

Massachusetts Human Service Transportation

*Coordinating a statewide system of high quality, efficient and
effective transportation services for eligible consumers within the
Executive Office of Health and Human Services*



FY2008 Annual Report

Executive Office of Health
and Human Services

Deval Patrick, Governor
Commonwealth of Massachusetts

Dr. JudyAnn Bigby, Secretary
Executive Office of Health and Human Services

CONTENTS

Introduction	1
Program Description	2
HST Brokerage	2
HST Operations Data by Area and Broker	3
HST Office Organization and Chart	4
HST System Data	5
Cost Savings	6
System Growth and Cost Containment	7
Quality Performance Measures	7
FY09 Initiatives	8

INTRODUCTION

The Human Service Transportation (HST) office was established within the Executive Office of Health and Human Services (EOHHS) in 2001 as a result of efforts to coordinate the existing transportation procurements and services across three EOHHS agencies.

Mission: To manage a high quality, cost effective network of human service transportation for eligible consumers and function as a resource for transportation access within the Executive Office of Health and Human Services.

Vision: To administer a coordinated, comprehensive, high quality human service transportation system that supports consumers' timely access to services and maximizes their potential for travel independence.

Core Values:

- Support/ensure consumers' transportation access to the full range of human services they need to be healthy and self-sufficient
- Provide human service transportation in a safe, professional, on-time manner
- Treat all consumers with dignity and respect
- Use the least intensive level of transportation required, based on the consumer's needs
- Promote and facilitate public or paratransit options
- Support the coordination of human service transportation on federal, state and community levels
- Maintain and enhance transportation service quality and cost effectiveness
- Develop transportation policies and programs that promote the safety, health and well being of the consumer

PROGRAM DESCRIPTION

The HST office currently partners with the following agencies and programs in the management of their transportation services:

- Medicaid's MassHealth funded non-emergency medical transportation system (PT-1)
- Department of Mental Retardation's (DMR) supported employment workshops and residential supports
- Department of Mental Retardation's MassHealth-funded day habilitation (DayHab) programs
- Department of Public Health's (DPH) early intervention programs for children and families

These programs are organized into two categories of service and are procured via partnerships with six Regional Transit Authorities:

- **Demand-Response Transportation** – transportation provided in response to an approved request of a consumer for transportation to a covered medical service or other human service activity on an *as needed* basis. Transportation for MassHealth eligible non-emergency medical services is considered demand-response. This system is open to vendor participation throughout the year. Vendors submit the required credentialing documents and upon review and approval, are then eligible to be assigned trips through a broker. Trips are awarded to the lowest bidder on a daily basis.
- **Program-Based Transportation** – transportation that occurs on a regular schedule (e.g., daily) to a common program or destination facility, typically provided on a scheduled route, and on a grouped trip basis. Program-based transportation includes the following programs: DPH's early intervention program, DMR's day/work programs, and MassHealth-funded day habilitation programs. This system awards route-based contracts through a procurement process that includes both quality and cost factors in determining the vendor. Contracts are awarded for multiple years.

