

# THE POLICY RESOURCE CENTER

## INSTITUTE FOR HEALTH, LAW, AND ETHICS

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**REAL CHOICE**  
**SYSTEMS CHANGE**

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The Policy Resource Center (PRC) at the Institute for Health, Law, and Ethics was established in 2002 under a Real Choice Systems Change Grant from the Centers for Medicare and Medicaid Services. The mission of the PRC is to identify barriers to real choice and consumer directed services for elders and persons with disabilities and to recommend reforms in policy, regulatory structure and practices. PRC partners include: Consumers, Institute on Disability at UNH, Granite State Independent Living, The DD Council, and the New Hampshire Department of Health and Human Services (Divisions of Elderly and Adult Services, Behavioral Health and Developmental Services and the Office of Health Planning and Medicaid).

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### COORDINATING EXISTING HUMAN SERVICE TRANSPORTATION RESOURCES: MAXIMIZING RESOURCES AND ECONOMIC BENEFITS

*"Transportation is necessary to support overall economic growth and activity in the national economy, but it is also expected to serve other goals of the community, support the desires of those who use its services, and do all this with the least expenditure of scarce resources."*

*John W. Fuller, Ph.D.*

*Department of Economics, University of Iowa, 1999*

Transportation is an essential community element that is all too often overlooked. In New Hampshire, the failure to prioritize transportation issues at the state and community level is difficult to understand for two primary reasons. First, experts have repeatedly documented statewide unmet need in transportation. Second, New Hampshire inefficiently spends heavily on human service transportation with the result being duplicative efforts, lack of coordination among service providers, and a weak transportation infrastructure. Importantly, national studies show that fixing the second may, in fact, fix the first.



The New Hampshire Department of Health and Human Services (NHDHHS) estimates that human service transportation spending by nine separate Department divisions totaled more than \$10 million dollars in FY 2002. Studies clearly show that by coordinating transportation spending between the NHDHHS divisions, the State will purchase more transportation per dollar spent and in the process alleviate unmet transportation needs. Non-emergency medical transportation under Medicaid is the largest transportation expense for the State and coordinating Medicaid transportation spending alone could resolve much unmet need, as well as substantially alter the transportation infrastructure. Coordinating *all* human service transportation spending would multiply transportation benefits for human service recipients and for all other State residents in need of transportation services. Further combining the coordination "investment" with other infrastructure dollars will build a transportation infrastructure to serve all New Hampshire residents.

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## TRANSPORTATION

Transportation ensures independence and mobility, as well as access to employment, health care, and the community at large. Transportation is and should be available in many forms. While driving is the most common form and generally offers the most independence, community transportation is an alternative to the private vehicle and a necessity for many.

Ideally, community transportation is a network of different types of transportation services, including:

- ▶ Fixed-route services, such as buses;
- ▶ Demand-response services, such as taxis, community vans and paratransit services;
- ▶ Deviated fixed route; and
- ▶ Specialized services, such as ridesharing and volunteer driver services.

New Hampshire communities may have all of these, a few of these, or none. Public bus service, for example, is available in only eight areas in New Hampshire through— Concord Area Transit, Cooperative Alliance for Seacoast Transportation, Nashua Transit System, Greater Laconia Transit Authority, Advance Transit in the Upper Valley, Keene’s City Express, Claremont’s Community Transportation Services, and Manchester Transit Authority. Demand-response services are available to widely varying degrees. Importantly, the absence or insufficiency of community transportation affects many.

## PREDICTORS OF TRANSPORTATION PROBLEMS

Today, age, disability and income are predictors of transportation problems. Recent surveys by the AARP and the National Organization on Disability show:

- ▶ Sixteen percent of survey respondents over age 75 report not having a driver’s license. Fourteen percent of licensed drivers over age 50 and 25% of licensed drivers over age 75 had not driven at least once in the month prior to the survey.<sup>1</sup>
- ▶ One in six adults age 50 and older reports a poor health and disability status.<sup>1</sup> Of respondents age 50 and older, only 74% of those with a poor health and disability status drive, a percentage that declines with age.<sup>1</sup>
- ▶ Approximately one-third of people with disabilities report inadequate transportation as a problem with the highest percentage among people with severe disabilities.<sup>2</sup>
- ▶ Almost half of people who earn \$15,000 or less annually report transportation as a problem.<sup>2</sup> Approximately one-quarter of people with annual incomes between \$15,000 and \$35,000 report transportation problems, and most of these are people with disabilities.<sup>2</sup>

