods to improve how waiver transportation is provided. MCOTA has conducted several studies related to waiver transportation, which are available on the [Minnesota Council on Transportation Access website](#).

## Minnesota Department of Human Services

DHS helps provide essential services to Minnesota’s most vulnerable residents. Its mission statement is to “ensure that Minnesota seniors, people with disabilities, children and others meet their basic needs and have the opportunity to reach their full potential.” More specifically, DHS:

- Receives funding and direction from the state governor and legislature to provide an array of services (the largest being healthcare)
- Administers approximately one-third of the entire state budget
- Works with counties, tribal nations and non-profit organizations to deliver payments and services
- Is responsible to provide policy/direction for waiver transportation services.

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<sup>47</sup> Page 6, Description of the current Metro Mobility Program, [Metro Mobility Task Force report](#), 2017

## Minnesota Department of Transportation

The mission of the Minnesota Department of Transportation (MnDOT) is to “plan, build, operate and maintain a safe, accessible, efficient and reliable multimodal transportation system that connects people to destinations and markets throughout the state, regionally and around the world.”<sup>48</sup> More specifically, MnDOT:

- Oversees all transportation in Minnesota, including the state highway system
- Plays a key role in coordinating Minnesota’s rural transit systems and urban paratransit for waiver transportation. Non-metro public transit agencies receive funding and guidance through or from MnDOT’s Office of Transit
- Allocates funding to both public transit and eligible providers who provide services to people covered under the United States Department of Transportation 5310 funding programs.<sup>49</sup>

## Olmstead subcabinet<sup>50</sup>

In 2013, Governor Mark Dayton signed Executive Order 13-01 to form the Olmstead subcabinet to develop and implement a comprehensive Minnesota Olmstead Plan.<sup>51</sup> The purpose of the plan is to ensure people with disabilities in Minnesota have opportunities to:

- Live close to their family and friends
- Live more independently
- Engage in productive employment
- Participate in community life.

The Olmstead subcabinet includes representation from several state agencies, including MnDOT and DHS. The Minnesota Olmstead Plan includes guidance to articulate and oversee steps to improve transportation access (such as those included in [MnDOT’s Greater Minnesota Transit Investment Plan](#) and other efforts.

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<sup>48</sup> 2018 Minnesota Statutes, [Minn. Stat. Ch. 174](#)

<sup>49</sup> MnDOT, [2013 MnDOT Transit Report: A Guide to Minnesota’s Public Transit Systems \(PDF\)](#)

<sup>50</sup> [Putting the Promise of Olmstead into Practice: Minnesota’s Olmstead Plan \(PDF\)](#)

<sup>51</sup> [Minnesota’s Olmstead Plan website.](#)

# Appendix B: Selected Minnesota-specific transportation initiatives

This appendix contains a summary of selected Minnesota-specific, transportation-related initiatives relevant to the waiver transportation study.

**Table 22: List of initiatives**

Initiative	Description
<p><b>Scott and Carver counties’ SmartLink Transit Initiative.</b></p> <p>For more additional information on this initiative, see <a href="#">Appendix C</a>.</p>	<p><a href="#">SmartLink Transit</a> is a collaboration between Scott and Carver counties to merge the transit operations of the two counties.<sup>52</sup> This collaboration provides “one-stop shopping” for older adults and people with disabilities through <a href="#">Dial-a-Ride</a><sup>53</sup> and volunteer drivers in Scott and Carver counties, along with Medicaid-reimbursed services. In action, the service resembles paratransit, taxi or shuttle service. SmartLink limits the Dial-a-Ride component to 102 hours of rides per day, with the volunteer driver program supplementing this capacity.<sup>54</sup></p> <p>The SmartLink program provides transportation trips to anywhere in the seven-county metro: Apple Valley, Burnsville, Eagan and Rosemount in Dakota County and Savage, Shakopee and Prior Lake in Scott County.<sup>55</sup> The Minnesota departments of Human Services and Transportation (DHS and MnDOT) and Metropolitan Council fund the program.</p> <p>The program serves Scott and Carver counties (703 square miles and 220,970 residents combined). Primary clients are older adults and people with disabilities.<sup>56</sup> The SmartLink program uses two software systems: <a href="#">TripSpark software</a> for the non-emergency medical transportation (NEMT) volunteers and shared vehicle programs, and another system owned by the Metropolitan Council for Dial-A-Ride. The TripSpark software allows communication with NEMT providers via the providers’ own portals (currently by fax, computer or phone). The software also has a billing feature and option to translate invoices into DHS format for billing.<sup>57</sup> SmartLink improves efficiency by using one vehicle to provide rides for all the different transit programs offered in Scott and Carver counties. If SmartLink is unable to provide a ride to a medical appointment, it works with other carriers to provide these rides. SmartLink serves as an example of the benefits that are achievable when counties directly coordinate Medicaid-covered travel with other transportation programs. The program and changes to transportation services have provided an overall savings of \$127,000.</p>

<sup>52</sup> Interview notes. 2018, Aug. 17. *Interview with Scott County Representative*. Scott County, Minnesota.

<sup>53</sup> Dial-a-Ride provides public transportation to people who are unable to use local fixed-route transit service because of a disability. To participate, people may call and request a ride to their desired destination.

<sup>54</sup> Interview notes. 2018, Aug. 17. *Interview with Scott County Representative*. Scott County, Minnesota.

<sup>55</sup> [Scott County Minnesota, What is SmartLink Transit? page](#)

<sup>56</sup> [Scott County Minnesota, SmartLink Transit page](#)

<sup>57</sup> Interview notes. 2018, Aug. 17. *Interview with Scott County Representative*. Scott County, Minnesota.

Initiative	Description
<b>Regional Transportation Coordinating Councils (RTCC)</b>	<p>MnDOT and DHS, in collaboration with other state agencies, work with the Metropolitan Council and other local governments and organizations to create Regional Transportation Coordination Councils (RTCCs) where needed in Minnesota (currently 8-10 regions).<sup>58</sup> The intent is for the RTCCs to coordinate transportation services through a network of existing public, private and non-profit transportation providers. A pilot program began in Dakota County in 2017. Seven other counties are in the planning stages of development (including Rochester, Marshall, Duluth, Bemidji, Mankato, Fergus Falls and St. Cloud).<sup>59</sup> MnDOT’s Office of Transit and Active Transportation funded phase 1 of the project. Other state agencies, the Metropolitan Council and local governments and organizations all help provide oversight to RTCCs. Overall, RTCCs serve as an example of regional transportation coordination through a network of existing public, private and non-profit transportation providers.</p>
<b>Shared Use Mobility Action Plan</b>	<p>The Shared Use Mobility Action Plan was developed in 2017 by the <a href="#">Shared Use Mobility Center</a> (SUMC). Through the action plan, SUMC advocates for the development and overall use of more efficient transportation modes, especially shared transportation. The action plan addresses several pressing transportation challenges in the Twin Cities, including:</p> <ul style="list-style-type: none"> <li>• Congestion related to population growth</li> <li>• Disparities in transportation access</li> <li>• Competition with similar cities for workers and economic opportunity.</li> </ul> <p>SUMC uses input from regional stakeholders (including local governments and organizations) to address these challenges. For example, SUMC collaborates with stakeholders by increasing shared mobility and public transit services.<sup>60</sup></p>
<b>Dakota County Lyft experiment</b>	<p>The Dakota County Lyft experiment began in mid-2018 as a partnership between Dakota County, DHS and Lyft.<sup>61</sup> Funded by a DHS innovation grant, it aims to help 500 people enrolled in transportation waiver service during the first two years of the program. Estimates show it will help 100 people within the first year, with 38 people who were ready to start receiving services as early as August 2018.<sup>62</sup> The experiment attempts to use private transportation providers as a way to deliver waiver services to eligible people. The current transportation model uses a provider agency, which charges the county an administrative fee. However, in the new model, the lead agency will authorize how many rides per month a person is eligible for, and Lyft will bill the county monthly for the rides.<sup>63</sup></p>

<sup>58</sup> [Coordinate MN Transit, Regional Transportation Coordinating Councils \(RTCCs\)](#)

<sup>59</sup> [Coordinate MN Transit, Regional Transportation Coordination Councils of Minnesota one-page description \(PDF\)](#)

<sup>60</sup> [Shared Use Mobility Center, Mission and Vision page](#)

<sup>61</sup> Dakota County Transportation Access Interview. 2018, Aug. 28.

<sup>62</sup> Dakota County Transportation Access Interview. 2018, Aug. 28.

<sup>63</sup> Dakota County Transportation Access Interview. 2018, Aug. 28.

Initiative	Description
<b>Vehicle-sharing study by Minnesota Council on Transportation Access (MCOTA)<sup>64</sup></b>	<p>The 2013 state-funded vehicle-sharing study provided an initial analysis of the regulatory, policy and operational barriers to vehicle sharing among private human services providers in Minnesota, and it described potential ways to address these barriers. This study looked at transportation services statewide, with a focus on organizations that provided transportation services in one of two formats:</p> <ol style="list-style-type: none"> <li>1. Time-sharing (i.e., sharing a vehicle with another organization)</li> <li>2. Ride-sharing (i.e., transporting other organizations' clients).</li> </ol> <p>The study addresses issues related to vehicle sharing, which is widely considered an underused potential solution to increase access to waiver transportation services.</p>
<b>Newtrax</b>	<p>Partially funded by a Federal Transit Authority 5310 grant, Newtrax was founded in 2011 by member organizations Merrick and PAI, Inc. Newtrax is a non-profit organization that serves over 600 adults with disabilities in the Northeast Minneapolis/St. Paul Metro area. Newtrax collaborates with other organizations to help people with disabilities better access transportation services. Newtrax owns a fleet of more than 40 vehicles, most of which have a lift-gate feature. In addition to the fleet, Newtrax helps coordinate trips with other employers, area faith communities, senior living communities and group homes where transportation is a barrier.<sup>65</sup></p>

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<sup>64</sup> [Minnesota Council on Transportation Access, Vehicle Sharing Among Human Service Providers in Minnesota \(PDF\)](#), 2013

<sup>65</sup> [Newtrax, About Us page](#)

Initiative	Description
<p><b>WACOSA and Tri-County Action Program, Inc. (Tri-CAP) Collaboration</b></p> <p>For more information about this collaboration, see <a href="#">Appendix C</a>.</p>	<p>The WACOSA and Tri-CAP collaboration began in 2014 through Federal Transit Authority (FTA) 5310 grant funding.<sup>66</sup> It was intended to offer more transportation service opportunities for people eligible for waiver services. While no longer in operation today, this collaboration operated a transportation route that extended from the St. Cloud area to southern and southwestern Stearns County (including Waite Park, Luxemburg, Kimball, Cold Spring, Richmond, Paynesville and surrounding rural areas). This program serves as an example of a partnership that can increase access to transportation services for the public and people who use waiver transportation services. It enhanced transportation access for adults with disabilities by offering a consistent transportation option.</p> <p>WACOSA's user population primarily consisted of adults with disabilities, including those who depend on wheelchair lift vehicles. There were two phases of the project:</p> <ul style="list-style-type: none"> <li>• <b>Phase 1</b> involved Tri-CAP's daily use of an accessible WACOSA van to operate one of its Dial-A-Ride routes. This made a larger Tri-CAP vehicle available to operate on a south and southwest flexible route that served the general public and people eligible for WACOSA services</li> <li>• <b>Phase 2</b> began in late 2014 when WACOSA received an award for a 5310 class 500 bus. Using the same model in Phase 1, Tri-CAP operated the 5310 bus for WACOSA to serve both the public and people eligible for WACOSA services.<sup>67</sup></li> </ul> <p>This collaboration no longer exists because of FTA reporting requirements. Both WACOSA and Tri-CAP needed to report how many people they served because they used FTA funds. This resulted in double counting of people served. As a result, FTA did not allow the arrangement to continue. WACOSA transferred the vehicle to Tri-CAP, and the arrangement no longer exists.</p>
<p><b>MN DeafBlind Technical Assistance Project</b></p>	<p>The Governor's Council on Disabilities started the MN DeafBlind Technical Assistance project in 2005. The project provides individualized assistance and coaching to people who have vision loss/impairment or blindness, or people who are hard of hearing and younger than 21 years old.<sup>68</sup> Transportation can be a part of the many services offered by the initiative. This project serves as an example of a program that provides individualized assistance and coaching to people in need.</p>

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<sup>66</sup> [WACOSA, What is WACOSA page](#)

<sup>67</sup> [WACOSA Grant Application \(PDF\)](#), 2013

<sup>68</sup> [Minnesota DeafBlind Project, About Us page](#)

# Appendix C: Summary of vehicle-sharing case studies

## Case Study 1: SmartLink Transit shared-vehicle program

SmartLink Transit is a cooperative organization formed through an alliance of Scott and Carver counties. The alliance, in place since September 2017, receives funding from several agencies, including:

- Metropolitan Council through [Dial-a-Ride](#)
- Minnesota Department of Transportation (MnDOT) through mobility management
- Minnesota Department of Human Services (DHS) through non-emergency medical transportation (NEMT)

SmartLink’s mission is to “establish a coordination council for Scott and Carver counties that leads to improved transportation options and establish a needs group and provider network to enhance mobility options for all Scott and Carver county residents.” Its goals are to:

- Decrease denials of trips for all residents
- Enhance access to services
- Improve use of resources
- Support better transportation coordination that leads to more livable communities.

SmartLink developed a shared-vehicle program by initially collaborating with Norwood Young America, a city located in Carver County. Norwood Young America then collaborated with Mankato Rehabilitation Center Inc. (MRCI). SmartLink added other providers to this arrangement, including a local church, senior center and senior apartment facility. They had the shared objective of providing transportation beyond regular hours (weekends and after hours). This program effectively supplements regular-hour transportation services, and there is a sharing of the total public route mileage set forth by the Metropolitan Council to foster after-hour services.

As a supplement to the Dial-a-Ride bus system program, SmartLink also uses volunteer drivers to provide transportation when the bus system is unavailable. SmartLink maximizes coordination and use of wheelchair spots on buses, and it extends after-hour availability.

As part of their development, SmartLink encountered the following issues:

- **Disparities between regulating agencies:** Per state law, DHS and MnDOT requirements prohibit the provider from providing public transit rides to anyone other than people who receive Medicaid-funded nursing facility services unless the provider meets MnDOT Specialized Transportation Service (STS) licensing requirements.
- **Role of a thorough needs assessment:** It is critical for the lead agency to assess a person's needs adequately and understand what is and is not provided in the area and how to meet that need (e.g., wheelchair capacity, number and location of unused vehicles).
- **Insurance restrictions:** Since insurance coverage would not provide coverage beyond a certain threshold, Scott County developed a reinsurance program that offers insurance coverage beyond the insurance carrier policy limits for the vehicles involved in this arrangement.
- **Determination of willingness to and interest in sharing:** While early agreements aligned around the goal of providing more services, it was challenging for some organizations to allow other organizations to use their vehicles.
- **Optimization of hours of operation:** Different providers have different operating times, and that was difficult to resolve. For example, some only provided transportation a limited number of hours a day for five days a week. Others provided it only on the weekends or had other time-frame limits and constraints.
- **Size of vehicle:** The program limits vehicle size to fewer than 15 passengers because larger vehicles require a commercial driver's license and it is difficult to find drivers with that qualification. In addition, regulations require enforcement of drug and alcohol testing for drivers of larger vehicles that can transport more than 15 passengers.
- **Geographic distance from transporters:** To be successful, vehicle sharing needs to benefit local communities and organizations. SmartLink allows the bus driver or provider to determine when it makes sense to drive farther into certain areas that are outside of the normal service area. This is primarily because organizations who rent the bus need to have a set number of people riding the bus during the time they rent it to pay for the cost of operation.
- **Payment variation:** Bus payments are customized to reflect the bus owners' wants or needs. Payments can be by the hour, passenger, trip or mile. For example, a church might have volunteers that will drive the bus, but another organization might want a different payment structure for the bus and driver.
- **Border issues with other counties:** The Metropolitan Council requires the pick-up location must be in Carver or Scott county and be geographically easy for SmartLink. The Metro Council only allows SmartLink buses to travel two miles into Hennepin County to drop off a passenger. This rule forces people to get off before their destination and then transfer to another bus. These transfers are particularly difficult for people with disabilities and older adults.

