

Locking Out Public Transportation

Alabama's Medicaid Plan Freezes Out Coordination

In its zeal to avoid potential fraud and abuse, the Alabama Medicaid Agency has devised a controversial, non-emergency Medicaid transportation plan that freezes out public transportation.

by Scott Bogren

In 1995, Medicaid recipients sued the state of Alabama, charging that the state was ignoring its legal obligation to provide non-emergency transportation (see Sept./Oct. 1995 CTR). The plaintiffs quickly won the class action suit, brought on behalf of Medicaid recipients by the Southern Poverty Law Center, and the state set about launching its non-emergency service.

But today, many transportation providers in the state now question the validity of the court-mandated non-emergency Medicaid plan, while the state is awaiting an outcome on its appeal of the original decision. It seems the non-emergency Medicaid transportation plan promulgated by the state was designed chiefly to limit the chance of fraud freezing out public transportation agencies.

"Let's not forget that the state didn't want to provide the transportation in the first place," says Staff Attorney Ellen Bowden of the Southern Poverty Law Center. "When they were forced to, they made sure they did it their way."

Are They Getting There?

"There are Medicaid recipients in this state that are unable to reach their doctors' office," says Rosie Broadus, CCTM, director of the Baldwin Rural Area Transit System (BRATS) in Robertsdale, Ala.

Ruth Edson of the Covington Area Transit System in Andalusia, Ala., agrees: "There probably are Medicaid-eligible people in our service area who aren't getting transportation; in fact, we find ourselves telling a lot of people about the program."

"I'm sure there are Medicaid recipients here and around the country that aren't getting to care," says John Sorrell, CCTM, manager of the Wiregrass Transit Authority in Dothan, Ala. "And when they do not access care regularly, they soon need emergency care including ambulances and emergency rooms and the price tag to the taxpayer grows steeply."

The charge that recipients aren't getting service is one that state Medicaid officials do not deny.

"There probably are some [Medicaid] recipients that can't reach service, but the majority have no problem," says Andy Beckham of the Alabama Medicaid Agency's Beneficiary Support Division, "remember, there are [17] counties in this state that have no public transportation at all."

The questions are numerous: Has the state developed a program that intentionally disregards a federal mandate? Or is it, as officials claim, merely a program that avoids the possibility of fraud? Are transportation agencies only troubled because they are written out of the program? Or would an effectively coordinated system satisfy everyone?

Scared to Death

As one of the last two states to launch a non-emergency Medicaid transportation system (Missouri was the other), one might think that Alabama officials had the benefit of examining other states' plans and developing its concepts accordingly. Yet Alabama Medicaid officials only recall being "scared to death" about the possibility of paying for non-emergency transportation and frightened of "escalating costs". In creating their plan, these officials disregarded the success stories of brokered service in states like Washington and Rhode Island. Instead, they searched for the negative, and they didn't have to look far.

Officials pointed to Louisiana's highly publicized experience with fraud and abuse on a massive level in its non-emergency Medicaid transportation. In Atlanta, as well, drafters of the Alabama plan found sufficient reason to be wary of excessive costs. It was from this negative frame of reference that Alabama's plan emerged. Not surprisingly, it effectively locks out any contracting with public transportation providers, even though in both Atlanta and Louisiana all of the problems revolved around private for-profit operators, and it took place in urban areas.

Privately, many transportation experts around the state point to other reasons for the Medicaid agency's unwillingness to coordinate. During the course of numerous interviews for this article, CT heard many theories ranging from a simple personality conflict between the heads of the Department of Transportation and the Alabama Medicaid Agency, to a purported backlash against public transit agencies by the Medicaid agency for having to deal with the lawsuit which instigated the need for non-emergency transportation (even though lawyers at the Southern Poverty Law Center flatly deny that public transit played any role in the litigation).

Regardless, what has evolved is a solution that seems destined to meet Medicaid recipients' needs in urban areas with numerous public transportation choices, while

disregarding the need in rural regions; and one that reduces spending at every turn. It is also a program that is, according to many, inherently flawed.

Dealing Directly with the Clients

The Alabama Medicaid non-emergency transportation system is designed to be limiting. A recipient must first call a toll-free phone number manned by four operators. The operators verify that, indeed, the client is eligible for the ride and that an appointment has been scheduled — they place callers on hold and actually phone the doctor's office where the appointment in question is scheduled. The length of trip determines the amount of the voucher. For most trips within a county, Medicaid will pay between \$3 and \$5. Out of county trips can cost upwards of \$25.

Once the trip has been confirmed, the Alabama Medicaid Agency has a bank nearby the recipient cut a check to pay for the transportation. According to Medicaid officials, banks will process the medicaid non-emergency transportation checks in batches, usually around noon. The recipients can either come to the bank and pick up the check (which is in the recipient's name, not the transit provider); or the bank will mail the check to the recipient. Regardless, it's a fairly intensive process for a \$3 dollar check.

Alabama Medicaid officials think the system is progressing well: "I'd give us a solid A," said Beckham. "Though we do have some problems."

Of course, how the system is doing depends entirely upon your perspective.

"It's a program set up to fail," says one director of transportation for a largely rural system in the Northwest part of the state.

