

UNITED AMBULETTE COALITION
Preserving Your Lifeline to Critical Care

**JOINT LEGISLATIVE HEARING ON
TRANSPORTATION INITIATIVES IMPACTING NYC PROVIDERS**

February 8, 2022

The United Ambulette Coalition is a not-for-profit industry advocacy group providing a voice for New York City ambulette providers on issues impacting industry sustainability and in so doing helping to ensure that the Medicaid enrollee requiring access to what is often a life sustaining treatment, like dialysis, continues to receive it. We appreciate the opportunity to submit testimony.

Today we are seeking your support on two key issues:

- 1) Ensuring that New York City Ambulette drivers, helpers and staff are included/properly categorized as healthcare workers making them eligible to receive much needed funding in alignment with the \$10 billion that Governor Hochul has allocated to support healthcare workers with COLA, bonus and wage adjustments.
- 2) Include in the one house and enacted state budget Assembly Bill A7929, sponsored by Assemblyman Pretlow, with Chair Gottfried and Assemblyman Englebright co-sponsoring and corresponding Senate Bill S7243 sponsored by Senator Bailey. Including this legislation in the enacted state budget will halt the ill conceived program to broker Medicaid transportation throughout the state of New York, keeping the existing Transportation Manager program intact.

BACKGROUND

Never has the critically important service provided by Ambulettes been better illustrated than it is during the pandemic. At its peak, prior to vaccinations existing and when most of New York City was completely shut down we continued to ensure access for the most vulnerable of our population. While most of us were working remotely and when NYC buses, subways, taxis and livery cars were non-operational, Ambulettes continued unfailingly to ensure access for the Medicaid enrollee whose life would have been jeopardized had we not continued to provide access to dialysis facilities and NYC hospitals; many that were run over by COVID. Our drivers, mechanics and support staff risking their own health daily.

Our reimbursement fee structure based on a multi loading model transporting 3 or 4 passengers at a time was constrained by regulations imposed, for obvious reasons, to transporting one passenger at a time. We worked at great economic hardship as the DOH on the Fee For Service side and the Brokers that manage MLTC programs ignored our plea for rate assistance to help compensate for the losses we were incurring transporting one patient at a time, while necessary transport volumes were decimated as only the most critical care of medical treatments, like dialysis, continued.

Issue 1 - Ensuring that New York City Ambulette drivers, helpers and staff are included/properly categorized as healthcare workers; thereby making them eligible to receive much needed funding from the \$10 billion that Governor Hochul has allocated to support healthcare workers with COLA, bonus and wage adjustments.

The ambulette industry is suffering with a severe labor shortage. We compete to attract and retain quality drivers against Ride Sharing services like Uber and Lyft, Bus drivers, Fedex and UPS delivery services and, of course other industries, yet, we have no pricing power to adjust rates to attract and retain quality drivers.

Our labor costs have dramatically outpaced the 7% inflation number we hear about daily. Since 2017 when the minimum wage mandate went into effect driving rates upward, to \$15 base wage and \$22.50 overtime pay or +67% since 2016. Three years after NYC's last minimum wage increase drivers are demanding more to stay; \$16, \$17 and \$18 base pay and we cannot pay it without funding being allocated as part of the Governor's Healthcare worker COLA, wage initiative.

MINIMUM WAGE NYC					% Change
	2016	2017	2018	2019	2016 v '19
Minimum Wage	\$ 9.00	\$ 11.00	\$ 13.00	\$ 15.00	66.60%
	\$ 13.50	\$ 16.50	\$ 19.50	\$ 22.50	66.60%

Issue 2 – Include Assembly Bill A7929 and corresponding Senate Bill S7243 in the one house and in the enacted state budget, halting the MRT2 initiative to broker Medicaid transportation throughout the state. We are seeking the support of the legislature to halt the MRT 2 initiative to broker Medicaid transportation. The industry is struggling to survive as we attempt to recover from the pandemic, which has been economically disastrous for us. We need economic assistance to be sustainable, enabling us to provide quality access for the Medicaid enrollee most in need of service; this will not occur under a broker managed program leading to our work being bid out, creating a race to the bottom in terms of quality.