A SmartLink representative made the following suggestions during an interview about establishing an effective vehicle-sharing program:

- Organizations must implement this strategy at a community level
- The incentive is not to add something new, but rather to use resources more efficiently. Therefore, it is essential for organizations to have a good understanding of community and program needs and current resources
- Organizations need to continually reevaluate if the arrangement truly is creating efficiencies, increasing access, reducing costs and providing the best transportation options to people
- The state and counties need to provide reinsurance options or incentivize insurance carriers to support vehicle-sharing arrangements
- Changes need to be made to driver definitions and reimbursement to secure the retention and recruitment of volunteer drivers, as well as meet service needs and gaps. For example:
  - Create a standardized definition to distinguish between volunteer drivers and Uber/Lyft drivers so insurance companies do not treat them the same in regards to insurance coverage. Without this distinction, insurance companies can raise rates for volunteer drivers, which impacts the number of available drivers
  - Update the volunteer rate for mileage costs to the same as the business rate
- Increased coordination is needed for the Dial-a-Ride program. This would help governing agencies:
  - Allow flexibility to increase route-hour limits
  - Provide more waiver dollars to support on-demand, Dial-A-Ride type services
  - Improve coordination between public and human service transportation providers and resources. Human service workers often do not know about county resources. This is both a funding and an education issue.

## **Case Study 2: WACOSA and Tri-CAP in St. Cloud**

WACOSA, a provider of disability services, needed more transportation drivers, extended hours of operation and additional routes in certain areas to meet people's needs (particularly related to employment). Tri-CAP, a public transit provider for St. Cloud, had available drivers. However, when WACOSA reached out to Tri-CAP to establish another route, Tri-CAP did not have sufficient vehicles available.

The two agencies (which had worked closely together for years) agreed to develop an arrangement where WACOSA would purchase a bus and Tri-CAP would supply the drivers and operational support. WACOSA was able to apply for a 5310 Federal Transportation Administration (FTA) 5310 grant for a capital purchase. The grant covered 80 percent of the

cost of the vehicle. WACOSA paid the other 20 percent. Similarly, as a public transit provider, Tri-CAP was able to apply to FTA for a 5311 grant to help operate the vehicle purchased by WACOSA.

When WACOSA applied for the vehicle grant, Tri-CAP provided input into the type of vehicle needed to ensure it met the needs of the service population. In 2016, WACOSA purchased a 24-person bus, which is larger than what WACOSA usually operates but within the licensing and driver capabilities of Tri-CAP.

WACOSA and Tri-CAP operated the vehicle together through a MnDOT-approved memorandum of agreement that addressed legalities and the overall sharing arrangement.

WACOSA owned the vehicle and paid for the insurance. WACOSA's insurance company was willing to underwrite Tri-CAP driving the WACOSA bus as long as the Tri-CAP drivers met WACOSA and the insurer's training and background check standards. Tri-CAP licensed and trained the drivers. WACOSA and Tri-CAP were able to make this successful because of their long-standing working relationship and the belief that this arrangement improved efficiencies, met population needs and reduced duplication of services.

This vehicle-sharing arrangement continued until recently, when WACOSA and Tri-CAP had to end the memorandum of agreement because the two organizations were unable to report their services and riders separately with the vehicle. To maintain federal and state dollars, WACOSA and Tri-CAP needed to report rider numbers and maintain a certain level of ridership. Because of the shared vehicle arrangement, both organizations were reporting services provided to the same riders. The FTA does not permit double counting of those served, so WACOSA and Tri-CAP had to discontinue this arrangement. To avoid this in the future, organizations should simplify vehicle-sharing agreements and ownerships.

To maintain the route, transportation services and preserve the right to obtain future federal funding, WACOSA agreed to transfer the vehicle ownership over to Tri-CAP. The vehicle transfer ensured neither organization lost any investment and maintained WACOSA's ability to apply for future FTA grant dollars. Tri-CAP still provides transportation on the additional routes, and WACOSA pays Tri-CAP an hourly rate for the rides.

# Appendix D: Selected state waiver transportation service delivery summary profiles

There is a wide range of transportation models that exist across states. For the purposes of this appendix, state waiver transportation approaches are classified according to the following designations:

- **In-house (IH):** State Medicaid agency (i.e., DHS) administers program at state, regional or county/tribal level and usually pays on a fee-for-service (FFS) basis
- **Managed care organizations (MCOs):** State contracts with MCOs to provide transportation services
- **Statewide broker (SB):** State contracts with an organization who then contracts with providers for transportation services. Brokers typically are for-profit, national organizations who provide call center support, eligibility determination and trip authorization
- **Regional broker (RB):** State contracts with an organization who provides eligibility determination and trip authorization for defined regions in a state. These can be not-for-profit or for-profit and can include human services, public transit and government agencies.

Table D1 shows the variations in these approaches across states using nonemergency medical transportation (NEMT) as an example. While states typically coordinate and delivered NEMT separately from waiver transportation services, these approaches are still applicable to waiver transportation. The remainder of this appendix provides selected state profiles for waiver transportation services. Each state's model is categorized according to the model types described above.

**Table D1: State-by-state non-emergency medical transportation (NEMT) profiles<sup>69</sup>**

State	Model	State	Model	State	Model
Alabama	IH	Kentucky	RB	North Dakota	IH
Alaska	SB	Louisiana	MCO and SB	Ohio	IH
Arizona	MCO	Maine	RB	Oklahoma	MCO and SB
Arkansas	RB	Maryland	IH	Oregon	MCO
California	IH and MCO	Massachusetts	RB	Pennsylvania	IH and RB
Colorado	IH and RB	Michigan	IH and RB	Rhode Island	SB
Connecticut	SB	Minnesota	IH	South Carolina	RB
Delaware	SB	Mississippi	SB	South Dakota	IH
DC	MCO and SB	Missouri	MCO and SB	Tennessee	MCO
Florida	MCO	Montana	IH and MCO	Texas	IH and RB
Georgia	RB	Nebraska	SB	Utah	SB
Hawaii	MCO	Nevada	SB	Vermont	SB
Idaho	SB	New Hampshire	IH and MCO	Virginia	MCO and SB
Illinois	MCO	New Jersey	SB	Washington	RB
Indiana	MCO	New Mexico	MCO	West Virginia	SB
Iowa	MCO	New York	IH and MCO	Wisconsin	SB
Kansas	MCO			Wyoming	IH

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<sup>69</sup> *Examining the Effects of Separate NEMT Brokerages on Transportation Coordination: State-by-State NEMT Profiles*; Prepared for Transit Cooperative Research Program Transportation Research Board of The National Academies of Sciences, Engineering, and Medicine; April 2018.

## State: Colorado

### Waiver transportation model

Colorado uses a state in-house fee-for-service management model.

### Home and community-based services (HCBS) waiver programs reviewed

- Brain Injury Waiver (BI)
- Community Mental Health Supports Waiver (CMHS)
- Developmental Disabilities Waiver (DD)
- Elderly, Blind and Disabled Waiver (EBD)
- Spinal Cord Injury Waiver (SCI)
- Supported Living Services Waiver (SLS) – Intellectual / Developmental Disability (I/DD)

### Key features

The state of Colorado provides waiver transportation to its adult waiver populations through its six waivers. The Office of Community Living within Colorado’s Department of Health Care Policy & Financing (HCPF), operating under the authority of Colorado’s Medicaid agency (Health First Colorado), manages waiver services and offers waiver transportation assistance. HCPF contracts with private case management agencies to provide day-to-day case management and support service coordination for people who receive waiver services. Regional case managers are responsible to create a service plan for people and help them manage their transportation needs.

HCPF reimburses for waiver transportation on a mileage-band, fee-for-service basis. People served on the DD Waiver may receive authorization for up to 508 one-way trips or 254 round trips per year (including day training and habilitation [DT&H] and supported employment-based services) under HCPF rules.<sup>70</sup> All other adults who are eligible for services may receive authorizations for up to 208 one-way or 104 round trips per year. HCPF makes case-by-case exemptions on the number of authorized trips for people who need additional trips to access employment.<sup>71</sup>

Colorado recently introduced provisions to encourage the use of public transit services by allowing local case management agencies to purchase bus passes. Regulations prohibit mileage reimbursement for volunteers and people using their own vehicles.

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<sup>70</sup> [Colorado Department of Health Care Policy and Financing, Home and Community Based Services for the Developmentally Disabled Waiver Language \(PDF\)](#), August 2018

<sup>71</sup> [Colorado Department of Health Care Policy and Financing, Department Program Rules and Regulations website](#), August 2018

## Transportation modes

Waivers include authorization for three types of non-medical transportation providers:

- Mobility and wheelchair vans
- Taxis
- Public transportation.

## Trip purposes

Waiver transportation services include transportation for people to access community services included in their service plans, as well as supported employment and DT&H services.<sup>72</sup>

## Licensing and insurance

HCPF establishes minimum liability limits for waiver transportation providers and does not offer any supplemental insurance coverage.

To address a shortage of medical and non-medical transportation providers, Colorado recently established a new public utility commission provider category for the Medicaid program to expedite the certification of transportation vendors without sacrificing safety or accessibility (via a Medicaid Client Transport permit). While the new category eases some restrictions, it still requires all transportation drivers to undergo a criminal background check.

## Use of transportation network companies (TNCs)

People eligible for waiver services currently are not able to use transportation network companies (TNCs (e.g., Lyft and Uber) for non-medical transportation services. Consideration is underway to include on-demand ride-hailing services. Colorado uses Veyo (a ride-hailing company specializing in non-emergency medical transportation [NEMT]) as the NEMT broker for the nine-county Denver market. Due to concerns about Veyo's driver network, Veyo does not use their independent driver-provider ride-hailing model, but rather operates similarly to a traditional NEMT broker. Colorado currently is gathering information about the use of TNCs in other medical transportation programs and is considering including an on-demand component in their new NEMT brokerage contract re-bid in 2019.

## Managed care

Not applicable

## Waiver transportation coordination with NEMT

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<sup>72</sup> [Colorado Department of Health Care Policy and Financing, Home and Community Based Services for the Developmentally Disabled Waiver language \(PDF\)](#), August 2018

There is minimal coordination between Colorado’s waiver transportation programs and its regional NEMT brokerages. Colorado’s NEMT program shares a similar structure with Minnesota’s program, with non-metro counties responsible for NEMT services. Colorado does use a national transportation broker in the Denver metro area. Due to the NEMT’s county structure, Colorado estimates there are more than 30 ways counties provide NEMT services throughout the state. This makes it difficult to consider coordinating waiver transportation and NEMT. However, Colorado is considering changes to both programs that would consolidate Medicaid transportation services in the Denver region or possibly statewide.

### **Recent or future changes**

Colorado recently re-evaluated its rates for all HCBS services and is implementing a 6.61 percent rate increase for non-medical transportation effective January 1, 2019.<sup>73</sup> Colorado re-bid all regional NEMT brokerage contracts at the end of 2018, which has spurred discussion on ways to improve the coordination of waiver transportation and NEMT services.

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<sup>73</sup> [Colorado Department of Health Care Policy and Financing, Provider Rates and Fee Schedule](#), 2018

## State: Florida

### Waiver transportation model

Florida uses a managed care organization (MCO) model.

### HCBS waiver programs reviewed

- Long-Term Care Waiver
- I-Budget Waiver.

### Key features

The state of Florida provides waiver transportation to its waiver populations through two waivers: The Long-Term Care Waiver and the I-Budget Waiver. Florida provides Long-Term Care Waiver services through managed care programs, and the Agency for Persons with Disabilities, (an independent agency responsible for Floridians with developmental disabilities) provides I-Budget Waiver services. Both waiver programs operate under the authority of Florida’s Medicaid agency (the Agency for Health Care Administration).<sup>74</sup>

Florida has six health plans participating in their Statewide Medicaid Managed Care program. The managed care plans are responsible for providing both medical and long-term care services to people enrolled in waiver services, including waiver transportation services. Florida refers to waiver transportation as “non-emergency transportation” or “NET” services and allows managed care plans to contract with a variety of national brokers to provide NET services. These brokers include:

- Veyo
- Logisticare
- Access2Care
- Secure Transportation
- Medical Transportation Management.

Many of the national brokers jointly manage NET and NEMT services and have call centers specifically for people eligible for waiver services to schedule trips. At least one of the brokers has set up an online reservations system for people eligible for waiver services. People eligible for waiver transportation services are generally unable to access NET and non-emergency medical transportation (NEMT) trips after hours or on weekends. Trips are limited to between 8 a.m. and 5 p.m., Monday through Friday.

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<sup>74</sup> [Florida Center for Urban Transportation Research, Transportation Disadvantaged State-Wide Service Analysis \(PDF\)](#), December 2017

The Agency for Persons with Disabilities places an annual limit of 960 one-way trips per year or 80 one-way trips per month on all people eligible for waiver transportation services. Florida has implemented a county/regional transportation network for people who face transportation challenges. It is called the Community Transportation Coordinator system. However, coordination between the Agency for Persons with Disabilities and the Transportation Coordinator system appears limited.<sup>75</sup>

## **Transportation modes**

Modes of transportation, including public and private providers, vary across Florida and depend on negotiated contracts between managed care plans or the Agency for Persons with Disabilities and their transportation brokers.

## **Trip purposes**

Florida limits waiver transportation to waiver services detailed in a person's care plan and Day Training and Habilitation (DT&H) services.

## **Licensing and insurance**

The Agency for Health Care Administration implements waiver regulations and provider and driver qualifications for NEMT transportation providers.<sup>76</sup> The managed care plans are responsible to enforce the regulations with their transportation brokerage contractors.<sup>77</sup> Florida does not offer any insurance coverage for waiver transportation providers.

## **Use of transportation network companies (TNCs)**

People who use waiver transportation services currently are not able to use on-demand ride-hailing companies (e.g., Lyft and Uber) because neither the Agency for Persons with Disabilities nor the managed care plans contract with TNCs. However, there are ongoing discussions within the state agency, stakeholders and people who use services about the use of TNCs in Medicaid and waiver programs. Currently, the Agency for Health Care Administration is reviewing this issue.

## **Managed care**

Florida provides waiver services to all people who are eligible for the Long-Term Care Waiver, including people with disabilities and older adults, through managed care health plans.

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<sup>75</sup> [Florida Commission for Transportation Disadvantaged: Your Community Transportation System page](#)

<sup>76</sup> [Florida Administrative Code and Florida Administrative Register, Agency for Health Care Administration website](#), 2018

<sup>77</sup> [Agency for Health Care Administration, Non-Emergency Transportation Services Coverage Policy \(PDF\)](#), October 2016

## **Waiver transportation coordination with NEMT**

People who are eligible for the Long-Term Waiver receive all transportation services, including waiver transportation services and NEMT transportation, through their managed care plan and associated transportation broker. This means the Florida model represents an example of a managed care/broker hybrid model. Only a handful of states deliver waiver transportation in this way. Therefore, Florida is an example of a coordinated waiver transportation approach.

## **Recent or future changes**

Except for an ongoing examination of issues related to the inclusion of on-demand ride-sharing companies as providers in Florida's NET and NEMT programs, the state reported no other pending changes.

## State: Georgia

### Waiver transportation model

Georgia uses a state in-house, fee-for-service management model.

### HCBS waiver programs reviewed

- New Options Waiver (NOW)
- Comprehensive Supports Waivers Program (COMP).

