

**JOINT LEGISLATIVE PUBLIC HEARING HEALTH & MEDICAID
2021 EXECUTIVE BUDGET PROPOSAL
JANUARY 2020**

The UTA is a not for profit trade association representing private passenger transportation companies. Our members include paratransit providers in all areas of New York State. Originally formed to represent upstate New York we have since expanded our membership to include all of New York State.

Carve Out Medicaid Transportation

We are overwhelmingly in support carving out Medicaid Transportation benefit from the MLTC plans, and shifting the management and administration of all Medicaid transportation to Department of Health's Fee For Service (FFS) program which is administered by Medical Answering Services (MAS) under contract with the NYS Department of Health.

We believe this initiative should be implemented by the MRT 2 as the ongoing sustainability of the industry depends upon it!

At present the industry is in a frail economic state, particularly in New York City, where minimum wage has escalated more steeply versus the rest of the state, presently at \$15 per hour and \$22.50 overtime. Overtime is excessively incurred in order to meet the needs of the hospitals and clinics we serve and is driven in part by a shortage of skilled qualified drivers. Labor costs have risen excessively, with the average paratransit driver in NYC earning \$20,000 more annually in 2020 than in 2017 before the mandated minimum wage increases.

The Fee for Service has adjusted provider reimbursements to assist the ambulette provider in meeting the minimum wage mandate, and it is helpful

Unfortunately, the MLTC Plans have not been as responsive in passing through funding received from the Department of Health's Division of Long Term Care. While reportedly \$30 million or more has been funded by DLTC specifically for transportation minimum wage rate relief, and mandated that it be passed through to the provider, the funding has yet to be transmitted to the transportation providers and consequently has put the providers in a dire financial predicament, as they are obligated to pay the minimum wage, with no relief in sight.

We believe Carve Out, which would shift the transportation program in its entirety under the management of the FFS is proper as it will create cost savings, efficiencies and accountability in the program as previously stated by the Department of Health in prior budget proposals put forth by Governor Cuomo Funding will be controlled, measured and monitored as one transportation program. Ultimately it is all Medicaid funding, but, presently being mismanaged and misappropriated on the MLTC side.

It is important to note that implementing a transportation Carve Out does not take away the transportation benefit from Medicaid recipients who are in need of access to medical care and treatment.

- **The vast majority of MLTC plans are already outsourcing the Medicaid member's transportation benefit** over to a broker. Transitioning it to MAS, the Fee for Service Side would be seamless, as it was when Managed Care transportation was carved out from the Managed Care plans several years ago.
- **Less than a handful of MLTC Plans manage the transportation program in-house.** So, the argument the MLTC Plans continue to make; that the Medicaid recipient enrolled in an MLTC plan is receiving some better level of integrated care, if they continue to receive the funding and run the transport element of the program, is not particularly valid or logical.
- **By outsourcing the program to brokers, the MLTC Plans** are acknowledging they cannot administer the program efficiently and effectively in-house. Whether the transport provider receives the trip from a broker, or from the Fee For Service Transportation Manager, it is the same network of credentialed transportation providers handling the transport. The notion that there is some better level of integrated care is patently false. The MLTC members transportation is handled by the same group of providers, regardless of whether the trip request comes from a MLTC Plan or from the FFS side Transport Manager.
- **Should Carve Out be implemented**, all Medicaid recipients that qualify for medical transportation would have the benefit administered by the Fee For Service Transportation Manager in a far more efficient structure versus the fragmented network of MLTC Plans, and their brokers.

Thank you for your focus and attention on this critical issue. We believe Carve Out is the only pragmatic solution to ensuring the provider is paid an actuarially sound reimbursement rate for transportation service provided. The MLTC plans have failed the industry and it is time to take corrective action.

Respectfully submitted,



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President