HST BROKERAGE

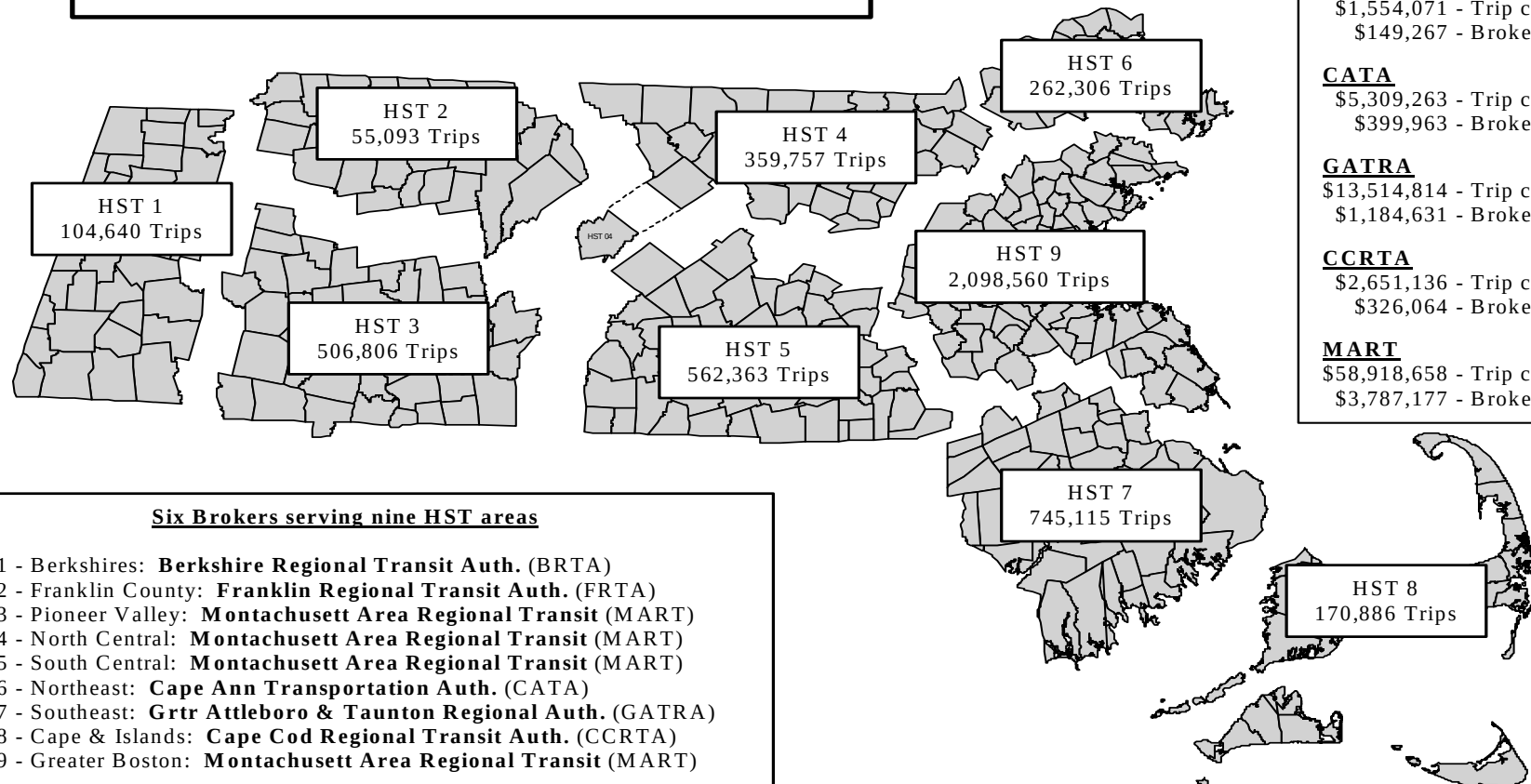
The HST system was designed and implemented in partnership with the Executive Office of Transportation and Public Works (EOTPW) and select local transit agencies. This partnership leverages the existing Commonwealth transportation infrastructure for human service delivery, instead of having human service agencies themselves purchase and manage their own transportation. There are presently six Regional Transit Authorities (RTAs) brokering human service transportation throughout the Commonwealth. Through contracts with EOHHS, the brokers are required to adhere to high quality performance standards with specific outcome measures that have been established by EOHHS and are monitored by the HST office. The primary responsibilities of RTAs include:

- Arranging consumer trips and contracting for services with local providers
- Monitoring and ensuring service quality (on-site inspections, consumer surveys, etc.)
- Developing routing and other strategies to increase system efficiency and cost effectiveness
- Tracking and reporting system usage and costs and monitoring performance benchmarks

FY 08 saw the successful implementation of the HST's brokerage procurement that included enhanced performance benchmarks, standardization of rates, piloting of an innovative shared cost savings incentive program and revised billing procedures that dramatically improved our Medicaid Federal Financial Participation (FFP) percentage for day habilitation transportation. Data on cost savings generated and benchmark performance is included in the cost savings and quality performance sections of this report and confirms our assessment that the implementation of these changes was extremely successful across all brokerages.