### Key features

The state of Georgia provides waiver transportation to people with intellectual and developmental disabilities through two waivers: the New Option Waiver (NOW) and the Comprehensive Supports Waiver Program (COMP). The Department of Behavioral Health and Developmental Disabilities, operating under the authority of Georgia’s Medicaid agency (the Department of Community Health), manages waiver services for NOW and COMP through six regional offices. The department coordinates care with seven regional Case Management Agencies (CMAs) to provide case management and support service coordination. Support coordinators (employed by the CMAs) act as a first point of contact for people to access waiver transportation and help to manage transportation needs. Georgia places a per-person annual limit of \$2,800 for waiver transportation services.<sup>78</sup>

Georgia’s Department of Community Health also operates an Elderly and Disabled (E&D) Waiver program without waiver transportation services. Instead, Georgia classifies transportation to and from adult day health centers as “medical transportation” and delegates the coordination to the state’s non-emergency medical transportation (NEMT) brokers.

### Transportation modes

NOW and COMP waivers include authorization for three types of waiver transportation providers:

- Individual Georgia licensed drivers
- Developmental disability service agency providers
- Transportation broker provider agencies (i.e., minibuses, wheelchair vans, public and paratransit services and private commercial carriers).

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<sup>78</sup> [Georgia Department of Community Health, Developmental Disabilities Waiver Program \(PDF\)](#), April 2011

## **Trip purposes**

Waiver transportation services include transportation for people to waiver and other community services, activities, resources and organizations typically used by the public. Georgia prohibits the replacement of any formal or informal transportation options already provided by family, friends and community-based organizations with waiver transportation.<sup>79</sup>

## **Licensing and insurance**

The Department of Behavioral Health and Developmental Disabilities implements and enforces waiver regulations and licensure requirements. Georgia does not offer any insurance coverage for waiver transportation providers. The Association of County Commissioners of Georgia has created a pooled shared-risk insurance program to provide liability coverage for county vehicles and related purposes. Local counties in Georgia that run rural transit systems often obtain insurance from this county-cooperative insurance program run by the Association of County Commissioners of Georgia – Interlocal Risk Management Agency.

## **Use of transportation network companies (TNCs)**

People who use waiver transportation services currently are not able to use on-demand ride-hailing companies (e.g., Lyft and Uber) for those services. Transportation brokers participating in Georgia’s NEMT program are contracting with Lyft and possibly other TNCs.

## **Managed care**

Not applicable

## **Waiver transportation coordination with NEMT**

There is minimal coordination between Georgia’s regional NEMT brokerage and its waiver transportation programs. Both programs may use the same providers, but the Department of Community Health rules exclude waiver transportation programs from providing any services available to people through the state’s NEMT program services, which include medically necessary and cost-effective transportation to other Medicaid reimbursable medical visits.

## **Recent or future changes**

There are no reported changes in the management of either the NOW or COMP waivers.

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<sup>79</sup> [The Georgia Department of Behavioral Health and Developmental Disabilities, Fact Sheet \(PDF\)](#)

## **State: Michigan**

### **Waiver transportation model**

MCO

### **HCBS waiver programs reviewed**

MI Choice Waiver

### **Key features**

The state of Michigan provides waiver transportation to all adults who use waivers through the MI Choice Waiver (formerly known as the HCBS E&D Waiver). The Michigan Department of Health and Human Services administers all waiver services, including waiver transportation. The state delivers services through a statewide network of 20 accredited regional waiver agencies (Prepaid Ambulatory Health Plans [PAHPs]). Michigan structures the health plans as Area Agencies on Aging and other community-based organizations, and they provide information, referrals, eligibility determinations and related intake services. Support coordinators (employed by PAHP) manage people's person-centered transportation plans and act as a first point of contact for people to access both waiver transportation and non-emergency medical transportation (NEMT). The health plans are responsible to secure contracts with qualified transportation providers, including commercial operators, public transit agencies and individual providers.

### **Transportation modes**

The health plans contract with taxis and other local providers to provide both waiver transportation and NEMT. Health plans negotiate fee schedules with individual providers.

### **Trip purposes**

Waiver transportation services include transportation for people to waiver services. The services enable full participation in community activities and improve people's quality of life. The state places transportation limits on services identified in people's person-centered plans as well as restrictions around replacing previously available or free transportation options.

### **Licensing and insurance**

The Michigan Department of Health and Human Services implements regulations governing provider and driver qualifications and driver licensing requirements for transportation providers

(including minimum liability coverage).<sup>80</sup> The health plans enforce the regulations and are also responsible for establishing and approving fares and rate schedules. The state does not offer any insurance coverage for waiver transportation providers.

### **Use of transportation network companies (TNCs)**

People are not currently able to use TNCs (e.g., Lyft and Uber) for waiver transportation services. There have been discussions about using on-demand ride-hailing companies, but the state and health plans are apprehensive about the safety of people who receive waiver services in a technology-driven environment.

### **Managed care**

Michigan operates its MI Choice Waiver as a Medicaid-managed care program with people receiving services from PAHPs.

### **Waiver transportation coordination with NEMT**

People receive all transportation services including waiver transportation and NEMT transportation through their health plan and associated transportation provider. This bundling of services through the health plan represents an example of a managed care/provider hybrid model. Michigan has a statewide NEMT transportation broker to provide services for people who use fee-for-service Medicaid; however, this service is not open to people eligible for waiver services.

### **Recent or future changes**

In its most recent MI Choice Waiver renewal application, the Michigan Department of Health and Human Services proposed consolidating all Medicaid non-medical waiver transportation and NEMT into a single program titled “Community Transportation.”

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<sup>80</sup> [Centers for Medicare & Medicaid, Michigan 1915\(C\) waiver language \(PDF\)](#), December 2014

## **State: Ohio**

### **Waiver transportation model**

Managed care organizations (MCOs)

### **HCBS waiver programs reviewed**

MyCare Ohio Waiver

### **Key features**

The state of Ohio provides waiver transportation through several waivers. This summary examines the MyCare Ohio Waiver, which they use to provide care to adults via managed care organizations (MCOs). The Department of Medicaid (ODM) manages waiver services for MyCare Ohio, and contracts with two MCOs that are responsible for providing both Medicaid medical and HCBS waiver services. MCOs are responsible for providing all waiver transportation and non-emergency medical transportation (NEMT) for people who are non-ambulatory. People who are ambulatory receive transportation assistance only for trips to providers that are farther than 30 miles. For trips under 30 miles, people must seek transportation help through the state's county-based NEMT system.

Both MCOs that participate in the MyCare Ohio Waiver program contract with private brokers to manage waiver and NEMT transportation for people eligible for transportation services. Both MCOs also offer "value added" transportation benefits, which often cover all the transportation needs of their members, regardless of the member's physical abilities or trip distances.

### **Transportation modes**

The MCOs contract with a full range of public and private transportation providers and offer a variety of trip modes. People who are ambulatory and receive transportation assistance through the county's NEMT program have access to the same range of providers as people enrolled in fee-for-service Medicaid.

### **Trip purposes**

Waiver transportation services include transportation for people to waiver and other community services such as grocery stores, senior centers, government offices and other community resources.

### **Licensing and insurance**

The managed care organizations and their contract transportation brokers implement and enforce all rules and regulations that govern trip fees/rates, provider/driver qualifications and liability insurance requirements for Medicaid transportation providers (as outlined in Ohio's

Administrative Code).<sup>81</sup> The state does not offer any insurance coverage for waiver transportation providers.

### **Use of transportation network companies (TNCs)**

People using waiver transportation services are not currently able to use on-demand ride-hailing companies such as Lyft and Uber for those services. The MCOs have used Lyft to provide some NEMT services.

### **Managed care**

Ohio has two MCOs in their MyCare Ohio Waiver program.

### **Waiver transportation coordination with NEMT**

People who are eligible for MyCare Ohio receive all transportation services including waiver transportation and NEMT through their MCO and associated transportation provider. This bundling of services through the health plan represents an example of a managed care/broker hybrid model, providing a coordination example for transportation services.

### **Recent or future changes**

Ohio has a number of initiatives underway that are likely to affect the delivery of waiver transportation:

- Staff members at the Ohio Department of Medicaid feel the current waiver transportation program is underused by people eligible for waiver transportation services. As a result, they have begun an internal review process to better align waiver transportation services between state agencies.
- The state has launched a comprehensive transportation reform initiative called Ohio Mobility Transformation. Interagency task forces have been set up among 14 state agencies with the goal of enhancing statewide transportation policy alignment.
- At the direction of the Ohio Legislature, responsibility for the state's NEMT program is changing from the current county-based system to a more centralized transportation brokerage model. Under the new approach, Ohio plans to establish a network of regional transportation brokerages to begin managing NEMT services by July 2019.

The state launched a pilot program in the Columbus area to evaluate how improvements in the coordination of medical transportation for people enrolled in Medicaid (i.e., pregnant women) affect birth outcomes.

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<sup>81</sup> [Ohio Administrative Code, 5123:2-9-18 Home and Community Based Services Waivers language](#), April 2017

## State: Oregon

### Waiver transportation model

Transportation broker

### HCBS programs reviewed

- Aged & Physically Disabled Waiver (APD)
- Intellectual/Developmental Disabilities Waiver

### Key features

Fifteen regional Coordinated Care Organizations (CCOs), which were created under the Affordable Care Act. They operate non-emergency medical transportation (NEMT) services for people enrolled in Oregon’s Medicaid program. Oregon created a separate Community Transportation program to provide waiver transportation services for people with disabilities and older adults. It contracts with public agencies such as counties, cities and local transit districts. The state funds Community Transportation for people with intellectual or developmental disabilities under a Section 1915(k) waiver, known as “K Plan” in Oregon. It caps funds at \$500 per person, per month. In addition, the Office of Developmental Disability Services (ODDS) has developed a separate employment- and day-support activity (DSA) transportation program, using state funds to transport people with intellectual or developmental disabilities from their homes to work or DSA sites. The state caps DSA transportation at \$350 per person, per month. People eligible for waiver services also receive transportation assistance from personal support workers (PSWs), who can claim reimbursement for mileage and transportation hours in their own vehicles for transporting people to identified activities of daily living (ADL).

To illustrate how the Community Transportation program works for older adults, we are using Lane County, Oregon as a case study. APD contracts with the Lane Transit District (LTD) to provide Community Transportation services countywide. In addition to being the county’s public transportation agency, LTD operates RideSource, a one-call, integrated transportation brokerage, which coordinates a broad range of specialized transportation services. Furthermore, RideSource provides medical transportation for all people enrolled in Medicaid fee-for-service and managed care in the county under separate contracts with the state and a local health plan. It also provides complimentary paratransit services, helps with DD work trips for ODDS, and operates several other medical and non-medical transport programs (including local veterans, for whom it manages volunteer drivers and provides transportation for).

## Transportation modes

Oregon regulations define Community Transportation as follows:

1. Transport by public transit
2. Transport by taxi or other commercial carrier
3. Work trips by providers of services related to developmental disabilities
4. Mileage reimbursement to Personal Support Workers (PSWs).

Public transportation is the preferred mode of travel for people who are eligible for waiver transportation. The state does not allow direct mileage reimbursement to volunteer drivers or for the use of personal vehicles for people who are eligible for waiver transportation.

## Trip purposes

Oregon's waiver transportation program includes trips to grocery stores and other community resources/services necessary to support people's activities of daily living (ADL), as reflected in individual service plans. The state generally limits the monthly allowance for Community Transportation services to \$500 per person. Employment transportation for people with developmental disabilities is available for travel from people's homes to work sites. Oregon generally limits the monthly allowance for these services to \$350 per person.

## Licensing and insurance

Oregon's Administrative Rules (OAR) contains the rules governing community transport rates, provider/driver qualifications (including liability insurance requirements) for Community Transportation providers. The DHS central office staff enforces the rules. Oregon does not offer supplemental insurance coverage to Medicaid transportation providers.

## Use of transportation network companies (TNCs)

No ride-hailing companies operated within the Lane Transit District's service area at the time of the study. If they were available, however, the brokerage staff says it would be interested in incorporating them as providers in all their service programs. DHS officials have indicated that TNCs inability to meet minimum insurance and criminal background check requirements has disqualified them from participating in ODDS's DSA or Community Transportation programs. While there has been no reported involvement by transportation network companies in state Medicaid transportation programs, there have been some discussions about introducing ride-sharing/ride-hailing services to certain groups of people (at least on a demonstration or pilot-project basis).

## **Managed care**

Oregon operates all Medicaid services under managed care organizations known as Coordinated Care Organizations (CCOs).

## **Waiver transportation coordination with NEMT**

Lane Transit District and its RideSource brokerage manage nearly all fixed-route public transit and specialized transportation services. Through an active program of rider-travel training, the transit district has moved some people who receive transportation services through the human service agency to fixed-route bus service, which is a much lower-cost option. By combining its own fleet of vehicles and drivers with access to an outside network of private, nonprofit and volunteer transportation providers, the transit agency can link passengers with appropriate transportation services and share costs and rides with multiple agency partners. This centralized, coordinated model has received both state and national recognition for efficiency and effectiveness.

The creation of a specially designed Community Transportation program to meet waiver transportation needs is unusual, if not unique among state Medicaid programs. While not formally connected to the state's NEMT program, Oregon's DHS program managers have created opportunities for coordinating waiver transportation with other related services by contracting for Community Transportation services with the same public bodies that are also responsible for providing public transportation or NEMT in their communities.

## **Recent or future changes**

Oregon has received national recognition as a leader in the accountable- and coordinated-care arena. The state made dramatic changes in how it provides Medicaid state plan services as part of a comprehensive health care transformation process begun several years ago. Recently, the state launched a re-examination of its coordinated care model, with an eye to improving outcomes under the patient-centered health care system. However, there is no evidence that the organization and management of waiver transportation is a part of that policy review and realignment.

## State: Virginia

### Waiver transportation model

Mixed (Statewide managed care organizations [MCOs] and statewide broker)

### HCBS waiver programs reviewed

- Commonwealth Coordinated Care Plus Medicaid Waiver
- Family and Individual Support Waiver – CCO Plus Managed Care Organization (MCO)
- Community Living Waiver

### Key features

The Virginia Department of Medical Assistance Services (DMAS) administers Virginia's home and community-based (HCBS) waiver programs. Until recently, everyone eligible for waiver services received both non-emergency medical transportation (NEMT) and waiver transportation services through a statewide transportation brokerage program set up for the state's fee-for-service Medicaid population. Beginning in 2018, Virginia required all people eligible for waiver services to join a newly created managed care program, the Commonwealth Coordinated Care Plus (CCC Plus) long term care program (except for older people eligible to enroll in Virginia's Program of All-Inclusive Care for the Elderly [PACE] program). The state assigns people enrolled in CCC Plus to one of six statewide MCOs.

MCOs participating in the CCC Plus MCO program are responsible to provide all medical services (including NEMT) to people eligible for waiver services. A majority of these members also receive transportation to waiver services through their assigned health plan. However, the CCC Plus MCO organizations are not responsible for providing transportation to waiver services for people enrolled in any of the state's three waivers for services related to developmental disabilities. For that population, waiver transportation is provided by DMAS' fee-for-service transportation broker.

Four of the six CCC Plus MCO health plans have contracted with national transportation brokers to manage client medical and waiver transportation. Two health plans have created in-house arrangements to manage transportation (one created its own broker and the other hired and trained its own transportation staff).

### Transportation modes

People eligible for the CCC Plus program have access to the full network of public and private transportation providers services that are under contract with MCO and DMAS transportation brokers.

## **Trip purposes**

The state limits CCC Plus waiver transportation services to adult day health care and other waiver services and approved destinations (as defined in individual personal care plans).

## **Licensing and insurance**

MCOs participating in the CCC Plus waiver program are responsible to establish transportation provider/driver requirements and for negotiating rates with contracted transportation providers. The state does not offer any insurance coverage for waiver transportation providers.

## **Use of transportation network companies**

Magellan Complete Care of Virginia, one of the statewide-managed care plans participating in Virginia's CCC Plus waiver program, currently contracts with Veyo, a national transportation broker and technology company. It relies on a network of independent drivers to provide ride-sharing and ride-hailing services.