These problems will only multiply in New Hampshire with the dramatic projected growth in the number of people age 65 and older in the next two decades. By 2020, 22.9% of New Hampshire’s population will be age 65 or older, a sharp difference from 12.8% in 2000.<sup>3</sup>

## ACCESS PROBLEMS IN NEW HAMPSHIRE

Transportation insufficiencies range from service availability to service capacity to physical accessibility to time availability. Needs assessments in New Hampshire in the last five years indicate that the need for transportation services far exceeds the supply.<sup>4</sup> A 2003 report to the Commissioner of Health and Human Services largely attributes the failed response to this unmet need to inefficient use of existing funding.<sup>4</sup> The Office of State Planning reported the same in 1995.<sup>5</sup>

## FEDERAL TRANSPORTATION FUNDING

Much of New Hampshire’s human service transportation funding is federal dollars. The United States General Accounting Office (GAO) recently reported that 62 federal programs fund transportation services for people unable to provide their own transportation.<sup>6</sup> The programs listed to the right are the sources most regularly used by states to fund transportation services.<sup>7</sup> While transportation costs within programs are not always discrete costs, the GAO reports that \$2.4 billion in national spending is attributable to 29 federal programs alone.<sup>6</sup> \$1.8 billion of that spending is Health and Human Service spending.<sup>6</sup>

FEDERAL PROGRAMS REGULARLY PROVIDING TRANSPORTATION FUNDING	
AGENCY	PROGRAM
DOE	<ul style="list-style-type: none"> <li>♦ Vocational Rehabilitation Grants</li> </ul>
DHHS	<ul style="list-style-type: none"> <li>♦ Grants for Supportive Services and Senior Centers</li> <li>♦ Head Start</li> <li>♦ Medicaid</li> <li>♦ Temporary Assistance for Needy Families</li> </ul>
DOL	<ul style="list-style-type: none"> <li>♦ Senior Community Services Employment Program</li> <li>♦ Workforce Investment Act Adult Services Program</li> <li>♦ Workforce Investment Act Dislocated Worker Program</li> <li>♦ Workforce Investment Act Youth Activities</li> </ul>
DOT	<ul style="list-style-type: none"> <li>♦ Capital Investment Grants</li> <li>♦ Urbanized Area Formula Program</li> <li>♦ Non-urbanized Area Formula Program</li> <li>♦ Job Access and Reverse Commute</li> <li>♦ Capital and Training Assistance for Over-the-Road Bus Accessibility</li> </ul>

## NEW HAMPSHIRE HUMAN SERVICE TRANSPORTATION SPENDING

New Hampshire estimates current human service transportation spending to be approximately \$10.4 million annually.<sup>4</sup> Multiple federal and State programs fund transportation spending and nine separate divisions of NHDHHS administer the spending. Some transportation spending is discrete. Other transportation costs are imbedded and difficult to identify; costs may be imbedded in capitated provider fees or mixed-service fees. The largest of these costs is for non-emergency medical transportation under Medicaid, amounting to \$2,907,000, a figure that does not include non-emergency transportation costs under the State’s home- and community-based care waivers.

While increasing funding for transportation may allow the State to meet some unmet transportation needs, the current economic climate requires maximizing existing resources and investing in the infrastructure where most fiscally effective.

