



# Improving Human Services Transportation: The Massachusetts Brokerage and Coordination Model

## Introduction

This brief will examine several policy shifts in human services transportation that are changing transportation systems in the United States. The shift from fee-for-service Medicaid nonemergency medical transportation (NEMT) to capitated transportation brokerage models began in the 1990s by states concerned with rapidly escalating costs, quality concerns, and increasing instances of program fraud and abuse. States implemented brokerages either through section 1915(b) “state wideness, comparability, and freedom of choice” waivers at the Federal Medicaid Assistance Program match rates (which vary by state based on per-capita income rankings), or as Medicaid administrative services, at a 50-50 federal/state match rate but with many fewer restrictions. In recognition of the benefits of brokerages in the administration of NEMT, a state plan option for transportation brokerages operated as medical services was enacted in the Deficit Reduction Act of 2005.

At the same time, the fragmentation and duplication of human services transportation systems were generating concern, leading to the issuance of Federal Executive Order 13330 in February 2004, which mandated coordination of human services transportation. The complexities of the human services coordination mandate combined with rapid and dynamic changes in state NEMT delivery systems challenged states to craft models that would coordinate rather than further fragment the funding sources. One state, Massachusetts, developed a public transportation infrastructure in which a transit-administered brokerage system coordinates NEMT and other human services transportation programs.

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## Human Services Transportation Coordination

Coordination of human services transportation was mandated by federal Executive Order 13330 on February 26, 2004. The intent of the Executive Order was to improve access to transportation for persons with disabilities, persons with low income, and older adults (the “transportation disadvantaged”) by facilitating use of the most appropriate cost-effective transportation services within existing resources and by minimizing duplication and overlap of human services transportation to make more funds available. Human services transportation programs vary in mission, delivery, funding, reporting, eligibility, outcome measurement, and oversight, resulting in fragmentation. Differing interpretations of the coordination mandate have resulted in a lack of clarity among funding agencies and the collaboratives that seek to coordinate transportation. The complexities of coordination are further compounded by having multiple levels of government provide or fund transportation, each under its own laws and regulations.<sup>1</sup>

However, as noted in one federally funded research report, coordination involves management of the administration and operations of multiple transportation providers, which is the underlying concept of a fairly new business entity known as transportation brokerages.<sup>2</sup> Similarities also exist between Executive Order 13330 and NEMT brokerage regulatory language directing that “...after considering the specific transportation needs of the individual, that the government provider was the most appropriate, effective, and lowest cost alternative for each individual transportation service.”<sup>3</sup> The costs associated with provision of Medicaid NEMT overshadow the budgets of other human services agencies providing transportation. According to one source, in excess of \$3 billion in Fiscal Year 2006 was spent on NEMT.<sup>4</sup> Although NEMT costs are only a small percentage of the Medicaid budget, the NEMT program is the second largest federal transportation payment system, and represents nearly 20 percent of the federal transit budget.<sup>5</sup> While clearly a significant funder of human services transportation, not every state includes NEMT in the coordination process.

## Paradigm Shift in NEMT

In recognition of the efficacy of transportation brokers in provision of NEMT, use of NEMT brokerages was made a Medicaid state plan option through enactment of the Deficit Reduction Act of 2005.<sup>6</sup> State use of NEMT programs has evolved rapidly since the advent of transportation brokerages. State data and other studies suggest that the shift toward transportation brokerages improved access to medical care and decreased Medicaid expenditures. These associations were found to be particularly significant for the rural NEMT population.<sup>7</sup>

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One NEMT commentator noted that brokering caused some community transit operators to fear a change in the status quo, due to competition from private livery or taxi services, which may be able to provide individual services at a lower cost per trip.<sup>8</sup> A transit provider with subscription or group trips can offer such trips at the marginal cost of adding an additional pickup to the run. Because public fares do not account for the full operating costs of additional Medicaid trips, a hybrid approach is needed to fairly compensate community transit providers for the true additional operational costs.<sup>9</sup> An ideal broker, from this perspective, would include the broadest possible set of human services transportation funders, to realize maximum cost effectiveness through economies of scale.<sup>10</sup>

## The Massachusetts Coordination Process

In order to implement an expansive brokerage and coordination system, a new office, the Commonwealth of Massachusetts Executive Office of Health and Human Services Human Service Transportation Office (HST Office) was created in 2001, several years before the implementation of Executive Order 13330. The Office's mission is to promote access to health care, jobs, social services and a full range of community activities for all Commonwealth residents, by managing a statewide brokerage network for eligible consumers as well as by providing technical assistance, outreach, and support for local mobility management and coordination efforts.