## **Managed care**

Three of the six statewide MCOs in CCC Plus operate Medicare-Medicaid Plans (MMP), which allow people to gain access to long-term care services with coordinated benefits between Medicare and Medicaid.

## **Waiver transportation coordination with NEMT**

To allow for maximum coordination, a single broker handles both medical and waiver transportation services for the majority of people eligible for waiver services. The state handles medical and waiver transportation services separately for those enrolled in the state's waiver programs related to developmental disabilities.

The CCC Plus program is among the few state waiver programs that contract with managed care organizations to provide both members' medical and waiver transportation needs.

## **Recent or future changes:**

Virginia recently introduced the CCC Plus model for people eligible for waiver services. Excluding people who receive developmental disability-related waiver services from obtaining waiver transportation services through their health plan is still under consideration. In the near future, the DMAS plans to consolidate transportation services for all people who receive waiver services within the CCC Plus program.

## State: Washington

### Waiver transportation model

State in-house fee-for-service management

### HCBS waiver programs reviewed

- Community Options for Program Entry (COPES) Waiver
- New Freedom Waiver

### Key features

The state of Washington provides waiver transportation to people with disabilities and older adults through two HCBS waivers: Community Options for Program Entry (COPES) Waiver and the New Freedom Waiver. The State Department of Social and Health Services (DSHS) administers these waivers through the Aging and Long-Term Support Administration (AL TSA). COPES is available statewide, and the New Freedom waiver operates only in the Seattle and Tacoma metro areas. The majority of people eligible for Medicaid (with the exception of people eligible for home and community-based waiver services) receive services through one of five statewide managed care organizations (MCOs). Both groups use the established regional transportation brokerage system to meet their non-emergency medical transportation (NEMT) needs. The state prohibits people who eligible for waiver services from using the NEMT brokerage system for anything except medical trips.

AL TSA has a separate contract with the 13 Area Agencies on Aging (AAAs) to provide waiver transportation. Typically, the regional AAA will select a designated waiver transportation provider in each county it serves. It is unusual to select a single designated county transportation provider to serve people with disabilities or older adults. In southeastern Washington, the AAA reviews its transportation provider contracts every four years and puts the contract out to competitive bid. In four of the eight counties the agency serves, the agency has no designated transportation provider because it believes that people can rely on local public transit services to meet their waiver transportation needs. In the other four counties, there is only one designated provider in each county for people to access, thereby not providing the same travel options as they do for medical trips. The state reimburses people for medical trips when they use their own car, call a volunteer driver or use a bus pass on public transit.

In addition to the selected transportation contractor, individual providers also provide occasional transport to people eligible for waiver services. Individual providers may receive reimbursement for using their own vehicles to take people on grocery, “essential shopping” and medical appointment trips. This is possible if the person is unable to use the state’s NEMT brokerage program.

People served by ALTSA also have access to transportation provided by individual providers, who can receive mileage reimbursement for trips to groceries and medical appointments.

## **Transportation modes**

The transportation services contracted by the AAAs include taxis, wheelchair vans and other modes offered by certified public, private and individual providers.

## **Trip purposes**

Other than individual providers providing shopping and medical trips, the state limits transportation to people eligible for waiver services to trips included in the individual’s care plan that meet a “therapeutic” need. Washington does not allow waiver transportation for general travel purposes.<sup>82</sup> The Adult Day Health program does not use waiver transportation since their program centers’ daily rate includes a transportation allowance. The state does not include transportation to and from adult day care facilities in the daily rate.

## **Licensing and Insurance**

DSHS establishes minimum liability limits and required qualifications for transportation providers and drivers involved in the COPES waiver programs. At a local level, the AAAs monitor compliance with the transportation requirement regulations.<sup>83</sup> The state does not offer any insurance coverage.

## **Use of transportation network companies (TNCs)**

DSHS staff who were interviewed were not aware of any use of ride-hailing companies or technologies in either the NEMT regional brokerage or waiver transportation programs. However, the staff is interested in the concept.

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<sup>82</sup> [Washington State Legislature Sec. 388-106 of Washington Administrative Code \(WAC\)](#)

<sup>83</sup> [Washington State Department of Social and Health Services. Aging and Long-Term Support Administration: Transportation Program Guidance](#)

## **Managed care**

People enrolled in waiver services in Washington receive both medical and non-medical waiver services on a fee-for-service basis. Unlike the majority of people served by Washington's Medicaid program, the state does not enroll people eligible for waiver services in managed care organizations.

## **Transportation coordination**

Other than contracting with some of the same transportation providers, there is little to no coordination between Washington's NEMT and waiver transportation programs. Additionally, the state's definition of waiver transportation services specifically excludes the NEMT brokerage system.

## **Recent or future changes**

Due to underutilization of the waiver transportation program, AL TSA staff have started an informal review of how the program is managed locally. Recent waiver renewal requests to CMS have not proposed any transportation service modifications.

## State: Wisconsin

### Waiver transportation model

Regional managed care organizations (MCOs)

### HCBS waiver programs reviewed

- Family Care Waiver
- Self-Directed Support Waiver – Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID)

### Key features:

The state pays participating MCOs on an all-inclusive, capitated basis based on the number of people enrolled in waiver services. The Family Care and Family Care Partnership Program waivers include transportation services as a means of getting to and from community activities. Family Care participants have access to Aging and Disability Resource Centers (ADRCs), which are local agencies designed to serve as a single-entry point where older adults and people with disabilities can get information and advice about a wide range of resources available to them in their communities.

### Transportation coordination

When Wisconsin went to a statewide transportation brokerage model a few years ago, the non-emergency medical transportation (NEMT) program encountered challenges and initially developed a poor reputation. As a result, the MCOs participating in the Family Care Waiver resisted proposals to merge their specialized waiver transportation services with the NEMT brokerage. Currently, MCOs maintain a network of internally certified transportation providers for their members. The Family Care and Partnership Programs do not use broker services.

### Transportation modes

People eligible for Family Care have access to a full range of transportation options, including public transit services and commercial operators such as taxis, specialized transportation providers and individual/volunteer drivers. Participating MCOs negotiate rates and contract with a network of transportation providers to provide both medical and waiver transportation.

### Trip purposes

The state makes specialized transportation available to people who receive waiver services to increase independence and community participation, prevent institutionalization and assist or improve their mobility in the community. People eligible for Family Care may travel to a broad range of community activities with few limitations on their trip purpose.

## **Licensing and insurance**

DHS enforces the Wisconsin Medicaid HCBS Manual, which establishes governing rule for specialized transport rates and provider/driver qualifications (i.e., liability insurance).<sup>84</sup> Wisconsin does not offer supplemental vehicle insurance coverage to Medicaid transportation providers.

## **Use of transportation network companies**

There is no evidence that TNCs are engaged in either Wisconsin's NEMT brokerage or waiver transportation programs.

## **Managed care**

Wisconsin enrolls people eligible for Family Care and FC Partnership Program into MCOs, which are responsible to provide both medical and specialized waiver transportation to their members.

## **Waiver transportation coordination with NEMT**

There is little to no coordination between NEMT services. As noted above, people eligible for waiver services have access to NEMT providers through their MCOs. However, they do not operate concurrently with other transportation services.

## **Recent or future changes**

Research did not identify any policy or program changes that might affect the way transportation or other waiver services in Wisconsin are provided.

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<sup>84</sup> Department of Human Services, Wisconsin, Medicaid Waivers Manual Allowable Services and Provider Requirements. See page 149, [Specialized Transportation \(PDF\)](#)

# Appendix E: Selected state waiver transportation reimbursement methodologies

Navigant reviewed 23 transportation-related waivers in 10 comparable states to help inform the transportation rate determination process. The criteria for inclusion in this research was two-fold:

1. The waiver must have been approved by the Centers for Medicare & Medicaid Services (CMS)
2. It must have information on rate methodology for transportation and/or non-emergency medical transportation (NEMT) service components.

The following profiles provide details on key rate components from the reviewed waivers. Please note that while Navigant reviewed waivers from Florida, Michigan and Wisconsin, these states follow capitated rate setting models and did not provide details on the methodology. As such, this appendix does not include those states.

## State: Arizona

### Waiver reviewed

State 1115 Waiver for Managed Care -the Division of Developmental Disabilities serves the managed care organization (MCO), which covers people who have intellectual/ developmental disabilities

### Rate method components

1. Uses standardized, independent rate build-up approach to establish prospective rates.
2. Collects provider cost and wages through a survey process every five years.

Components of the fee-for-service rate models:

- Hours per day of the driver
- Hours per day of additional staff in vehicle
- Hourly wage
- Supervisor cost
- Transportation capital costs (miles per day and cost per mile)
- Benefits for the district support professional
- Program support costs
- Administrative overhead costs
- Variation for rural and urban and areas of state
- Transport to/from day programs, employment (or both)
- Daily rates (assume 225 days per year operational)
- Calculated “enhanced” mileage rate that adds on to standard IRS mileage rate for costs of van with lift.

### Transportation service definition

- Regular scheduled daily transportation (day and employment programs)
- Regular scheduled daily transportation, rural
- Single person modified rate, urban
- Single person modified rate, rural
- Extensive distance modified rate, urban
- Extensive distance modified rate, rural

## State: Colorado

### Waiver reviewed

1915(c) HCBS waivers related to developmental disabilities, brain injury, spinal cord injury and older adults

### Rate method components

Uses standardized, independent rate build-up approach to establish prospective rates.

1. Collected provider cost and wages through a survey.

Components of the fee-for-service rate models:

- Indirect- and direct-care requirements
- Facility
- Administrative
- Capital overhead
- Budget neutrality adjustment factor (to ensure rates do not exceed funds)
- Legislative rate increases/decreases annually to account for inflation/deflation
- Rate appropriateness review every five years with waiver renewal

Negotiated market price rate methodologies for adult day transportation and NEMT – taxi

### Transportation service definition

- Service offered to allow people who use the waiver to gain access to waiver and other community services, activities and resources (as specified by the plan).
- Whenever possible, it will use family, neighbors, friends or community agencies who can provide this service without charge.

## State: Colorado

### Waiver reviewed

1915(c) HCBS waiver – Supportive Living Services; Developmental Disabilities

### Rate method components

1. Uses standardized, independent rate build-up approach to establish prospective rates.
2. Collected provider cost and wages through a survey.

Components of the fee-for-service rate models:

- Non-direct cost allocations
- Staffing ratios
- Types of employees
- Employee salaries
- Wages
- Benefits
- Difficulty of care factors – Support intensity scales
- Data from targeted provider cost and wage surveys
- Bureau of Labor Statistics (national and statewide)
- Industry standards
- Use of mileage bands.

The department authorizes community-centered boards to negotiate reimbursement of services (similar to counties in Minnesota).

### Transportation service definition

- Service provided to allow waiver participants to gain access to waiver and other community services, activities and resources (as specified by the service plan).
- Transportation to and from work is a benefit in conjunction with supported employment service (except when the supported employment service occurs at a frequency less than the number of days worked). In that case, transportation to and from the place of employment is a benefit when the participant does not have resources available (including personal funds, natural supports, and/or third-party resources).
- Whenever possible, family, neighbors, friends or community agencies that can provide this service without charge will be used.

## State: Georgia

### Waiver(s) reviewed

- 1915(c) HCBS waivers – New Options Waiver (NOW)
- Comprehensive Supports Waivers Program (COMP)

### Rate method components

- Uses standardized, independent rate build-up approach to establish prospective rates.

Components of the fee-for-service rate models:

- Wage
- Benefits
- Productivity of the direct support professional (to account for non-billable responsibilities)
- Other direct care costs (such as transportation and program supplies)
- Agency overhead costs
- Staffing ratios.

### Transportation service definition

- Participants gain access to waiver and other community services, activities and resources
- Transportation services only provided as independent waiver services when transportation is not otherwise available as an element of another waiver service.
- Whenever possible, people eligible for waiver services should use family, neighbors, friends or community agencies to provide this service free of charge.

## State: Ohio

### Waiver(s) reviewed

- 1915(c) HCBS waivers – OH Individual Options;
- OH Self Empowered Life Funding (SELF); OH Level One

### Rate method components:

- **Waiver transportation:** For transportation, rates are based on federal mileage reimbursement guidelines as specified in the Ohio Administrative Code (OAC)
- **Non-medical transportation:**
  - Non-emergency medical transportation (NEMT) may be billed either per trip or per mile
  - Per-trip NEMT rates are calculated using data from cost reports (as submitted by each county for the period Jan. 1-June 30, 2005)
  - From this data, total reported transportation costs for adults are divided by the total number of reported trips to derive a cost per trip by county
  - Calculated transportation rates are then adjusted for inflation and the regional cost of doing business factors to derive the final rates
  - The per-mile NEMT rate combines the hourly rate of the provider/vehicle driver with the mileage rate to derive a single payment rate based on for “each 1-mile driven, the driver provides 2 minutes of service at the HPC costs.” The OAC includes payment specifications for non-medical transportation.
  - Bureau of Labor Statistics: Information specific to Ohio job market
  - Bureau of Labor Statistics: Administrative overhead
  - Bureau of Labor Statistics: Productivity assumptions for agency and independent providers

Waiver transportation (not NEMT) does not have any additional factors applied.

### Transportation service definition:

- **Waiver transportation:**
  - Service offered to enable people served on the waiver to gain access to waiver and other community services, activities and resources (as specified by the person’s service plan). Waiver transportation service should not replace medical transportation.
  - Transportation services under the waiver shall be offered in accordance with the service plan.

- Whenever possible, family, neighbors, friends or community agencies that can provide this service without charge will be used.
- Waiver transportation services may be provided in addition to medical transportation.
- Transportation services may only be used to enable people to access adult day support, vocational habilitation, individual employment support, group employment support and career planning.
- **Non-medical transportation:**
  - Non-medical waiver transportation is available to enable people to get to/from a place of employment or to access adult day support, career planning, group employment support, individual employment support, and/or vocational habilitation (as specified by the person's service plan).
  - Providers of waiver transportation not available to the public are eligible to bill on a per-trip basis when using modified accessible vehicles of any capacity/size and/or non-modified vehicles with a capacity of nine or more passengers.

## **State: Ohio**

### **Waiver(s) reviewed**

1915(c) HCBS waiver – OH Integrated Care Delivery System

### **Rate method components**

#### **Waiver transportation**

The state employs an actuary to calculate an actuarially sound payment rate per 42 CFR 438.4 and 42 CFR 438.5 on at least an annual basis.

### **Transportation service definition**

#### **Waiver transportation**

- Waiver transportation services promote a person's full participation in the community through access to waiver services, community activities and medical appointments (as specified by the person's service plan and when not otherwise available or funded by state plan or any other source).
- Whenever possible, family, neighbors, friends or community agencies that can provide this service without charge will be used.

## State: Ohio

### Waiver(s) reviewed

1915(c) HCBS waiver – Passport

### Rate method components

#### Waiver transportation

- Waiver services are reimbursed based on a negotiated market price (unit rate)

#### Non-medical transportation (NMT)

- Waiver services are reimbursed based on a fixed, pre-determined rate for a designated unit (per job bid rate)

Both rates are reviewed on an ongoing basis.

### Transportation service definition

- **Waiver transportation**
  - Transportation is a service designed to enable a person to gain access to medical appointments specified in the person's plan of care, when medical transportation is not otherwise available or funded by state plan Medicaid or any other source.
  - Whenever possible, family, neighbors, friends or community agencies that can provide this service without charge will be used.
- **Non-medical transportation:**
  - Non-medical waiver transportation is available to allow waiver participants to get to/from a place of employment or to access adult day support, career planning, group employment support, individual employment support, and/or vocational habilitation (as specified by the person's service plan).
  - Whenever possible, family, friends, neighbors or community agencies that can provide this service without charge shall be used.
  - Providers of waiver transportation (not available to the general public) are eligible to bill on a per-trip basis, when using modified accessible vehicles of any capacity/size and/or non-modified vehicles with a capacity of nine or more passengers.