FY08 HST OPERATIONS DATA BY AREA & BROKER

Human Service Transportation (HST) Area Map Commonwealth of Massachusetts



Six Brokers serving nine HST areas

HST 1 - Berkshires: **Berkshire Regional Transit Auth. (BRTA)**
HST 2 - Franklin County: **Franklin Regional Transit Auth. (FRTA)**
HST 3 - Pioneer Valley: **Montachusett Area Regional Transit (MART)**
HST 4 - North Central: **Montachusett Area Regional Transit (MART)**
HST 5 - South Central: **Montachusett Area Regional Transit (MART)**
HST 6 - Northeast: **Cape Ann Transportation Auth. (CATA)**
HST 7 - Southeast: **Grtr Attleboro & Taunton Regional Auth. (GATRA)**
HST 8 - Cape & Islands: **Cape Cod Regional Transit Auth. (CCRTA)**
HST 9 - Greater Boston: **Montachusett Area Regional Transit (MART)**

Five additional Transit Authorities as direct service providers

Brockton Area Transit (BAT), Lowell Regional Transit Auth. (LRTA),
Martha's Vineyard Transit Auth. (VTA), Nantucket Regional
Transit Auth. (NRTA) & Worcester Regional Transit Auth. (WRTA)

Broker Funding

BRTA

\$2,225,575 - Trip cost
\$254,222 - Broker mgt

FRTA

\$1,554,071 - Trip cost
\$149,267 - Broker mgt

CATA

\$5,309,263 - Trip cost
\$399,963 - Broker mgt

GATRA

\$13,514,814 - Trip cost
\$1,184,631 - Broker mgt

CCRTA

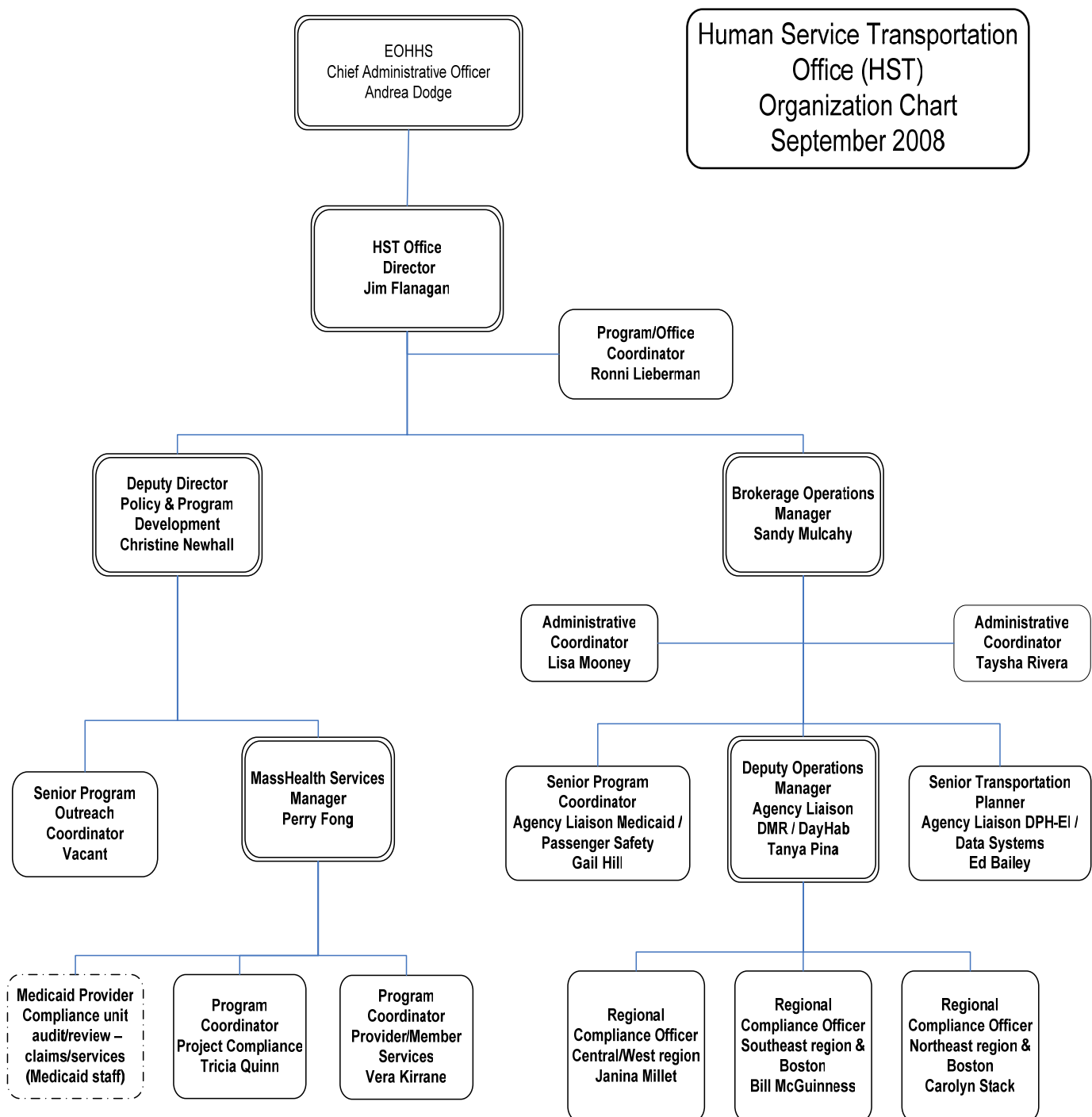
\$2,651,136 - Trip cost
\$326,064 - Broker mgt