## COORDINATION OF TRANSPORTATION

States successfully maximize transportation dollars through coordination of human service transportation services and funding. Transportation coordination is a cooperative arrangement between organizations needing transportation services and transportation providers. For example, coordination of New Hampshire human service transportation might include coordination of transportation funding between NHDHHS programs and divisions combined with coordination of transportation services between community providers. It is a technique to maximize the use of transportation resources through shared responsibility, management and funding of transportation services.<sup>8</sup>

When transportation is not coordinated, economic inefficiencies and service problems result. The Transportation Research Board of the National Academies depicts the problem in this way:

- ▶ Multiple transportation providers, each with its own mission, equipment, eligibility criteria, funding sources, and institutional objectives, resulting in significant duplication of expenditures and services;
  - ▶ No formal mechanisms in place for cooperation or communication among providers;
  - ▶ A level of transportation service well below the level of need;
  - ▶ Vehicles and other resources not utilized to capacity;
  - ▶ Duplicative services in some areas of the community and little or no services in other areas;
  - ▶ Substantial variations in service quality among providers, including safety standards; and
  - ▶ A lack of reliable information for consumers, planners and providers about available services and costs.<sup>8</sup>
- New Hampshire transportation experts report the same inefficiencies, service problems and turf issues.

*An 85-year-old gentleman, who lives alone, volunteers at a senior center Monday through Friday. The closest bus stop to his home is too far away for him. Concord Area Transit coordinates and connects him with a door-to-door van service that a local health care provider uses to transport clients. The 85-year-old gentleman goes where he wants to go and the health care provider regularly fills an otherwise empty seat on the van.*

## THE EFFECTS OF COORDINATION

Through coordination, states realize both economic and non-economic benefits, including achieving a level of accountability few states, if any, previously had. The goal in transportation coordination is to lower unit costs, increase ridership, and improve cost-effectiveness by eliminating service duplication and better utilizing resources.<sup>8</sup> The Transportation Research Board identifies the most frequent economic and non-economic benefits derived from transportation coordination as:

Economic Benefits	Non-Economic Benefits
<ul style="list-style-type: none"> <li>▶ Additional funding for transportation providers through more total funding and more funding sources;</li> <li>▶ Increased efficiency through lower cost per vehicle (per hour or per mile);</li> <li>▶ Improved productivity (trips per month or passengers per vehicle hour);</li> <li>▶ Increased mobility resulting in increased access to employment and health care;</li> <li>▶ Increased mobility resulting in trips provided to passengers at lower cost;</li> <li>▶ Increased level of economic development in community; and</li> <li>▶ Employment benefits for transportation personnel.<sup>8</sup></li> </ul>	<ul style="list-style-type: none"> <li>▶ Improved service quality—more on-time service, better-trained drivers, better vehicles, and more safety equipment;</li> <li>▶ Transportation services available to more people—serving more than one client group;</li> <li>▶ Transportation services available to larger areas—expanding services to areas with previously insufficient transportation; and</li> <li>▶ Better accountability of costs and output.<sup>8</sup></li> </ul>

The importance of coordinating transportation funding has been evident since the 1970s.<sup>6</sup> By 1995, the New Hampshire Office of State Planning deemed the need for transportation coordination "paramount." By 2002, approximately half of the states had a state transportation coordination body and New Hampshire was not one of them.<sup>6</sup> In summer 2003, a Human Service Transportation Coordination Task Force (2003 Task Force) brought coordination of human service transportation to the forefront again.