## State: Virginia

### Waiver(s) reviewed

1915(c) HCBS waivers:

- Family and Individual Support Waiver
- Community Living (CL) Waiver

### Rate method components

Uses standardized, independent rate build-up approach to establish prospective rates. Services were new, so were not based on provider survey data. The assumptions employed by the model included:

- BLS wage data
- Benefits
- Administrative
- Agency costs.

### Transportation service definition:

The goal of employment and community-based transportation is to promote individual independence. It allows people to gain access to:

- Their place of employment or volunteer activity
- Community services or events
- Activities and resources
- Homes of family or friends
- Civic organizations or social clubs
- Public meetings or other civic activities
- Spiritual activities or events.

### Limits include

No duplicative services that may be a component of other services provided

## **State: Washington**

### **Waiver(s) reviewed**

1915(c) HCBS waiver – COPES

### **Rate method components**

Follows three methods for determining rates:

- Periodic market surveys
- Cost analysis
- Price comparison.

Waiver service definitions and provider qualifications are all standardized. This helps to ensure that rates are comparable across the state as provider agencies negotiate rates for identical services with providers that meet the same qualifications.

### **Transportation service definition:**

Offers transportation to allow participants to gain access to waiver and other community services, activities and resources in their service plans.

## **State: Washington**

### **Waiver(s) reviewed**

1915(c) HCBS waiver – New Freedom

### **Rate method components**

Participants either negotiate an agreed upon contractual rate or accept the customary rate charged by the provider.

### **Transportation service definition**

The New Freedom Waiver is a self-directed and budget-based waiver that allows participants to manage their services within their allocated budget and to select providers best able to address their assessed needs. Participants have the ability to do comparison-shopping and select the provider based on rate and other factors that are important to the participant such as location, references, specialized expertise and ease of access.

# Appendix F: Report on the Minnesota Department of Human Services Waiver Transportation Access Survey

This report summarizes the results and key observations from a waiver transportation access survey conducted as part of a legislatively mandated study of Minnesota’s transportation system for people with disabilities and older adults who receive home and community-based services (HCBS). These programs – referred to collectively as “waiver programs” throughout this report – are Medicaid-funded through Section 1915(c) of the Social Security Act and include the:

- Community Alternative Care (CAC) Waiver
- Community Access for Disability Inclusion (CADI) Waiver
- Brain Injury (BI) Waiver
- Developmental Disabilities (DD) Waiver
- Elderly Waiver (EW)
- Alternative Care (AC) program.

The Laws of Minnesota 2017, Chapter 6, Article 1, section 48 directed DHS to complete the following:

- Conduct a Rate Study to identify and recommend HCBS non-medical related transportation service rates available under Minnesota’s four disability waiver programs and the two programs for older people (EW and AC).
- Conduct an Access Study to identify and recommend technical and administrative improvements to HCBS transportation available to people under Minnesota’s four disability waiver programs and two programs for older people.

DHS contracted with Navigant Consulting to conduct both studies and produce a final report that DHS would use to submit its legislatively mandated report to the state’s legislature.

Navigant contracted with the University of Minnesota’s Hubert Humphrey School of Public Affairs to develop and conduct a survey related to the Access study. The intent of this survey was to identify the capacity and characteristics of waiver transportation providers across the state and to collect information on barriers to vehicles sharing and service coordination.

Topics covered in this survey included:

- Transportation organization characteristics
- Type of services provided
- Information on fleet capacity (including type of vehicles, hours of operation, used and unused vehicle time, vehicle accommodations, etc.)
- Insurance coverage and restrictions
- Driver characteristics (e.g., employment status, training, workforce sufficiency, etc.)
- Technology used for ride coordination, communication and dispatch
- Service coordination (including manner and type of coordination, communication and communication modes and barriers)

## Survey method and sample

The survey contained 39 questions and was developed with input from the:

- Access Advisory Group
- Minnesota Department of Human Services (DHS)
- Minnesota Department of Transportation (MnDOT).

Qualtrics Software (a University of Minnesota-contracted vendor) created and administered the survey. Qualtrics offers software flexibility and the capacity to ask a wide variety of questions.

DHS distributed the survey via the DHS Provider News Communication eList (which reaches all home and community-based service providers in the state) because there was no centralized list of waiver transportation providers. DHS also worked with the following organizations to notify waiver transportation providers of the survey and encourage participation:

- Association of Residential Resources in Minnesota (ARRM)
- County social service agencies (who oversee service coordination for the four waivers for people with disabilities)
- LeadingAge Minnesota
- Lutheran Social Service
- Minnesota Department of Transportation (MnDOT)
- Minnesota Organization for Habilitation and Rehabilitation (MOHR).

DHS' survey outreach targeted waiver transportation services providers and those providers with the potential to provide those services in the future. Organizations that only pay for waiver-related transport were not asked to respond (e.g., organizations who coordinate transportation services by contracting with drivers). Completion of the survey was voluntary.

The survey is not a random distribution or a statistical representative of all waiver transportation providers. This is because of the limitations related to survey distribution and

response. However, reasonable inferences can be made from the results because there were 97 survey respondents that represented 81 of 87 of Minnesota's counties.

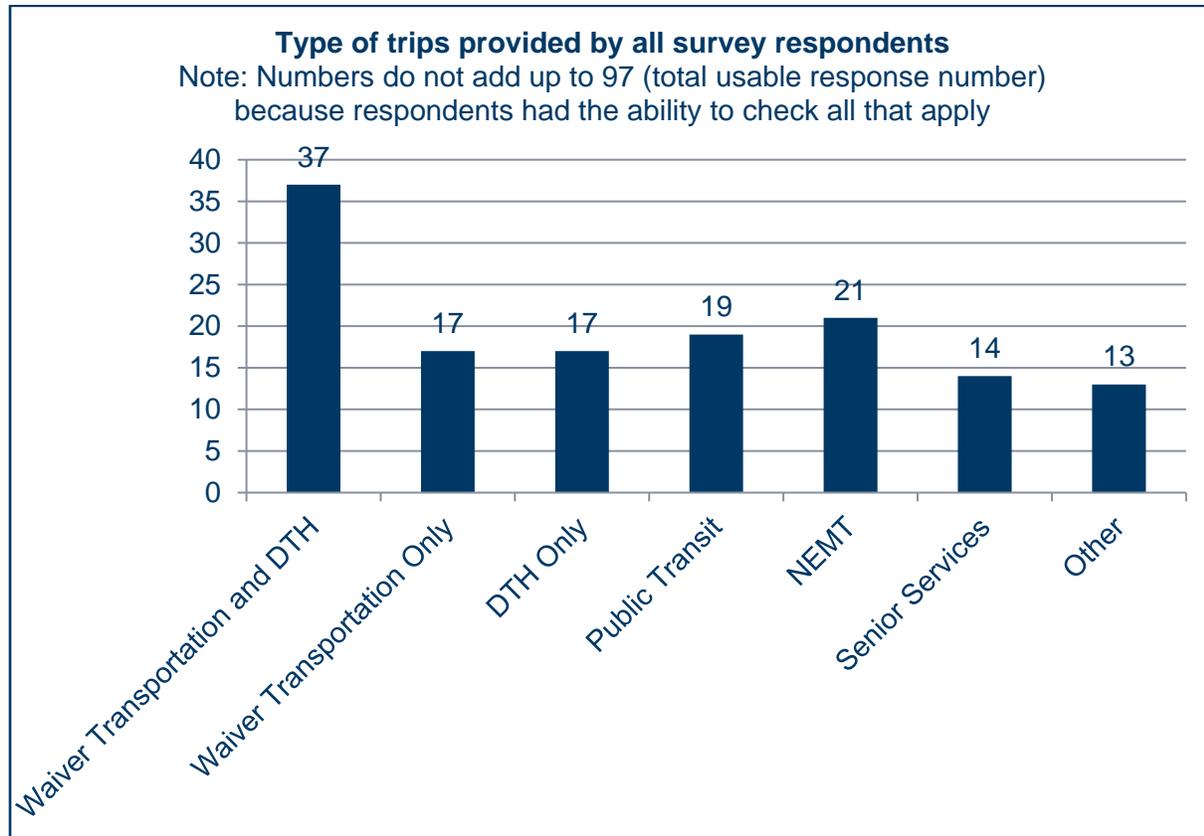
Approximately 150 survey responses were received: 97 of these were usable responses, 50 were blank or duplicate responses and five respondents were asked to forward the survey to organizations that directly provide the transportation trips. Of the 97 usable responses:

- 54 respondents currently provide waiver transportation services
- 17 respondents provide day training and habilitation (DT&H) services, but no waiver transportation services
- 26 respondents have the potential to provide waiver transportation services in the future.

Most questions in this survey applied to all respondents. In some cases, however, breaking out the responses from only those that currently provide waiver transportation services contributed additional insight. Those instances are noted as they arise in this report. Additionally, all the survey questions were optional which in some cases led to less than 97 respondents answering the question. We note instances of when this occurs in the report.

Figure F1 provides a more detailed breakdown for types of trips provided by all survey respondents (as asked in Question 13).

**Figure F1: Type of trips provided by all survey respondents**

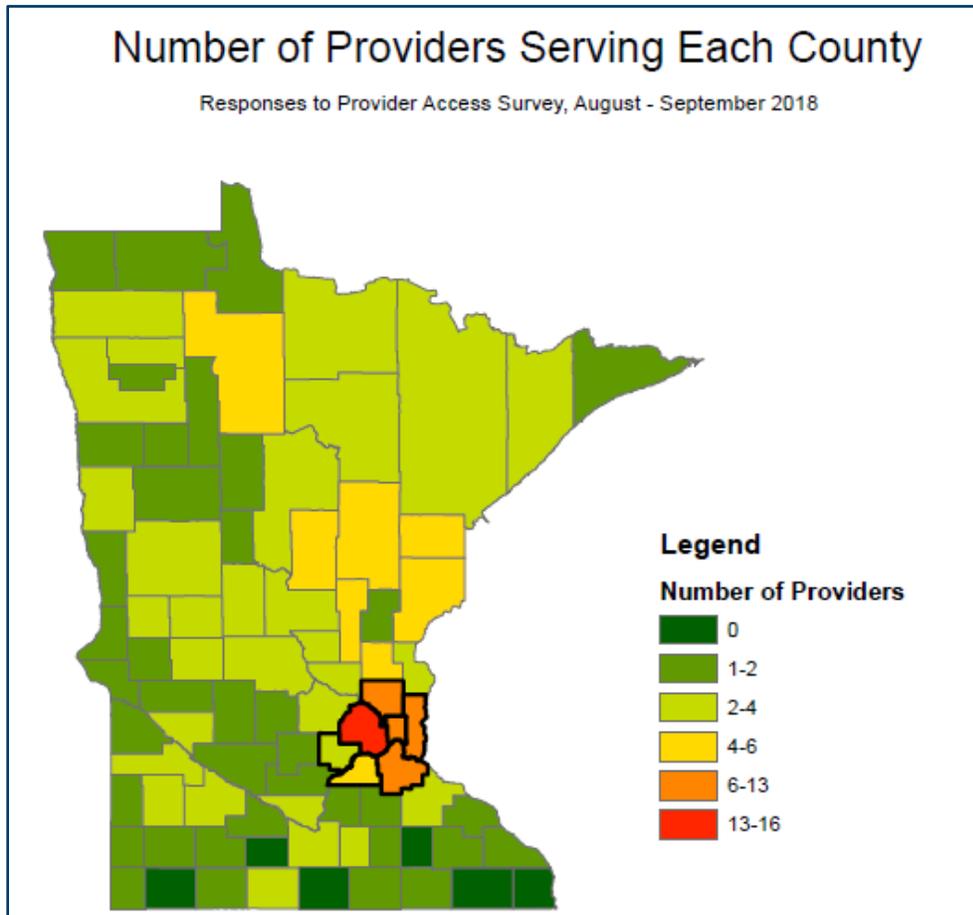


Survey respondents consisted mostly of private non-profit providers (Question 10):

- 65 respondents were private non-profit
- 19 respondents were public
- 13 respondents were private for-profit.

While all but six of Minnesota’s 87 counties were represented by at least one respondent, the largest number of respondents overall was concentrated in five of the Metro counties: Hennepin, Anoka, Ramsey, Dakota and Washington counties (Question 17). This distribution is illustrated in Figure F2.

Figure F2: Number of providers who serve each county



## Key observations from survey questions

Responses to key questions are summarized below by topic area.

### Purpose and type of trip provided and passenger assistance and accommodation

The following responses pertain to questions 11, 14, 15, 16, 22 and 27 relating to the type of services provided.

#### Question 11

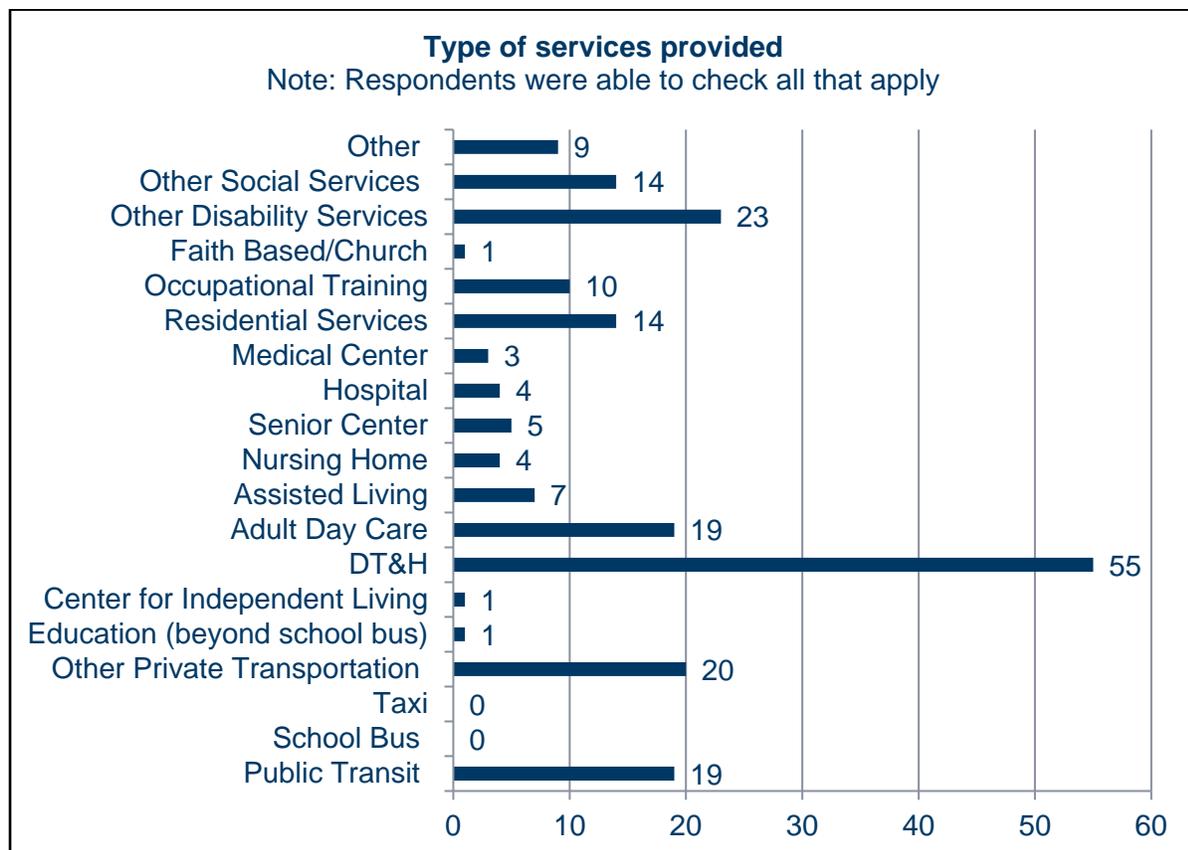
Survey respondents were asked to identify the major services their organization provides. Most respondents (55) indicated they provide DT&H services, followed by 23 respondents providing “other” disability services, which varied from employment services to youth transportation.