MART

\$58,918,658 - Trip cost
\$3,787,177 - Broker mgt

HST OFFICE ORGANIZATION & CHART

In FY08 the HST office implemented a re-organization plan that had been developed from an independent study. The primary recommendation of this review was that the HST office should expand its management functions and technical assistance capabilities to all agencies within the Secretariat. Furthermore, it recommended that the HST organization structure be re-aligned to enhance the HST office's collaboration with the Executive Office of Transportation and Public Works (EOTPW) and to focus on broker quality and contract management.



HST SYSTEM DATA

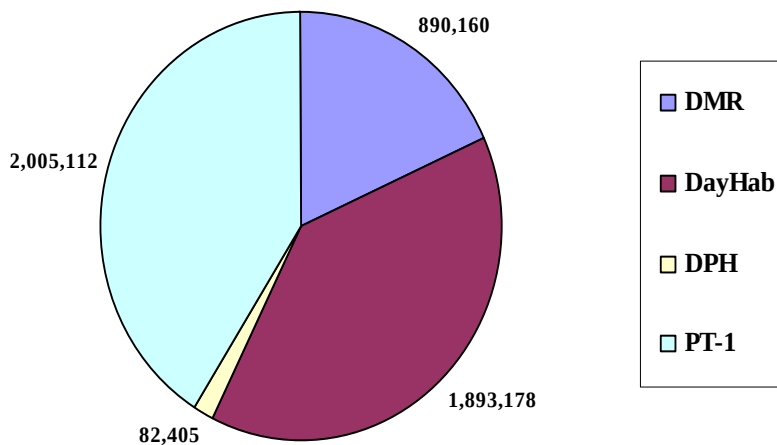
The following annual FY08 data is compiled from broker operations reports of the participating agencies/programs in the HST system:

- Medicaid's MassHealth funded non-emergency medical transportation system (PT-1)
- Department of Mental Retardation's (DMR) supported employment workshops and residential supports
- Department of Mental Retardation's MassHealth-funded day habilitation (DayHab) programs
- Department of Public Health's (DPH) early intervention programs for children and families

Financial Summary		Operational Summary	
Total operating costs	\$90,274,841	Consumers served	30,337
Consumer trip expenditures	\$84,173,518	Local transportation providers	333
Broker management expenditures	\$6,101,322	Vehicles (including chair-cars)	2,440
Consumer one-way trips	4,870,855	Drivers	2,712
Average cost per consumer trip	\$17.28	Monitors	206

HST trips by agency:

FY08 - HST Trips by Agency/program

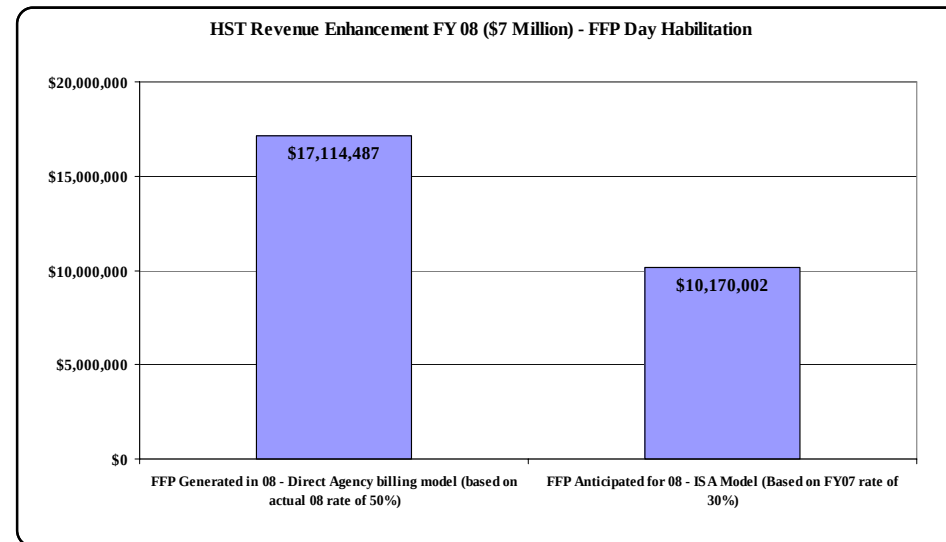


- FY08 was the first year for a breakout of DMR program trips versus Medicaid-funded day habilitation program trips. Prior to this year they had been grouped together and were measured using estimates for each program. Managing these program components separately has led to improvements in generation of FFP and more accurate performance reporting.
- The increase in PT-1 trips jumped from an average of 8% in prior years to 11.5% in FY08.
- The DPH system, representing children (birth to 3 years of age)

and families in early intervention, has historically been the smallest program in the HST system serving just 2,500 consumers who are scheduled for services on average just once per week. Trip volume is relatively stable from year to year.

FY08 COST SAVINGS FROM THREE INITIATIVES TOTALING \$10.2 MILLION

1. Modification of Day Habilitation Financing Model to Optimize Federal Financial Participation (FFP) (FY08 Savings - \$7 Million)



Savings - \$7 Million - In FY08 the HST office, DMR and the Office of Medicaid modified the broker billing methodology for MassHealth-funded day habilitation services to a direct Medicaid billing structure. This streamlined revenue management and ensured a 50% FFP rate of recovery in FY08. Prior to this change, DMR expenditures generated, on average, only 30% in FFP. Due to this change, FFP generated in FY08 at the 50% rate is \$7 million higher than would have been anticipated at the 30% FFP rate.

2. Broker Shared Cost Savings Incentive (FY08 Savings - \$1.8 Million) - In FY08 the HST office implemented a shared cost savings incentive contract for the MassHealth PT-1 program model. Under this new contract, the brokers shared in the cost savings obtained when they negotiated services with transportation providers at a rate lower than the approved trip rate for the Medicaid PT-1 system. As long as quality benchmarks were maintained, brokers retained up to a capped percentage (3%) of their projected total expenditures for PT-1 transportation. The remaining savings accrued to MassHealth. Within this structure, the brokers were able to hold the line on rates, generating shared savings for both the broker and the agency.

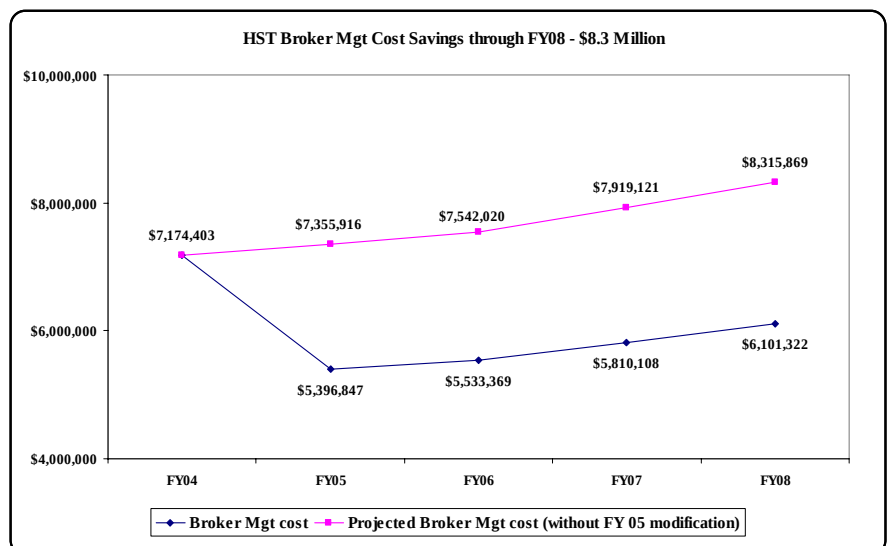
Total FY08 statewide savings: **Broker savings - \$714,505**

