



# The Finest Kind of Public Service in Medical Transportation

The network of providers making possible the many non-emergency medical transportation connections around the nation is as varied as the patients and passengers it serves. Yet all of these systems profiled below and hundreds of others have one thing in common: They are more examples of the finest kind of public service in community and public transportation. The nature of their non-emergency medical transportation service, in many ways, depends on their location and the needs of their communities. The critical nature of their service, however, is unquestioned. The network of community and public transportation providers that has responded to meet the non-emergency medical transportation needs of the American people is also acutely aware that much need remains unmet.

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MART's Medicaid brokerage uses high-end technology and trained staff to make efficient ride matches, fueling competition and expanded access the healthcare.

## **Montachusett Area Regional Transit Authority (MART) Fitchburg, Mass.**

Taking an entrepreneurial approach to non-emergency medical transportation is how Mohammed Khan does business. A community and public transportation pioneer in Massachusetts, Khan understands that the more efficiently he provides medical transportation, the more service he can put on the street. These values have shaped his agency's considerable success.

The Montachusett Area Regional Transit Authority (MART) applies a sound business model to Medicaid transportation, fueling competition, lowering costs and expanding mobility options in numerous Massachusetts communities. Established in 1978 to provide public transportation to 18 north central Massachusetts communities, the Authority contracts with a variety of service providers to offer fixed-route and paratransit services. MART's main hat is that of a regional transit authority running an extensive fixed-route system serving three urbanized areas — Fitchburg, Leominster and Gardner. In addition, the Authority serves a variety of clients in eastern Massachusetts, including Councils on Aging, Welfare to Work programs, and veterans' organizations.

The Authority also operates as a brokerage service, fielding bids on rides for passengers in the state's Medicaid, Department of Mental Retardation and the Early Intervention programs. The Commonwealth's leaders originally envisioned that each of 18 regional authorities would manage transit services for the three programs' participants in their area. But then came the realization that competition would reduce the cost. Since the early 1990s, six Massachusetts Authorities have been managing all rides for these programs. MART coordinates with more than 200 private sector operators to cover two-thirds of the state with its \$50 million a year operation.

It's about efficiency, enhanced through the use of advanced software, which chooses winning bids, determines if ride sharing is possible and even generates a bill for each trip. MART's computer sort all bids every two hours based on location (who is nearest) and cost (whose is lowest). At the end of each day, all the following day's trips are distributed. Almost 20 percent of MART's Medicaid trips become shared rides; an average of 2.5 percent of the brokerage passengers make their connections on it's fixed route.

"We spend only 64 percent [of the state's program funds], but we're providing 71 percent of the Commonwealth's Medicaid trips," notes MART Administrator Mohammed Khan. It's about expanded access to medical care. Since MART began its Medicaid brokerage service in 1992, two dozen new operators have initiated non-emergency medical transportation services, many have expanded service, and the volume of rides has reached 11,500 a day.

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The agency's computerized system enables all transit providers to view bid results, so each one understands their competition. A provider may decide to lower its rate to be more competitive, and is permitted to do so during the first five business days of each month.

MART has also reduced trip costs through innovative accounting practices. It pays contractors immediately so that they don't have to borrow money and pay high interest rates to balance their books. Since the organization is a government agency, explains Khan, it can borrow the money at a much lowest percentage rate, which it passes on to the contractor. With the lower cost of interest, the contractor can lower the trip costs.

With high-end technology and staffing needs, MART's administrative costs are 20 percent of each ride's costs. While that proportion is high, MART's overall total trip cost is low, and that efficiency has prompted the state to give MART more program coverage. "I need more people, who then allow us to do all the things that bring the cost down," explains Khan.

The state's Medicaid reimbursement policy until recently paid a flat fee for each ride. The actual cost, depending on distance and time, might be two or three times that figure, or it might only be 15-20 percent of it. By the end of a fiscal year, Khan estimates cost savings in the \$1 million range. That is money that MART has turned into capital investment, using it to buy vans to lease to small providers. This kind of investment, explains Khan, enables small operators to gain a solid footing, become productive and be competitive. Many small providers that began service with one or two vehicles are now operating with 20-25, strengthening the state's network of non-emergency medical transportation. The Springfield area, an example Khan uses, used to be served by only one large provider. Now the area is served by 13 operators.

While the state budget benefits from MART's efficiency, so do passengers. More non-emergency medical transportation providers, says Khan, improves flexibility and service. Additionally, the system's cost savings enable the Authority to support its public transit service. Since the state froze transit funding several years ago, the cost of operations has risen. The other 14 regional transit authorities have had to freeze or reduce their service. MART was the only one able to maintain services and even grow a little. Money from the brokerage was put into fixed service, enabling stable service and fares in all areas, and even expansion in Gardner.

As Massachusetts' Medicaid program transitions to a new reimbursement scheme, Khan says, the agency is exploring new strategies — steering small providers toward the Community Transportation Association's Transportation Lending Services Corporation, for instance, for capital loans to facilitate vehicle purchase. As always, the focus will remain on reducing total trip costs in order to expand service and connect more people with the healthcare they need.

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