The high number of respondents who answered “other” may indicate a wide variation in the type of tailored services provided by these organizations. Survey respondents could choose from the following responses:

- Public transit
- School bus
- Taxi
- Other private transportation
- Education
- Center for independent living
- Day training and habilitation (DT&H)
- Adult day care
- Assisted living
- Nursing homes
- Senior center hospital
- Medical center
- Residential services
- Occupational training
- Faith-based
- Other disability services
- Other social services
- Other.

Figure F3 illustrates the survey response.

**Figure F3: Type of services provided**

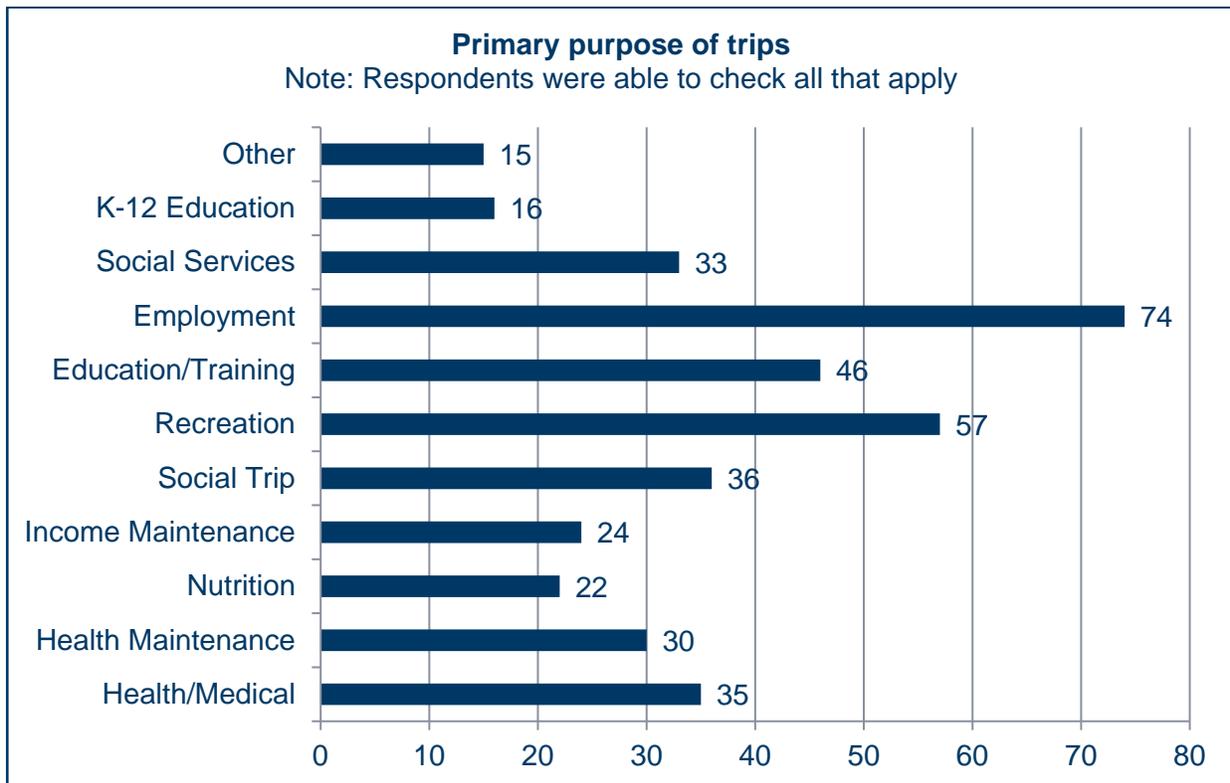


### Question 14

Survey respondents were asked to indicate the purpose of the trips provided. The most common reasons reported were recreation, education/training, social trips and employment, as illustrated in Figure F4. Employment was by far the most common reason for a trip.

For the purposes of the survey, recreation trips were defined as activities including cultural or athletic events, while social trips were defined as trips that involve visitation with another person (e.g., a visit with friends or family).

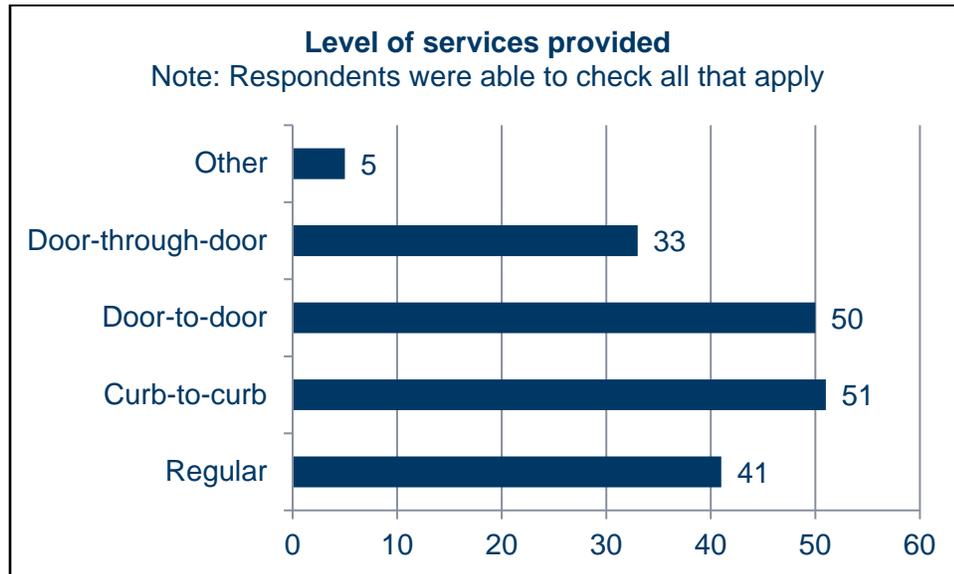
**Figure F4: Primary purpose of trips**



### Question 15

Survey respondents were asked to give detail on the level of services they provided. Curb-to-curb service and door-to-door services were the two highest responses (51 and 50 respondents, respectively), as illustrated in Figure F5.

**Figure F5: Level of services provided**



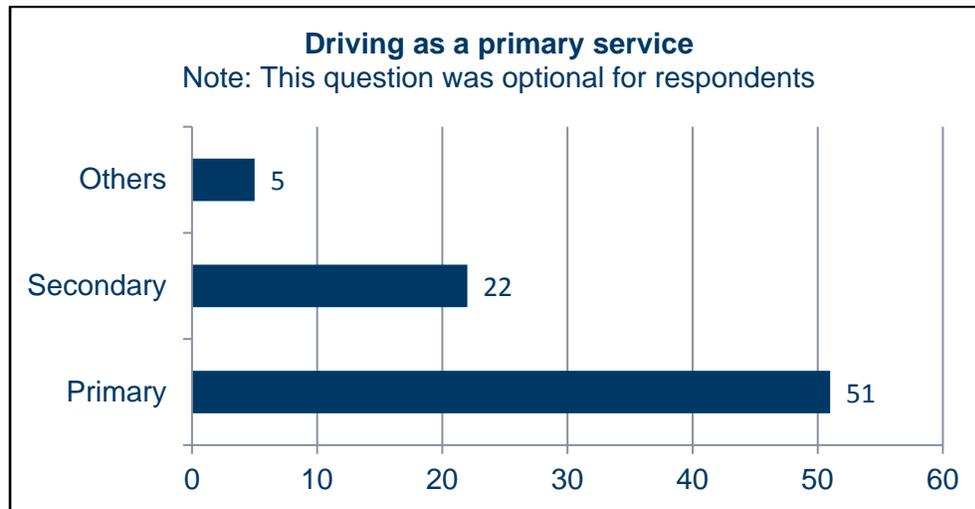
### Question 16

Survey respondents were asked if they serve clients with specific transportation requirements (e.g., requiring individualized transportation, etc.). Consistent with the responses for the level of services provided (Figure F5), 46 respondents responded in the affirmative. Respondents that answered yes to Question 16 had the option of writing in what kind of specific transportation requirements were needed. Thirty five respondents used the write-in option and 15 of these respondents listed wheelchair assistance/lift as the specific requirements.

### Question 27

Survey respondents were asked if driving was the primary or secondary service provided by their drivers during the course of a trip. Fifty-one respondents indicated driving was the primary service provided during the course of an entire trip. Another 22 said driving was a secondary service. Five respondents indicated “Other,” listing that the role of their employees varied depending upon the circumstances (e.g. a respondent said their employee could serve as driver, aide or both depending upon the assignment).

**Figure F6: Driving as a primary service**



### Question 22

Survey respondents were asked to provide information on several different passenger accommodations (see Table F1) and were allowed to select more than one response.

A large number of respondents said they offer personal care attendants or provide escorts for older adults. However, the greatest number of respondents indicated that they provide “other” accommodations. Of the respondents that listed “other,” six listed some form of personal care assistant and five referred to offering some level of “direct” assistance. All but one of these respondents provide waiver transportation.

The high number of respondents that listed “other” may indicate the lack of standards regarding passenger accommodations, a belief that the services offered are unique to their organization, or simply a wide variation in terminology used across these organizations.

**Table F1: Passenger accommodation**

Type	All survey respondents (73)	Survey respondents that provide waiver transportation (52)
Car seats or booster seats	9	4
Interpreters	2	1
Personal care attendants	26	20
Escorts for Elderly and/or Frail Individuals	19	11
Other	29	21

**NOTES**

1. Respondents were able to check all that apply
2. Survey responses for respondents who wrote in “none” when checking the “other” category on the survey were not considered. Survey responses for “other” included variations of personal care attendant or direct care staff.
3. Six of the all-survey “other” responses were “none” or “n/a.”
4. Four of the respondents that offer waiver transportation responded “none” or “n/a” when selecting “other.”

## **Types of vehicles, miles and time for waiver transportation and all providers (Question 21)**

Question 21 addressed the core issue of the fleet capacity. It asked for information about the number of vehicles the organization used and:

- Whether they were owned or leased by the organization or owned by others (e.g. staff or volunteers)
- How many trips these vehicles were used for each day
- How long the trips were
- Whether the vehicles were equipped with lifts
- Whether the vehicles could be shared with other organizations
- Whether the vehicles could be used to serve members of the public.

A “trip” was defined as one person from boarding to disembarking (for example, if there are three people in a vehicle taking a roundtrip, this would be counted as six trips total.) We also asked for unloaded minutes and miles for each vehicle as well. (Note: “Unloaded” refers to time when there is not a passenger in the car, e.g., the first leg of a pick-up trip).

The answers for this question are analyzed in two separate tables:

- Table F2 provides information for all transportation providers
- Table F3 provides information for only those respondents that indicated they provide waiver transportation services in Question 13.

Given the high number of waiver transportation providers, both tables show similar results.

The results in Table F2 indicate that medium to large buses provide the majority of fleet capacity, with medium buses (11-20 passengers) used as the most common vehicle (692) for providers (although this is skewed by a few providers who maintain a high number of medium sized buses in their fleet).

Medium and large buses were used to provide the most trips per day, and the highest number of median minutes in use per day. As the vehicles become larger, the median number of minutes increases as well, potentially reflecting organizations' need to maximize their investment in the more expensive larger vehicles. Large buses also represent many of the public transit providers, which contributes to the higher number of minutes in use.

A significant number of respondents listed that a large portion of their fleet (including 419 personal vehicles, i.e., "sedans / station wagons"), were owned or leased by staff or volunteer drivers. Despite this high number, these vehicles are only used for a small number of trips per day (4.5 median trips per day).

Across all vehicles, there was a high portion of unloaded miles, especially in sedans/station wagons that provide individual rides. This high number of unloaded miles may be because many of the providers that use these vehicles operate in rural or other low-population density areas, meaning they provide fewer numbers of rides over greater distances.

Finally, to capture providers ability to share vehicles, survey respondents were asked about the total number of vehicles that are restricted to serving their clients and or/other specific groups. Except for large buses and the other category, more than half of the vehicles in the remaining categories are restricted. These restrictions are explored in further survey questions where respondents are asked about their sharing capacity.

**Table F2: Types of vehicles, miles and time for all providers**

Category	Sedans/station wagons	Minivans	Small bus/van (fewer than 10 passengers)	Medium bus (11-20 passengers)	Large bus (20 or more passengers)	Other
Total owned or leased by staff or volunteer drivers	419	72	32	159	91	3
Total owned by all organizations	88	391	126	692	193	15
Total leased by all organizations	11	50	10	53	4	1
Total lift-equipped	0	53	52	543	196	17
Total STS-certified	16	51	16	88	81	26
Median number of trips / day by each vehicle of this type	4.5	8	10	28.5	21.5	4
Median minutes each vehicle of this type is in use per day	120	180	120	305	387.5	152.5
Median loaded miles per day for each vehicle of type	39	66.66	36.66	80	87.5	60
Median unloaded miles per day for each vehicle of this type	23	25	15.5	20	20	25
Total number of these vehicles that are restricted to serving your clients, and/or other specific groups	314	397	130	402	18	11
Total number of these vehicles that are available to serve members of the general public	0	31	3	365	175	15

Table F3 reflects similar trends to Table F4. The biggest difference between the two tables is that medium buses for waiver transportation providers are used for fewer minutes compared to all providers (i.e., 305 minutes for all providers and 240 minutes for waiver transportation providers).

**Table F3: Types of vehicles, miles and time for waiver transportation providers**

Category	Sedans/station wagons	Minivans	Small bus/van (fewer than 10 passengers)	Medium bus (11-20 passengers)	Large bus (20 or more passengers)	Other
Total owned or leased by staff or volunteer drivers	235	66	32	124	16	2
Total owned by all organizations	74	332	97	502	43	3
Total leased by all organizations	11	45	10	33	3	8
Total lift-equipped	0	40	44	357	46	1
Total STS-certified	14	46	16	56	6	15
Median number of trips / day by each vehicle of this type	4.5	8	9.22	23	25	4
Median minutes each vehicle of this type is in use per day	120	180	120	240	420	150
Median loaded miles per day for each vehicle of type	30.5	40	42	80	98	60
Median unloaded miles per day for each vehicle of this type	20	20	14	26	25	17.5
Total number of these vehicles that are restricted to serving your clients, and/or other specific groups	273	346	104	325	18	35
Total number of these vehicles that are available to serve members of the general public	0	23	2	213	26	4

## Insurance, driver training and licensing and employment status (Question 23, 24, 25 and 26)

Respondents were also asked about the licensing and other training requirements they have for their drivers, as another measure of their ability to provide service.

### Question 26

To determine the potential availability and potential labor pool of drivers, survey respondents were asked about the employment status of their drivers. They were instructed to check all responses that applied.

Most respondents (66) listed their drivers as part time, although more drivers (758) are full time, a difference likely explained by the fact that larger organizations were more likely to employ full-time drivers. Seventeen (12 percent of survey respondents) respondents listed the status of their drivers as volunteer. Although the number of volunteer drivers was relatively low, volunteer drivers still provide a significant number of rides. However, the majority of rides are still provided by full- and/or part-time drivers. Additionally, as seen in Table F4, respondents were asked to provide the number of drivers listed for each category.

**Table F4: Driver employment status**

<b>Role</b>	<b>Number of survey respondents (77)</b>	<b>Total number of drivers for each category</b>
<b>Full time</b>	60	758
<b>Part time</b>	66	589
<b>Volunteer</b>	17	281

#### NOTES

1. Respondents were able to check all that apply
2. Respondents had the option of listing the number of drivers in each category, not all respondents filled out this follow-up question.

## Question 24

Survey respondents were asked about the training requirements for their employees (see Table F5, Question 27 under the “Driver” heading) and were instructed to check all that apply. Twenty respondents listed STS and 25 respondents listed personal care driver-training requirements,<sup>85</sup> yet the majority of respondents listed “other” as their training requirement. The “other” answers widely varied from “Minn. 245D licensing standards” (a license from DHS) to “defensive driving courses.”