Agency savings - \$1,092,376

3. Modification of the Broker Management Fee Model (FY08 Savings - \$2.2 Million)

- In FY05 the HST broker management cost reimbursement model was modified from a fixed consumer trip rate model that allowed brokers to recover their management costs by retaining excess funds from a set consumer trip rate. The new system established a negotiated annual broker management fee separate from the consumer trip rate(s), with the direct service trip cost expenditures being passed directly to the agency.

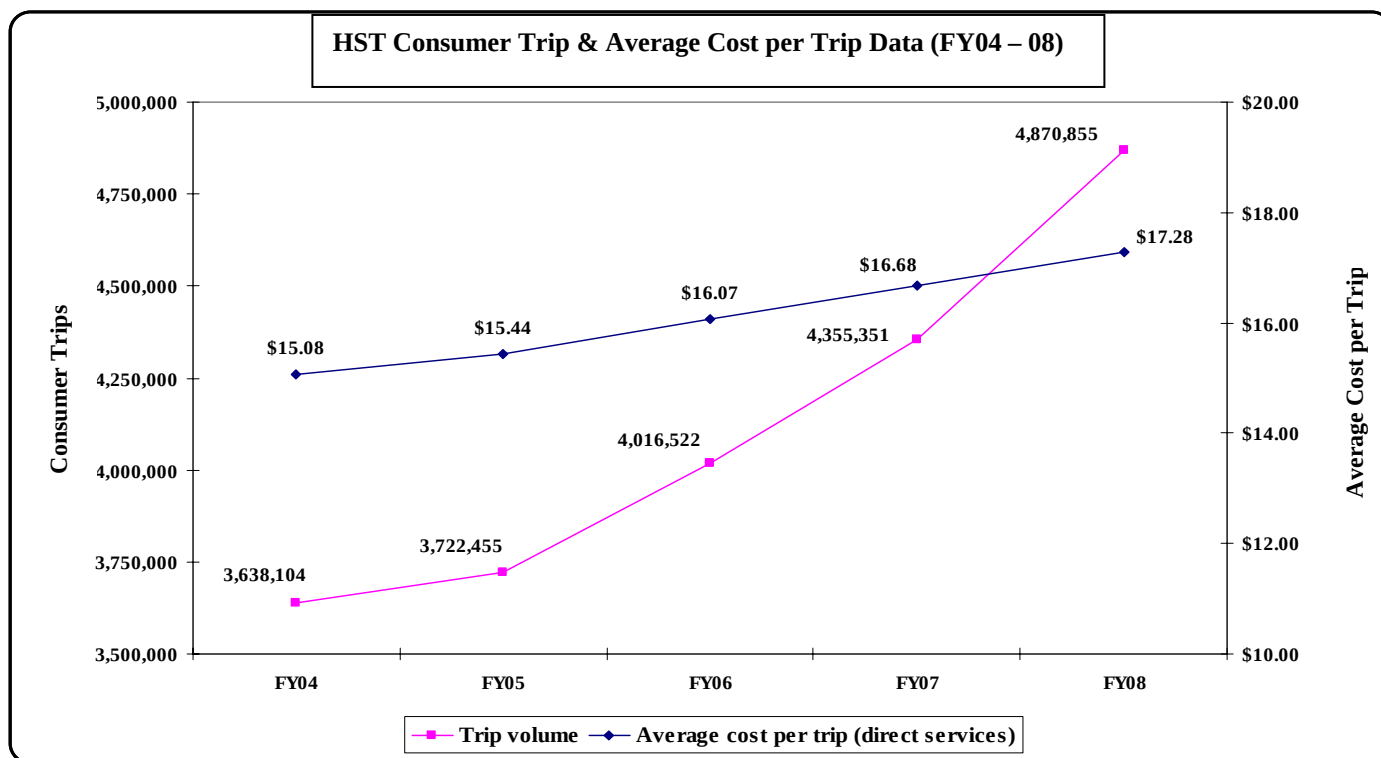
This model reduced and systematized a more accurate broker management base cost and resulted in more efficient negotiation of annual cost increases. In FY08 the broker management cost was \$1 million less than the cost in FY04. Projected savings in FY08 were \$2.2 million with a cumulative savings due to this change in FY05 of \$8.3 million.