Follow the Money

If costs are the only standard by which Alabama's Medicaid non-emergency transportation plan will be judged, then certainly, to-date, the system has thrived. Last year, reportedly, the agency budgeted anywhere from \$6 to \$10 million for non-emergency transportation (less than half of which went to actual service delivery). Yet by all accounts, it spent less than \$1 million.

"We're running a tight ship and saving the state money," sums up Terri Beasley, director of the Beneficiary Support Division of the Alabama Medicaid Agency.

But are the savings simply achieved by not letting all recipients know about the new program? And once Medicaid recipients statewide start depending upon the service, costs will certainly escalate. Many community transit operators, ironically, think Medicaid is wasting money by giving recipients more through the voucher

system than they would have to pay for contracted service. Seemingly, the paranoia over fraud and abuse is actually creating excess spending.

Most rural transit operators that CT spoke with said their fares were in the \$1 and \$2 range. Medicaid officials said that many of the checks they process are in the \$3 to \$5 range. The potential savings to Medicaid, particularly over the long term, are considerable.

"We tried to tell them [Alabama Medicaid officials] from the beginning that we could do it for less," recalls Doris Tidwell, a transit program director in Muscle Shoals, Ala. "But we got nowhere with them."

Edson agrees: "If they contracted with us they would definitely save money. They just don't realize the lengths of these trips and the mileage. No one can beat our costs."

She even recalls speaking with several recipients recently who have used her agency's transportation services for their trip and still had money left over to pocket from Medicaid.

Taking a more pragmatic approach, Sorrell looks at the simple expense of dealing directly with clients. "They pay the bank 90¢ to process each check," he points out. "It strikes me that it would be a significant cost advantage to Medicaid to be cutting a monthly check to cover the same costs."

The Southern Poverty Law Center's Bowden says costs are increasing every month as usage increases. The SPLC monitors the progress of non-emergency Medicaid transportation through reports issued every three months. Thus far, the agency is pleased with the plan's progress.

"We are happy with the new program and think it is making a big difference," says Bowden.

But many rural transit providers aren't so sure. Most of the community transit managers CT interviewed for this article said they really couldn't tell how many, if any, Medicaid clients they are transporting. The current system makes them virtually invisible because they pay with cash just as any other passenger would. They nearly unanimously report that after an initial flurry of Medicaid-related calls as the program was launched, interest has waned. None could tell if it was merely a matter of less activity or less visibility. One rural provider even thinks that her service is actually subsidizing Medicaid.

"I think many [Medicaid-eligible] people are choosing to take advantage of our low fares [usually \$1] and good county-wide coverage rather than deal with this complicated system," says Rosie Broadus. "It's just easier for them."

"There are a lot of hurdles for the average Medicaid recipient," says Jan Bell of Habitat for Humanity in Birmingham.

Deborah Hudson, the Alabama Medicaid Agency's non-emergency transportation district coordinator for Jefferson County, concurs: "We sent a letter to every client announcing the program, but sometimes it's just more than they want to deal with."

State of Disrepair

Public transportation providers throughout Alabama also suffer from the negative image forged in several cities. Last year, public transportation in urban areas like Montgomery, Mobile and Birmingham virtually fell apart. Funding shortfalls and a decided lack of vision on the part of public officials charged with operating these systems left thousands of urban Alabamians isolated.

The story in rural areas is, however, considerably more upbeat. Section 5311 agencies have provided effective transportation during the past couple of years. Ridership is on the rise. In fact, BRATS, in Robertsedale, Ala., won CTAA's Transit System of the Year award. Yet even as these agencies thrive, funding remains static — at best.

"Our budgets are so tight," says Ruth Edson. "We've had three straight years of level funding, meanwhile our vehicles depreciate and our ridership grows. It really hurts."

The state's urban systems were the subject of numerous, and often scathing, national media attention focusing on the public transportation crisis. Today, after last summer's disastrous collapse, urban public transportation is redeveloping a tenuous foothold. Yet Medicaid officials adamantly refuse to coordinate with any public transit service — urban or rural — at a time when the money they have available could be a lifesaver.

"The resources they have available could potentially double the amount of Section 5311 [Section 18] spending in the entire state of Alabama," says Jerry Peters of the Alabama Department of Transportation.

It seems that Medicaid officials, in their haste to avoid any possibility of fraud, have branded both urban and rural transit providers similarly untrustworthy. Such a classification is distinctly unfair to the rural sector.

Rosie Broadus agrees: "They just don't trust us."

Medicaid officials, however, are firmly dug in.

"They want us to bail out their systems after losing their federal money," says Terri Beasley, alluding to the urban systems. "We have no interest in contracting. Besides, people don't like riding the bus."

But in the future there may be no choice but to coordinate.

New Mandate

In its session that just ended last month, the Alabama State Legislature passed a joint resolution to study rural transit. And one of the specific mandates of the subcommittee created by the legislature was to examine the number of vehicles, the number of seats available and the cost of providing transportation. Most significantly, the legislature has required that the head of both the DOT and the Medicaid Agency, among others, participate in the committee.

"The DOT is very interested in the outcome of this subcommittee's report," says Peters. "We hope this can be the start of working out some sort of coordinated arrangement."

But before any cooperation between transit and Medicaid can begin, a severe attitude change will be necessary.

"The Alabama Medicaid Agency is quite pleased with the design of its non-emergency transportation system, it's cost-effective to the state and we have no interest in contracting with transportation providers that will run the tab way up," sums up Terri Beasley.