

## Paratransit Recommendations for Service Levels and Fares

The Ad Hoc Metro Paratransit Medicaid Waiver Funding & Policy Review Committee was created to examine the impacts of the State's decision to change the administration of the MA Waiver Program and formulate paratransit policy recommendations pertaining to issues such as the level of paratransit services Metro Transit will be able to provide after the anticipated loss of funding and the fare that will be charged for those services. The Committee will provide recommendations on these matters to the Transit and Parking Commission.

### Background

Family Care has been in place in Wisconsin for nearly 20 years but Dane County has continued to use its own innovative Medicaid waiver programs. Both our current programs and Family Care are aimed at addressing the long-term care needs of frail elders and adults with disabilities within their homes or community settings rather than costlier nursing homes. The Wisconsin Department of Health Services (DHS) is scheduled to implement Family Care in Dane County in early 2018. The implementation of Family Care is anticipated to have significant impact on transportation provided through Metro Transit's paratransit service.

Metro operates federally mandated paratransit service in accordance with provisions of the Americans with Disabilities Act (ADA) of 1990. The service is operated as a complement to fixed route bus service in that paratransit service mirrors the service characteristics of fixed route bus service on a variety of features. The service is provided as a safety net for persons with disabilities who cannot use fixed route bus service. The Metro paratransit annual operating budget is over \$9.4 million. Funds for the program include the following sources:

\$ 309,500	Fares
\$1,840,800	Local
\$2,524,000	State
\$ 760,000	Federal
<u>\$3,975,600</u>	Agency agreements
\$9,409,900	Total Revenue in 2016

Metro Transit and Dane County have a long standing agreement in which millions of dollars annually are provided by Dane County to fund approximately 60% of the cost of paratransit service for common clients with intellectual or developmental disabilities. The source of this funding is the current MA Waiver program funds that are the subject of Family Care implementation in Dane County. The responsibility for administering health care funds under Family Care will shift from Dane County Human Services to agencies serving as Managed Care Organizations (MCOs). As a result, Dane County will

no longer be in a position to enter into an intergovernmental agreement with Madison for cost sharing of paratransit service for common clients.

It should be noted that Family Care is a long-term care program for low-income frail elders and adults with developmental, intellectual or physical disabilities who have long-term care needs. The implementation of Family Care will address all of these individuals and not simply those who currently benefit from the Metro/Dane County cost sharing agreement. As a result, there is a potential for an increase in the demand for paratransit service among the newly eligible Family Care participants who have been on waiting lists under the existing MA Waiver service model.

The cost containment model of Family Care establishes a capitated rate under which all necessary services are provided for an individual. No source other than the capitated rate may fund services for Family Care participants. If transportation can be met for the individual by simply covering the Metro paratransit fare, the MCOs may satisfy their obligations by directing their clientele to use Metro paratransit. A worst-case scenario for Metro upon Family Care implementation, would eliminate any cost sharing arrangement yet maintain, or potentially increase, the volume of paratransit service demand. The challenge to Metro is in determining a sustainable level of service with reduced funding while satisfying ADA requirements.

Metro cannot be assured that a funding relationship will be established with MCOs or whether this is desirable to them. Based on experience from around the state, it's likely that a status quo arrangement may be sought initially that would evolve over several years as the MCOs evaluate the needs of those they serve under the Family Care program. Metro has no control over how this will unfold. The aspects that Metro can control are the level of paratransit service offered and the fares charged.

### **Paratransit Elements We Can Change**

Metro has undertaken the process of examining paratransit service in the context of Family Care implementation. This has included a review of current and required service levels, identification of services exceeding ADA minimums, the development of several likely scenarios of how the MCOs might interact with Metro, and various anticipated financial/ridership impact scenarios. Through this process Metro has examined the potential impact of Family Care to arrive at a list of paratransit service features and fares that may be altered to define a basic service level without MA Waiver funding.

#### Current Service Levels

The ADA sets minimum standards for the provision of paratransit service. Currently, Metro affords service above the minimum standards. All riders benefit from an enhanced level of service due to the revenue support of the MA Waiver agreement with

Dane County. Metro can achieve cost savings by dropping to the minimum levels allowed by law.

### Current Service Features

The current fare and service features, summarized below, include:

Fares: Cash or tickets, or monthly billing to agencies with an agency agreement; cost of \$3.25 is \$0.75 below ADA allowable amount; no fare charged for any single companion who accompanies an eligible rider; agency fare rate of \$33.93.

Service Levels above ADA: Door-to-door service mode offered without examination of need based on disability; no determination of PCA need/use; Leave Attended service offered; incident reporting for agency funded riders; fax ride orders accepted for agency riders, trip grouping for agency riders.

### Metro-MCO Possibilities

Scenario 1: MCOs maintain status quo, Metro loses rides but not money

The MCOs may request a status quo arrangement for a period of time. The current audited agency fare of approximately \$34 per trip would apply. Staff estimates that a significant number of trips currently provided by Metro could be provided by private transportation companies, at higher service levels, for less than Metro's costs. As the MCOs identify these trips, Metro will lose funded rides to the private transportation companies.