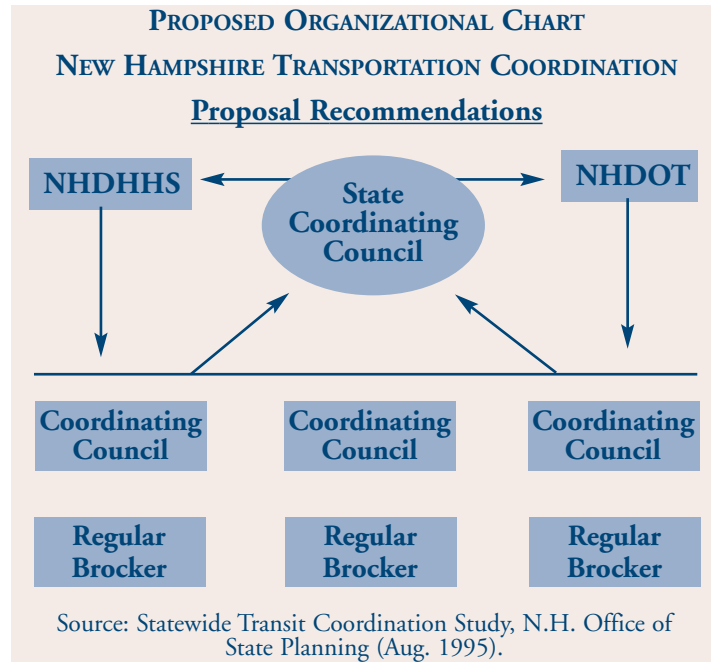
### THE NEW HAMPSHIRE CHOICE OF COORDINATION MODELS – TRANSPORTATION BROKERAGE

From a variety of coordination models, the 2003 Task Force reiterated the 1995 recommendation made by NHDHHS, the New Hampshire Department of Transportation (NHDOT), and the Office of State Planning and recommended a regional brokerage model for New Hampshire.<sup>4</sup>

The Community Transportation Association of America defines the transportation brokerage as a "method of providing transportation where riders are matched with appropriate transportation providers through a central trip-request and administrative facility. The transportation broker may centralize vehicle dispatch, record-keeping, vehicle maintenance and other functions under contractual arrangements with agencies, municipalities and other organizations. Actual trips are provided by a number of different vendors." Transportation brokerage is the most widely used coordination model nationally and the model most used in medical transportation.<sup>9</sup>

<sup>4</sup>The Human Service Transportation Coordination Task Force includes representation from: NHDHHS;NHDOT; The Dupont Group; Rockingham Planning Commission; Advance Transit; North Country Transportation; UNH Institute on Disability; Concord Area Transit;Special Transit Service, Inc.;Community Health Services; and Nashua Transit System.

In a 1995 report, the Office of State Planning recommended a brokerage model that includes a State Coordinating Council, six to 10 regional coordinating councils, and regional brokers. The NHDHHS and NHDOT allocate funds to regional coordinators. The duties of the State Coordinating Council include: to streamline the administrative process; to advise NHDHHS and NHDOT on policy development and resource allocation; and to establish standards for funding, brokers, coordination practices, and cost/benefit analysis. Regional coordinating councils select the regional broker and oversee coordination implementation within their specific regions. The regional broker is expected to be the local transit agency or coordinated paratransit provider.



## NEXT STEPS

While coordination efforts are under way in New Hampshire, no significant statewide effort is as yet in place. There are currently five independent coordination projects at varying stages of development: Concord Area Brokerage; Greater Derry-Salem Brokerage Project; North Country Transportation Coordination Initiative; Franklin-Laconia Transportation Coordination Initiative; and Nashua Transit Coordination Initiative.

### **As highlighted by the 2003 Task Force, key steps to initiate a statewide effort include:**

1. Enact legislation on the oversight and channeling of Medicaid and other human service transportation funds through regional transportation brokers. While state agencies and local providers recognize the need and value of transportation coordination, the requirement to share power and control over resources is often best supported through legislative mandate. Many consider the Kentucky legislation on human service transportation to be model legislation.<sup>10</sup>
2. Coordinate transportation services under select NHDHHS programs, with a priority on Medicaid coordination. Coordinating non-emergency medical transportation under the Medicaid program is likely the most beneficial statewide step. The National Consortium on the Coordination of Human Services Transportation recently reported that "choices that states make regarding provision of non-emergency medical transportation are shaping the transportation infrastructure in this country."<sup>11</sup> The Consortium notes that federal and state funding of non-emergency medical transportation far exceeds all other human services transportation expenditures.<sup>11</sup> In fact, these expenditures amount to 20% of the entire federal transit budget<sup>11</sup> and more than 28% of human service transportation spending in New Hampshire.

3. Support and learn from regional coordination projects currently under way. The coordination projects already under way in New Hampshire are invaluable in guiding the statewide development of coordination. These projects also provide the organizational base for an incremental implementation of statewide coordination processes that could be monitored closely before proceeding statewide.

Coordination is not the complete solution to transportation problems. Some problems will only be satisfied through additional resources and some through other processes. However, to maximize the use of available state and federal resources, it is critical to coordinate existing transportation funding streams. In the end, New Hampshire improves transportation in the most efficient and effective way and does so not just for specific populations of people but for all who need it.

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