**Table F5: Training requirements**

Type of driver training	All survey respondents (73)	Survey respondents who provide waiver transportation (50)
STS	20	15
School transportation	0	0
Personal care	25	19
Other	55	36

### NOTES

1. Respondents were able to check all that apply
2. Other training cover a huge range: from “MN 245D licensing standards” to defensive driving courses.

## Question 25

Survey respondents were asked about their licensing or other certification requirements beyond a personal driver’s licenses. Out of the 97 respondents, only 25 respondents require a commercial driver’s license, 34 respondents do not have a licensing standard, and 30 respondents have “other” licensing standards. Of the 28 respondents that listed “other,” most indicated they require drivers to complete a DOT health certificate.

## Question 23

Survey respondents were asked how they insure their vehicles, and who the insurance company is if they use a third-party insurance company. Nearly all respondents use a third-party insurance company (75 of 77 respondents). There were 33 different insurance companies used by respondents. The most common answers were Non-Profit Insurance Trust, Selective Insurance, League of MN Cities, West Bend and MN Counties.

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<sup>85</sup> Overseen by the Minnesota Department of Transportation

In Question 38, many of these same respondents listed insurance as a barrier to coordination. However, in an open-ended question following Question 23, only 14 of the 77 respondents cite specific restrictions on sharing vehicles with other organizations.

### Driver workforce - staff requirements (Question 28 and 29)

Respondents were asked questions about their workforce and staff requirements.

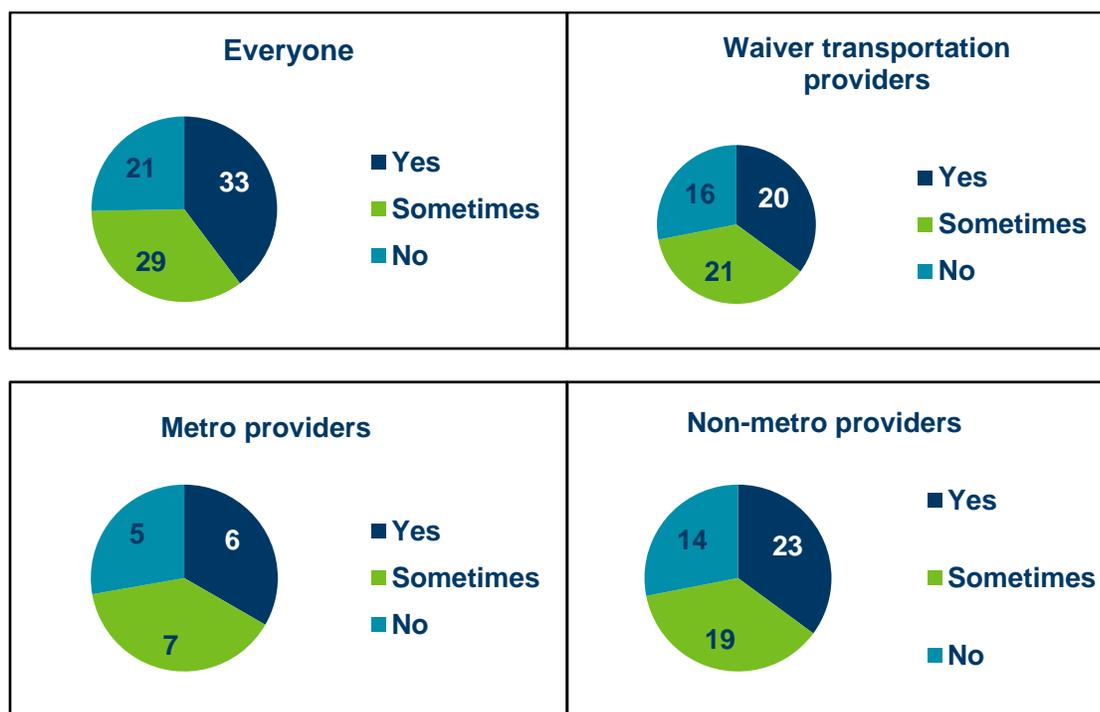
#### Question 28

Survey respondents were asked if they had enough drivers to meet their transportation needs. The data in Figure F7 is separated into the following categories:

- Everyone
- Waiver providers
- Metro providers
- Non-metro providers.

Results were similar across all categories, but overall, the majority of respondents indicated “yes:” They do have problems or “sometimes” they have problems recruiting or finding drivers.

Figure F7: Sufficient drivers to meet needs



#### Question 29

Survey respondents were asked if they require additional staff on their vehicles when providing waiver transportation. Of the 78 respondents that answered, seven listed their organizations do so for all trips. The purposes included responses such as transportation aide on large buses,

personal aide to provide supervision and assist passengers and client ratio requirements. Thirty-nine respondents indicated they sometimes require additional staff, for similar reasons, and the remaining 34 respondents do not require additional staff.

### **Hours of operation and scheduling (Questions 18 and 19)**

The next section of the survey addressed the hours providers offer their services each week, and scheduling processes, including advance reservation requirements (if any) and technology used for those reservations.

#### **Question 18**

Survey respondents were asked to report, by day of the week, what hours they provide transportation services. Answers varied, but the majority of respondents operated within extended business hours between 7 a.m. to 8 p.m., and most respondents indicated they do not offer transportation services during the weekend and on holidays.

#### **Question 19**

Survey respondents were asked how far in advance passengers must schedule a trip. Respondents could select more than one of the responses offered. Results indicated that the majority of survey respondents use a fixed schedule with no advance notice required (see Table F6).

Researchers expected only the public transit providers, of which there were 19 responding, would offer the fixed schedule, but 46 of all the survey respondents and 36 of the waiver transportation providers indicated they use a fixed route.

This high number of fixed schedule trips beyond the 19 public transit respondents are likely due to providers that follow pre-established trips arranged by caseworkers.

**Table F6: Advance scheduling requirements**

<b>Category</b>	<b>All survey respondents(81)*</b>	<b>Survey respondents who provide waiver transportation(54)*</b>
<b>Fixed schedule, no advance notice required</b>	46	36
<b>Less than 1 hour</b>	22	10
<b>Between 1-24 hours</b>	22	14
<b>Between 24-48 hours</b>	18	11
<b>2 or more days</b>	14	8

\*Note: Respondents were able to check all the apply

### **Technology (Question 20, 30, 31 and 32)**

To understand the relationship between technology and scheduling trips, survey respondents were asked a series of questions about their technology capability and use.

#### **Question 20**

Survey respondents were asked how their clients schedule trips. Users could select more than one method of scheduling. Survey responses indicate that most people who use waiver transportation do not directly schedule rides. Instead, they rely on lead agencies (MCOs, counties or tribal nations) to schedule and coordinate trips. The use of case managers or care coordinators to schedule trips was called “in-house” in this survey. The second most common method for scheduling trips was via phone call, and the least common method to scheduling trips was online (website).

The high number of clients using case managers or care coordinators to schedule trips could be due to these providers offering fixed schedule services (e.g., DT&H organizations providing regular trips in the morning and evening). Overall, few people schedule trips online, which is consistent with survey responses from Question 31. This indicates that survey respondents do not use computerized or computer-aided reservation systems (or they do not exist). Figures F8 and F9 provide additional detail.

Figure F8: How people schedule trips – All transportation providers

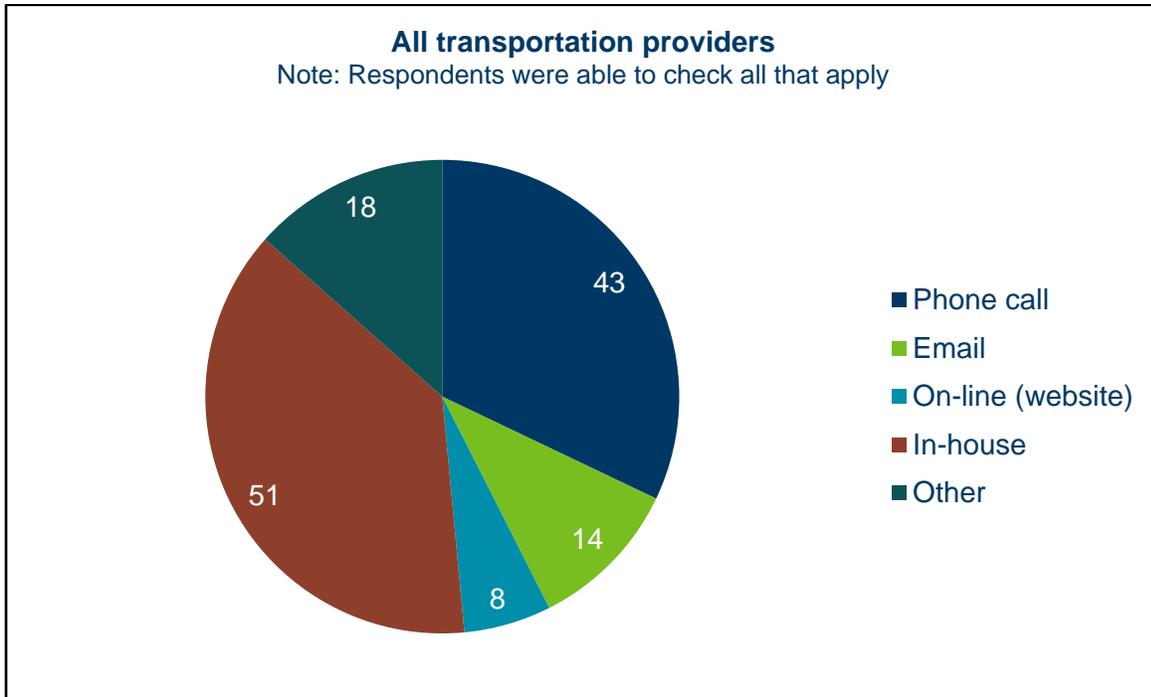
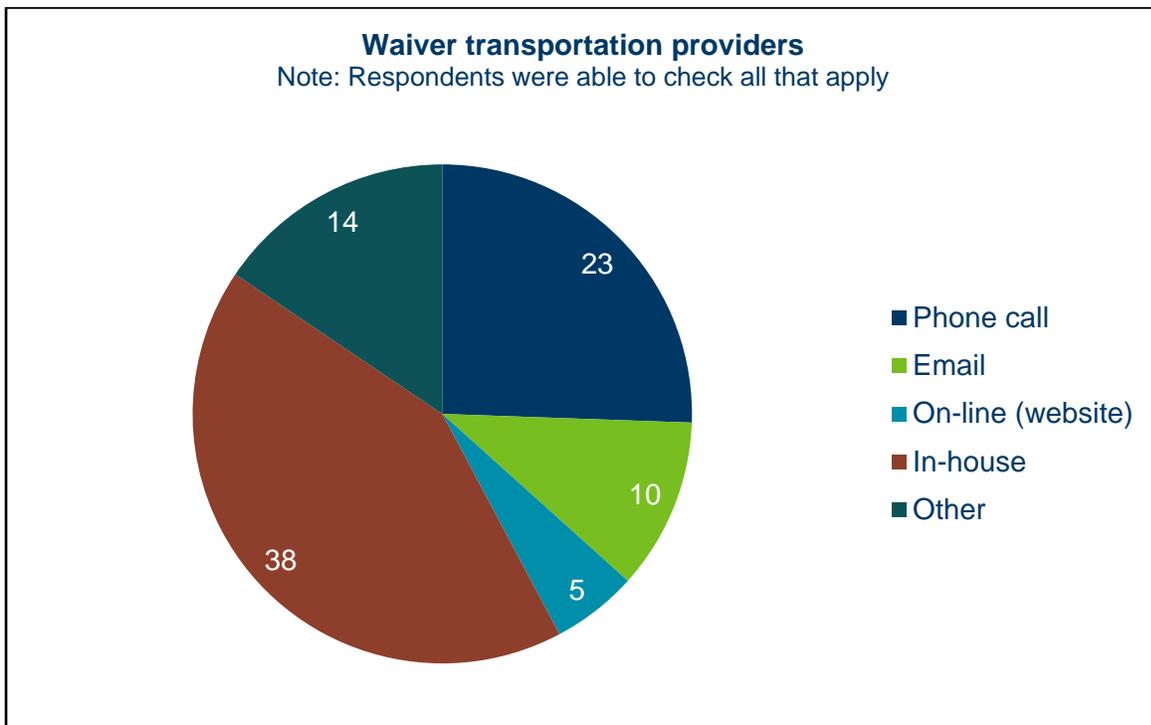


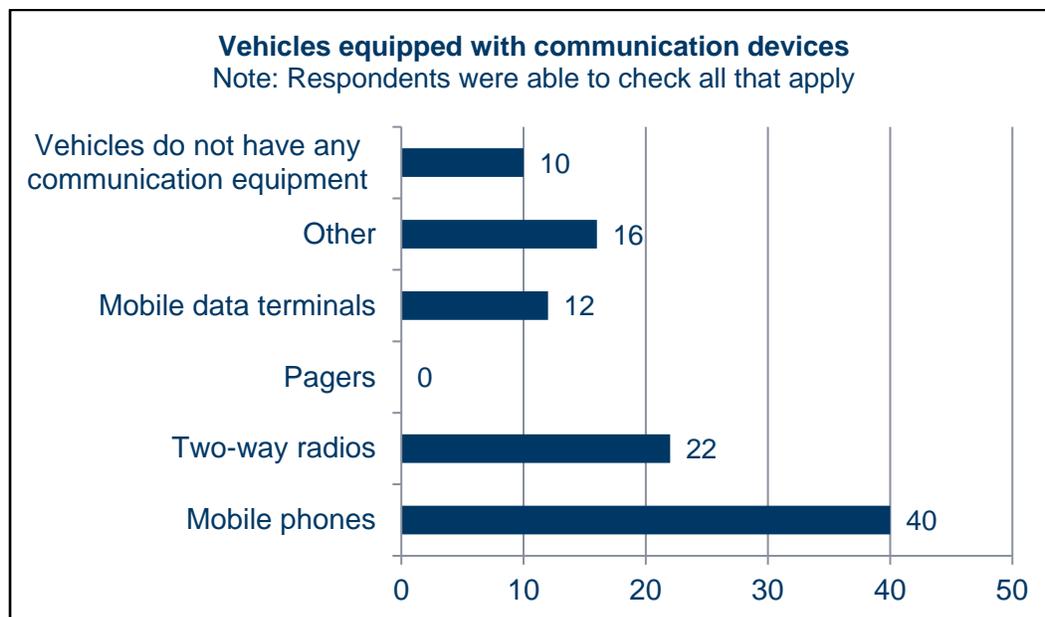
Figure F9: How people schedule trips – Waiver transportation providers



### Question 30

Survey respondents were asked if their vehicles are equipped with any type of communication devices.<sup>86</sup> Respondents could select more than one answer. Only 12 respondents currently use mobile data terminals (the high-technology standard for providing a flexible service that is able to respond in real time to ride requests). Most respondents (40) indicated using a mobile phone as the type of communication device (see Figure F10) and a many of these respondents indicated this was the driver’s personal mobile device.

**Figure F10: Vehicles equipped with communication devices**



### Question 31

Survey respondents were asked if they use computerized or computer-aided reservation systems. Of the 78 respondents that answered, only 14 respondents indicated they currently use a computerized or computer-aided reservation system. Respondents listed a variety of reservation systems; the type of software listed most frequently as RouteMatch (four respondents).

### Question 32

Survey respondents were asked if they use computerized or computer-aided dispatching software. Of the respondents that answered, 24 respondents indicated they use a computer aid or scheduling dispatch software, and 54 respondents indicated they do not use this software. While only 14 respondents indicated they use a computer-aided reservation system, 64 respondents indicated they do not use this system. If providers intend to offer a web-based

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<sup>86</sup> Responses included: mobile phones, two way radios, pagers, mobile data terminals and “other”

type of reservation system, the above technology would be needed for the providers' dispatching processes.