Scenario 2: MCOs pay increment, Metro loses money

Metro may be approached by the MCOs seeking to pay only for services above ADA minimums. Metro explored the concept of offering premium fares only on those trips where a premium service is requested. This would still result in a significant loss of annual funding. This scenario would maintain an option for non-agency riders to access a higher service level than they may have now. The introduction of premium fares would, however, serve as a disincentive to MCOs to contract with Metro for services at a higher agency rate.

Scenario 3: MCOs pay only fares, Metro loses big

If MCOs do not opt to contract with Metro for services, Metro would need to absorb a loss of up to approximately \$3 million in funding for 2018. A significant number of riders will still be able to utilize the service without any enhanced service levels but Metro will only receive the public cash fare of \$3.25. MCOs are anticipated to contract with private transportation companies for transportation service for individuals that need a level of service above what Metro may offer. Over time, the number of Family Care trips that Metro would provide is expected to diminish under this scenario.

### Scope of Possible Losses

Broad scenarios were also examined in which the number of rides and the resulting revenues were estimated under the implementation of Family Care. The worst-case scenario as noted above, results in an estimated shortfall of \$3 million. A less dramatic impact in which 50% of Family Care trips are retained and a \$3.25 fare is paid still results in a significant funding shortfall of \$1.2 million.

### IRIS

It is significant to note that the examination of the impact of Family Care has not addressed the MA Waiver client base that may opt for the alternative to MCOs, which is Include, Respect, I-Self Direct (IRIS). According to DHS, IRIS is “a Wisconsin self-directed, home and community-based waiver program. Individuals, within their assigned monthly budget allocation, use public funds and natural supports to craft support and service plans that meet their long-term care outcomes, maximize their independence and help achieve the lives they want. DHS offers this fee-for-service alternative to managed long-term care for frail elders and adults with physical, intellectual or developmental disabilities who are seeking home and community-based long-term care.” It is estimated that the participation rates for IRIS in Dane County may be as high as 50% of the common client base that Metro now serves with MA Waiver funding.

### **MCO Implementation Delays Affect Metro’s Planning**

The anticipated and significant funding loss that may occur with the implementation of Family Care in 2018 has necessitated the need to critically examine the service levels and fares charged for Metro paratransit service. Metro will interact, under Family Care, with MCOs and it is desirable to equip city negotiators with the best tools available to them in approaching discussions with MCOs. While the most effective bargaining positions may have an adverse impact on paratransit users, ensuring the simplest possible transition is very important to minimize the burden in the lives of those using the services.

The RFP process for selecting MCOs under Family Care is underway. The MCOs will not be known until sometime this summer. This timeline does not provide sufficient time, to adequately and with certainty, prepare for the implementation of Family Care. This includes knowledge of what the MCOs will request of Metro; to arrange fare and service change hearings; to modify customer records and thousands of trip records; train drivers and contractor providers; and provide public outreach to our paratransit riders on what is to come.

### **Priorities for Policy Change**

Rather than wait until MCOs approach Metro or the impact of Family Care is directly felt, it is recommended that Metro prepare for implementation of the service level and

fare changes aimed at reducing cost and increasing revenue among the items noted in the table below. The items listed are viewed as acceptable tools to utilize in preparation for Family Care and are expected to put Metro in the best position to negotiate with MCOs. While all of these items are viable options that may be implemented, they are not viewed as items that must be implemented. This recommendation recognizes that Metro must begin this process by reflecting any necessary changes in its budget submission for 2018. Metro staff notes that even with implementation of all the options presented, there may not be success in reducing program costs to absorb the anticipated loss of \$3.9 million in MA Waiver funds.

**Paratransit Service and Fare Change  
 Options Toolbox**

<b>Policy</b>	<b>Current</b>	<b>Possible Future</b>
<b>Modify features not required by ADA</b>		
Individual Fare Medium	Cash, convenience ticket, employer/student unlimited pass	Eliminate convenience ticket
Agency Fare Medium	Agency ticket (bought in bulk) or billing	Agency ticket (bought in bulk) or billing arrangement
Agency Fare	\$33.93	Determined by negotiation
Agency Service	Billing, common client eligibility verification, medical ride reporting, incident reporting, leave attended service, fax ride orders, group rides	Determined by negotiation
Subscription Service	No trip purpose restriction, unrestricted volume, no waiting list	Establish subscription parameters. If subscription requests would induce capacity constraints, Metro would limit subscription to no more than 50% of all rides.
<b>Decrease service to ADA minimum requirements</b>		
Fare	\$3.25	Increase by \$0.75 to \$4.00
Companion Fare	\$0.00	Increase to \$4.00
Origin-to-Destination Service	Door-to-door mode as default for all riders	Curb-to-curb mode as default for riders; door-to-door if rider need set by eligibility process
<b>No change recommended to current ADA-compliant policies</b>		
Personal Care Attendant Fare	\$0.00	
Hours & Days of Service	Comparable to fixed route	
Service Area	Comparable to fixed route	
Trip Reservation & Response Time	Reservations taken daily, up to 7 days in advance. Service next day ride requests.	
Capacity Constraints	Unrestricted trip volume, no waiting list, no pattern or practice of untimely trips, denied or missed trips, or trips of excessive length.	