SYSTEM GROWTH & COST CONTAINMENT - HST CONSUMER TRIP DATA

The annual increase in HST consumer trips from FY07 to FY08 was 12%. This increase was 3.5% more than the annual average increase for the past four years. The majority of this increase was in the MassHealth PT-1 system. The average annual increase in consumer trips from FY04 through FY08 was 8.5%.

The increase in the average cost per trip in FY08 (3.6%) remained relatively constant with prior year increases. From FY06 through FY08 the rate of increase in the average cost per trip has been declining slightly (\$0.60 in FY08, \$0.61 in FY07 & \$0.63 in FY06).



QUALITY PERFORMANCE MEASURES

To improve service quality, the HST system implemented enhanced performance measures for brokerage services. The following list of six standards indicates a performance outcome in FY08 greater than 98%.

Performance Measure	Outcome
Consumer trips provided without a vehicle accident	99.9%
Service requests implemented within prescribed timelines	99.9%
Trips provided as scheduled (no-shows / stranding)	99.9%
On-time trips provided	99.9%
Trips provided without a serious vehicle complaint	99.7%
Trips provided without a serious driver/monitor complaint	98.2%

There was one standard in FY08 in which broker performance fell well below the performance measure.

On-site service inspections	28.2%
-----------------------------	-------

The HST office and the brokers are currently working on a corrective action plan to remedy this finding in FY09. Additionally, the HST office will review the existing measures and data elements throughout FY09 and make adjustments as needed to continue to improve on service quality and efficiency.

FY09 INITIATIVES

Ongoing Focus on Cost Efficiency and Service Quality

- Continue to refine savings incentive model for the PT-1 system
- Develop incentive and monitoring programs to encourage shared trips and more efficient routing
- Improve performance results on monitoring and on-site inspections
- Standardize broker customer survey instrument and process

Organizational Development

- Transition the three Regional Compliance Officer positions geographically from DMR regional liaison positions to the HST central office in Boston, and operationally to a full HST compliance function, which includes supervising broker compliance of DMR, DPH and Medicaid programs
- Design and begin implementation of formalized internal control plans and procedures for both brokered and non-brokered transportation services within the HST office
- Develop enhanced passenger safety resources within the HST office
- Update the HST web page and coordinate linkages with other appropriate state and federal agencies

Agency-specific Initiatives

- Coordinate with DPH and develop strategies to address the high rate of consumer trip cancellations
- Continue to work with Executive Office of Elder Affairs to establish Adult Day Health transportation statewide performance standards, modeled on HST's established standards

Coordination, Outreach and Funding

- Submit a draft Memorandum of Understanding for coordination of transit and human services transportation between the Secretaries of EOHHS and EOTPW (modeled on a Presidential Executive Order directing federal human services and transit agencies to coordinate their services)
- Implement outreach strategies between the HST office and the Massachusetts Rehabilitation Commission and the Department of Transitional Assistance
- Draft a proposal to coordinate Medicaid PT-1 trips with the MBTA's The RIDE program services and apply for United We Ride grant funding to implement a pilot program in one HST region
- Submit an application for the HST office to receive a federal United We Ride (UWR) award recognition certificate

Future Initiatives

- Initiate strategic planning and technology assessment/development to support a comprehensive transportation resource mobility management function