### Vehicle sharing (Question 33, 34, 35, 36, 37 and 38)

Several survey questions were asked to gather the extent to which providers are able to coordinate and share vehicles with other agencies.

#### Question 33

Survey respondents were asked if their organization shared vehicles with other providers (i.e., allowing other organizations to use their vehicles when available). Of the 78 respondents, only nine indicated they share vehicles. Three of those respondents allow their vehicles to transport clients of other agencies.

#### Question 34

Of the nine organizations that share vehicles, respondents were asked how many vehicles were shared within each category. Table F7 reflects the results from these respondents.

**Table F7: Type of vehicle shared**

Category	Sedans/station wagons	Minivans	Small bus/van (Fewer than 10 passengers)	Medium bus (11-20 passengers)	Large bus (20 or more passengers)
Total owned or leased by staff or volunteer drivers	0	5	1	5	0
Total owned by all organizations	0	0	3	8	2
Total leased by all organizations	0	0	0	0	0
Total lift-equipped	0	2	3	10	2
Total STS-certified	0	0	0	2	0

### Question 35

Survey respondents were asked on the broadest level if they currently coordinate with other agencies. Of the respondents that answered this question, 13 respondents indicated do not coordinate at all and 31 respondents indicated they offer transportation for clients of other organizations.

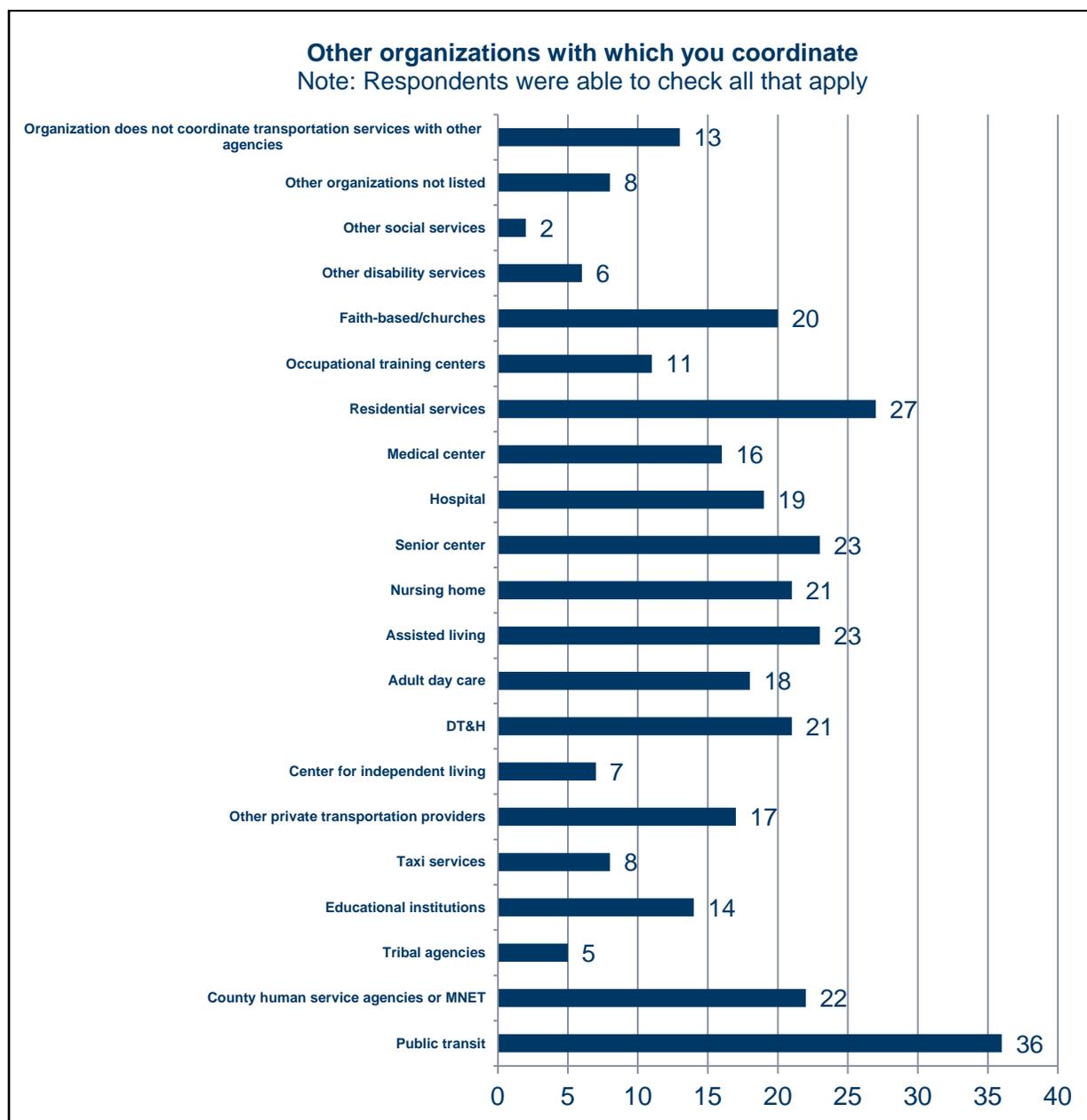
### Question 36

Survey respondents were asked with which other organizations they coordinate transportation services (see Figure F10). Responses varied among the 31 respondents that provide transportation for clients of other organizations with the most common partners being residential services, senior centers, assisted living, hospital and medical, NEMT, faith-based, and public transit (see Figure F11 on the next page).

**Figure F10: Does the organization provide transportation for other organizations**



**Figure F11: Other organizations survey respondents coordinate with**



**Question 37**

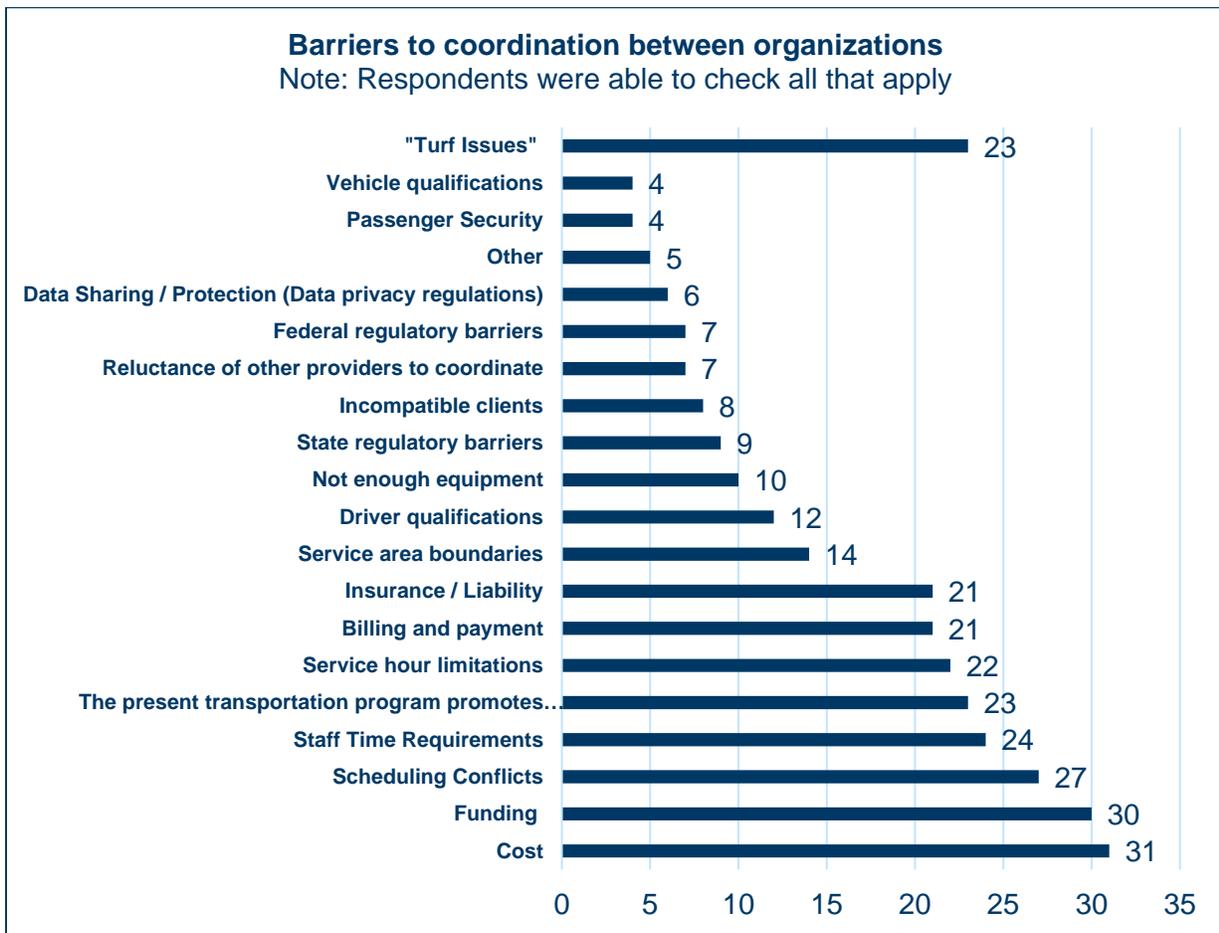
Survey respondents were asked to describe the coordination that takes place between their agency and each of the options checked in Question 36 (see Figure F11). More than half of respondents define coordination as simply scheduling rides while less than 15 respondents actually provide trips for other organizations.

**Question 38**

Survey respondents were asked about the issues they have encountered in coordinating or attempting to coordinate transportation services. Respondents listed cost and funding as the

most common barriers to sharing (see Figure F12). Respondents were asked to expand upon these barriers and responses included statements such as “we are not reimbursed at the level it costs to provide all rides” and “agencies are not able to pay the full cost of the ride.” These responses imply respondents believe shared-vehicle strategies would increase costs and require additional funding. Other barriers listed included schedule conflicts, service-hour limitations and billing. (As mentioned earlier, respondents also listed insurance requirements as a barrier to coordination.)

**Figure F12: Barriers to coordination between organizations**



## Observations and conclusions

The relatively large number of and the broad geographic representation of survey respondents provides a good description and reasonable indication of the range of issues present in providing Minnesota waiver transportation services. As discussed at the beginning of this report, however, the results should not be generalized or interpreted as coming from a random sample.

The survey results so suggest that:

- Providers use all types of rides, from large lift-equipped buses with highly trained full-time drivers and personal attendants to volunteers driving their own vehicles.
- Hours of service range from weekday-only to nearly (but rarely) any time.
- Trip lengths range from short in-town trips to long trips that might take nearly an entire day. (These latter trips, even though they occur in the smallest vehicles are especially costly, as they often include a high number of “unloaded” miles that are unavoidable as they are provided in rural or other areas with very low-density populations.)
- The companies providing insurance have a wide variety of requirements for coverage, which implies a potential need for standardization to assure continuity and economies of scale.
- There is a need for more drivers. Only approximately a third of the providers have sufficient drivers to meet needs all the time and the rest either don’t have enough now or only have enough drivers some of the time.

The results further show that while public-transit agencies provide a large portion of waiver transportation services, many more trips are provided by agencies that are not in the transportation “business,” but do so to provide other types of human services. This results in organizations deploying services that are the simplest to provide, rather than necessarily the most efficient or those that take advantage of the latest technology. (For example, many providers said care coordinators often schedule trips using telephone or simple computer applications. That is vastly different than many public transit and for-profit transportation providers who use sophisticated scheduling and dispatching software (or in some case, mobile-data terminals in the vehicles).

The wide range of provider types also likely explains the wide range of use restrictions placed on vehicles (often by their insurance carriers). Regardless, whether required by insurance or other reasons, these restrictions prevent providers from gaining efficiencies that may come with being able to share vehicles with other organizations or provide rides for their clients.

Because of these observations, there appears to be opportunities for innovation in providing waiver transportation services in Minnesota, which include:

- Creating economies of scale by offering consolidated insurance options
- Standardizing licensing requirements (which may reduce variation and increase assurance of consistency amongst drivers)
- Addressing the issue of a high number of unpaid, unloaded miles
- Expanding current public transit routes (which may offer the best opportunity to increase transportation services statewide since these providers have the largest capacity)
- Leveraging new technologies to support freeing up care coordinators to conduct other services
- Supporting vehicle sharing and coordination of trips between multiple providers or human service agencies (particularly in the rural areas, which could create opportunities for more frequent trips and longer service hours).

# Appendix G: Rate calculation

The following Exhibit G1 provides an overview of the calculation for an individual trip in 0-9 mile band.

These fields (shown in bold in the table) are the key components of the rate:

- Total staff compensation after program plan support
- Total program support cost
- Total administrative cost
- Total cost per day
- Cost per trip: Individual, 0-9 mile band (no lift vehicle)
- Total staff compensation after program plan support
- Total program support cost.

**Exhibit G1: Sample rate calculation for the proposed single passenger per rate in the 0-9 mile band**

Rate component	Calculation	Rate: No lift	Rate: Lift - no FTA adjustment	Rate: Lift - FTA adjustment
Transportation staff hours - driver	A	5.36 hours	4.76	4.76
Hourly wage - driver	B	\$13.64	\$13.64	\$13.64
Employee related expenses (ERE) adjustor	C	23.6%	23.6%	23.6%
Hourly compensation	$D = B * (1 + C)$	\$16.86	\$16.86	\$16.86
Total daily staff compensation - driver	$E = A * D$	\$90.36	\$80.25	\$80.25
Absence factor adjustor	F	94.6%	94.6%	94.6%
Total daily staff compensation after adjustment	$G = E / F$	\$95.50	\$84.81	\$84.81
Program plan support	H	33.00%	40.50%	40.50%
Total hours	I	8.00 hours	8.00	8.00
Billable time (per 8 hours)	$J = I * H$	5.36 hours	4.76	4.76

Rate component	Calculation	Rate: No lift	Rate: Lift - no FTA adjustment	Rate: Lift - FTA adjustment
Non-billable time (per 8 hours)	$K = I - J$	2.64 hours	3.24	3.24
Program plan support adjustor	$L = I / J$	1.493	1.681	1.681
<b>Total staff compensation after program plan support</b>	<b><math>M = G * L</math></b>	<b>\$142.53</b>	<b>\$142.54</b>	<b>\$142.54</b>
Program support percentage	N	23.3%	23.3%	23.3%
Total daily employee costs	M	\$142.53	\$142.54	\$142.54
Vehicle cost	O	\$20.39	\$26.74	\$5.35
<b>Total program support cost</b>	<b><math>P = (M * N) + O</math></b>	<b>\$53.66</b>	<b>\$60.01</b>	<b>\$38.62</b>
Administrative percent adjustor	Q	23.0%	23.0%	23.0%
Total hourly employee costs	M	\$142.53	\$142.54	\$142.54
<b>Total administrative cost</b>	<b><math>R = Q * M</math></b>	<b>\$32.78</b>	<b>\$32.78</b>	<b>\$32.78</b>
<b>Total cost per day</b>	<b><math>S = R + P + M</math></b>	<b>\$228.98</b>	<b>\$235.34</b>	<b>\$213.95</b>
<b>Cost per trip: Individual, 0-9 mile band (no lift vehicle)</b>	<b><math>T = S / 14</math></b>	<b>\$16.29</b>	-	-
<b>Cost per trip: Individual, 0-9 mile band (lift equipped vehicle)</b>	<b><math>U = S / 10</math></b>	-	<b>\$23.79</b>	<b>\$21.63</b>

**NOTES**

1. Some values may vary due to rounding.
2. Fourteen trips represent the maximum number of single rider trips in the 0-9 mile band for vehicles without a lift.
3. Ten trips represent the maximum number of single rider trips in the 0-9 mile band for vehicles with a lift; the maximum number of trips does not vary by vehicle funding source.