For many years the legislature has recognized this initiative for the ill-conceived one that it is and has seen fit to have this item stricken when final budgets are negotiated. We don't believe this initiative would have seen the light of day if it were not for a somewhat unusual budget session during COVID. The current Transportation Manager model, perhaps with some refinements, works and can generated program savings, without compromising access and provider quality.

THE BROKER MODEL versus Current Transportation Manager Model

Bringing in a broker as middleman will in effect divert much needed funding for patient care to compensate the broker who will be incentivized financially strip services, bid out work and cut reimbursement rates likely below what is actuarially sound. All while the provider incurs the

liability for the transport and is burdened with the expense for payroll, gas, vehicles, insurance, maintenance, workers comp., infrastructure and support staff... all costs that are spiraling upward uncontrollably. Yes, hyper-inflation has hit the New York City Ambulette industry, and its far more dramatic than the 7% we hear about daily in the news. Payroll, our largest expense category is + 65% in 3 years, and Gas, our second greatest expense up 60% in the past year, and continuing upward to \$4.00 per gallon.

So, the New York City ambulette provider sits snarled in some of the worst traffic on the planet, we move in and out of some the most challenging and dangerous housing projects, we operate in the most plaintiff friendly, litigious geography anywhere, all while our operating expenses are spiraling out of control, driven by COVID, a minimum wage mandate that we were never properly compensated for and gas and insurance expenses that are untenable. And DOH has an RFP out to bring in a broker. We need help here from the legislature.

Bringing in a broker to bid out our work has never made sense, and more so now while the industry is on the brink of financial ruin. We need fair, sound reimbursement rates established that fairly compensate us for the service we provide, not a broker that is financially incentivized to assign work out to a low bidder, with little consideration for the quality and reputation of the provider.

We need look no further than our current market to see how very flawed the broker model is. Most MLTC plans continue to run transportation as a benefit, and outsource to brokers. This accounts for 50% or more of a providers work, at present in NYC. While DOH earmarked tens of millions specifically for Minimum Wage rate relief to flow specifically to transportation providers to pass through to our drivers and staff, the plans and the Brokers they outsource the program to held onto the funding, some passing it through only after extensive delays, while others have failed to do so entirely.

National Medtrans, since out of business, failed to pay millions to providers. When the industry highlighted this to the DOH, the industry was advised that payment issues are contractual between the industry and the broker. There was a failure to recognize that the original source of funding is Medicaid of course paid with taxpayer dollars.

THE TRANSPORTATION MANAGER MODEL

The current Transportation Manager model was implemented by DOH in 2012 in recognition of the numerous, well documented flaws created when Brokers are hired to manage Medicaid transportation. The model should continue intact, perhaps with some modifications or refinements to optimize the program and help generate program savings and efficiencies. The key difference between Broker vs. Transportation Manager model, is the Broker typically bids work out, creating a race to the bottom in terms of quality. Under both models the gatekeeper function is intact, with authorizations, quality and timeliness of service being controlled, measured and monitored by either the Broker or Transportation Management entity.

Briefly, the Transportation Manager model recognizes the need for a gatekeeper (presently Medical Answering Services MAS in NYC) to provide oversight, assigning the correct mode of service, issuing authorizations, maintain and oversee provider quality while ensuring safe, timely access for the Medicaid enrollee in need of quality care and service.

Reimbursement rates are established by DOH, and in a perfect world are actuarially sound. So, providers compete based on quality of service provided, not on a price bid, which would lead to a race to the bottom, as it pertains to quality.

So, while possibly requiring some refinement, the Transportation Manager model works in that access (pre pandemic of course) is strong and generally free of issues, mode of service is scrutinized with authorizations issued post trip once the service provided is properly documented. So again, perhaps with some refinements or modifications, the program should continue, DOH can and will recognize the same program savings without bringing in a broker.

Summary

In summary, we are seeking your support to add Assembly bill number A7929 and Senate bill number S7243 to the one house and to the final enacted state budget, halting any activity to broker Medicaid transportation across the state.

Further, we are seeking to have Ambulette drivers categorized as healthcare workers ensuring they are eligible to receive support per Governor Hochul's \$10 billion initiative to fund COLA, retention bonus and wage support for critical healthcare workers.

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