

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

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|-----------------------------|------------------------------------|
| LRB Number 23-1239/1 | Introduction Number SB-0856 |
|-----------------------------|------------------------------------|

Description
 specialized transportation assistance pilot program

Fiscal Effect

State:

- | | | |
|---|--|---|
| <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations | <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues | <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Decrease Costs |
|---|--|---|

Local:

- | | | |
|---|--|--|
| <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts |
|---|--|--|

Fund Sources Affected

Affected Ch. 20 Appropriations

GPR
 FED
 PRO
 PRS
 SEG
 SEGS
 20.435(1)(a),(4)(bm),(4)(pa)

| | | |
|---|---|--------------------------|
| Agency/Prepared By DHS/ Carrie Schneck (608) 267-8909 | Authorized Signature Andy Forsaith (608) 266-7684 | Date 1/30/2024 |
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Fiscal Estimate Narratives

DHS 1/30/2024

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|---|-----------|---------------------|---------|---------------|----------|
| LRB Number | 23-1239/1 | Introduction Number | SB-0856 | Estimate Type | Original |
| Description specialized transportation assistance pilot program | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

This bill requires the Department to establish a pilot program to coordinate specialized transportation assistance programs for individuals served by an Aging and Disability Resource Center (ADRC). ADRCs could choose whether they want to participate in the pilot program. If an ADRC chooses to participate, they could elect to coordinate specialized transportation services or contract with a mobility management organization to provide the specified transportation coordination services. Coordinated services would include specialized transportation assistance currently provided through a variety of fund sources, including Veterans programs, Medicaid, Department of Transportation programs administered by county aging units, and any other local, state, or federally funded transportation program. The bill does not provide new funding for transportation nor for coordination services.

The Department of Health Services would require a dedicated staff person to establish the pilot in three regions, provide ongoing technical support to participating ADRCs, produce reports, and coordinate with the Department of Transportation as required in the bill. The estimated cost of a project position is \$73,700 GPR annually for a period of two years.

The number of ADRCs who would choose to participate in the pilot is unknown; for this reason, the local cost is indeterminate. It is estimated that each participating ADRC may need 1 FTE to coordinate rides, respond timely to ride changes, address billing coordination concerns, and resolve transportation issues. Pay rates vary across ADRCs; 1 FTE would cost an estimated \$56,000 to \$63,000 for salary and fringe expenses. The cost of this position cannot be absorbed into existing ADRC budgets, and therefore would be borne by local government.

The bill also requires the Department to modify the Medicaid non-emergency medical transportation (NEMT) vendor contract with its transportation broker, to allow providers of NEMT to offer transportation for purposes other than NEMT as an extension of an NEMT trip. Under the bill, the extended portion of the trip would be charged at the same Medicaid rate as the NEMT (Medicaid reimbursable) portion of the trip. The cost of the ride extension would be borne by another transportation program, another fund source, or the individual receiving the ride. The bill further requires the NEMT broker to report on a variety of criteria related to ride extensions. Medicaid systems changes necessary to accommodate the bill's requirements are expected to have a one-time cost of \$750,000 AF (\$375,000 GPR).

The number of rides that would be extended from an NEMT ride, and volume of rides an ADRC may need to coordinate cannot be determined at this time. While demand for the service is expected to be high, the average cost of an NEMT ride for the expected population targeted by this bill may restrict usage. The out-of-pocket price may exceed Medicaid participants' ability to fund the cost independently and other existing transportation programs named in this bill are unlikely to have adequate funding to meet the level of demand. In SFY 2023, 1,888 Medicaid members age 18 and above utilized a specialized medical vehicle with rides likely to be coordinated under this bill. The average specialized medical vehicle trip was approximately 12 miles and cost \$104.76. NEMT rides are not charged based on a uniform rate schedule; the transportation broker negotiates prices with transportation providers based on the level of an individual's needs and market factors affecting transportation availability.

Long-Range Fiscal Implications