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| LOCAL COMMISSIONERS MEMORANDUM |
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DSS-4037EL (Rev. 9/89)

Transmittal No: 96 LCM-19

Date: February 22, 1996

Division: Health and Long
Term Care

TO: Local District Commissioners

SUBJECT: Medicaid Transportation: Federal Approval To Waive Certain
Federal Requirements

ATTACHMENTS: None

A. Introduction

The Department has received approval from the Health Care Financing Administration (HCFA) to implement certain district transportation initiatives. This approval provides for a waiver of the Social Security Act as it relates to the Medicaid provisions of statewideness, comparability of services, and recipient's freedom of choice of providers.

The purpose of this waiver program is to offer local social service districts alternative methods of arranging for the transportation of recipients to necessary medical care and services, methods which will result in the most efficient and cost effective management of Medical Assistance transportation services.

B. Program Intent

The intent of the program is to offer to districts five alternative methods of arranging for the transportation of recipients to necessary medical care and services:

1. Coordinated Transportation

Under this method, a district would solicit a transportation provider (coordinator) who would either deliver, or subcontract with other transportation vendors to deliver, all necessary

nonemergency transportation for that district at a flat monthly reimbursement amount. Regardless of the actual number of transports delivered, the district will pay the coordinator the same monthly amount agreed upon under the contract.

2. Regional Rate Setting

Under this method, either a group of contiguous districts will establish a reimbursement amount for a mode of transportation in the region encompassed by those districts or, for district-wide rate setting, a single rate will be established throughout an entire district. The new amount will be less than the highest amount previously reimbursed but at a level which would attract enough provider participation to assure that mode of transportation to necessary medical care and services.

3. Competitive Bid Procurement

Under this method, a district or group of districts will solicit bids for the transportation of a group of recipients who are transported on a daily or other regular basis to necessary medical care and services. The transportation provider who submits the most qualified and cost efficient bid will be selected to transport the group of recipients. The reimbursement amount may be either a lump sum monthly amount or a per person per day amount during the life of the contract.

4. Cost Effective/Directed Transportation

Under this method, the district can direct the recipient to use the least expensive provider, available at the time the service is needed, among all providers available to perform the required mode of transportation. The district will have arrangements to reimburse other providers of the same mode of transportation at a higher amount. However, these other providers will not be used while the least expensive provider has available capacity to transport recipients. A Medicaid recipient will not have the freedom to choose another provider when directed to use the less costly provider. Even when another provider is willing and able to transport a recipient, the recipient must accept the transportation services of the provider designated by the district.

5. Select Arrangement for Transportation Efficiencies

Under this method, the district will enter into an arrangement with a vendor or a select group of vendors to meet the transportation needs of recipients traveling to medical facilities. For instance, a district may choose a taxi vendor to provide all nonemergency ambulatory transportation to a regional medical center. Due to the volume and routing of trips, the vendor is able to deliver this transportation at an amount lower

than that purchased through multiple vendors. A Medicaid recipient will not have the freedom to choose another transportation provider when the recipient requires transportation to the particular medical center.

C. Federal Requirements Waived

1. Statewideness

New York State's Medicaid Transportation program may now be different district by district--the same scope, type, level and number of transportation services may vary among districts.

2. Comparability of Transportation Services

A district may arrange for transportation services which may differ in scope from other districts.

3. Freedom of Choice

A district will instruct recipients who are subject to this waiver to access a single provider or a group of providers who will be responsible to deliver transportation to necessary medical care and services. The recipient's freedom to choose other transportation providers will be limited accordingly.

This waiver will not prevent the recipient from receiving necessary transportation services. A recipient is assured access to necessary medical care and services under each of the methods described above.

D. District Requirements

A district which proposes implementation of any of these methods and demonstrates a savings of 5% or more from projected expenditures (projected expenditures are those expenditures expected if no change is made in the manner transportation is provided, and includes changes due to rate reimbursement and utilization increases) will be granted by the department the authority to implement the program and waive the federal requirements described above.

A district must submit an application to the Department in order to be approved under this waiver. This application can be transmitted to you electronically.

If you are interested in learning more about this waiver opportunity, please contact a member of the Medicaid Transportation Unit at 1 800-343-8859, extension 35983. Thank you for your cooperation on this matter.

Richard T. Cody
Deputy Commissioner
Division of Health and Long Term Care