In 2001, the HST Office coordinated transportation for three agencies. One of the HST Office's major tasks was to work with these agencies to simplify and standardize reporting requirements and address other policy conflicts in order to facilitate coordination. Today, the Office manages a brokered transportation system serving Medicaid (NEMT), Day Habilitation, the Department of Developmental Services, the Department of Public Health Early Intervention Program, the Massachusetts Rehabilitation Commission, and the Massachusetts Commission for the Blind.

Tanja Ryden of the Massachusetts Human Service Transportation Office observes that, although the HST Office serves a specific population through a brokerage system, there is a broader population in need of help and support for accessing transportation. However, by leveraging cost savings realized by the brokerage, and by utilizing local and public transportation, the Commonwealth is getting more "bang for the buck" for its HST programs. Ryden explains that although Massachusetts is a relatively small state, it also benefits from having a robust public transportation system. The Massachusetts Bay Transportation Authority serving the greater Boston area is one of the oldest in the country. Fifteen regional transit authorities operate across the rest of the state, in both urban and rural areas.<sup>11</sup>

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Several other initiatives are contributing to the coordination effort in Massachusetts. For example, the Federal Transit Administration awarded a \$2 million grant to the Montachusett Regional Transit Authority (the largest of the NEMT brokers, covering four of the nine HST service areas) for its one-call Center for Veterans (MOVET). MOVET will facilitate a one call/one click Travel Management Coordination Center for veterans and their families in Massachusetts and bordering states to provide information on and coordinate transportation options available to them. The Montachusett Regional Transit Authority deputy administrator will work with local, state, and federal veterans' groups to collaborate on implementation.

## The Massachusetts Solution

The Commonwealth of Massachusetts, with around 6.5 million residents, is the third most densely-populated state, after New Jersey and Rhode Island. As noted in the preamble to the Constitution of the Commonwealth of Massachusetts, "...it is a social compact... that all shall be governed by certain laws for the common good."<sup>12</sup> True to its charge, Massachusetts human service agencies, including NEMT, and public transit systems have worked together to foster a highly coordinated transportation brokerage system that now includes six programs funded by five different state agencies. In addition, there are many community and volunteer transportation services in the state, especially through local councils on aging and elder service agencies, and many other local human service agencies throughout the Commonwealth.

There are six brokers, selected through a competitive bidding process, and open to the Commonwealth's Regional Transportation Agencies (RTA), that cover nine HST service areas. The RTA brokers contract with the HST Office to provide brokerage management services for a negotiated annual rate, which includes the brokerage services but not the cost of the rides. The brokerage services include phone banks, scheduling, verification of eligibility, quality reviews, and reporting. The brokers subcontract with local transportation providers to provide the trips under one of two service delivery models: route based and demand response transportation. Under a savings incentive for the NEMT program, the broker can retain up to 3 percent of cost savings achieved below the annual contract trip rate. Once the broker savings cap has been reached, any additional savings beyond the 3 percent accrue to the Medicaid agency through a reduced trip rate (to average actual cost). Brokers focus on trip coordination to increase cost savings through shared rides. HST brokerages administer the NEMT program under Medicaid administrative services, with a 50 percent federal match rate, rather than as a medical service at the FMAP rate. This option allows more flexibility in provision of services, and does not disadvantage Massachusetts financially since its FMAP rate has been 50 percent for many years.

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In Fiscal Year 2010, consumer trips for the entire HST brokerage system increased by almost 7 percent to over 5.5 million trips, while the average cost per trip decreased by more than 2 percent. These gains were not at the cost of quality; brokers exceeded 100 percent of the required on-site service inspections, with an average of twenty-four inspections per weekday across the Commonwealth.<sup>13</sup>

## **The Massachusetts Institute for Transportation Coordination**

Another key element of the Massachusetts coordination effort was the creation of the Massachusetts Institute for Transportation Coordination. The Institute grew out of a Community Transportation Association of America (CTAA)-sponsored three day event which convened broad-based local and state teams to collaborate on transportation issues. Work Without Limits, the Massachusetts Medicaid Infrastructure Grant, awarded startup funding grants of \$20,000 to four teams through a competitive process. In 2009, CTAA and Massachusetts convened the Transportation Coordination Institute with nine transportation coordination teams from across the state, seven of which continue to meet and make progress. Teams produced a shared vision and action plans as well as fostered new connections. Institute participants included CTAA, United We Ride, Work Without Limits, the HST Office, the Massachusetts Department of Transportation, the Institute for Community Inclusion, and special partner Easter Seals Project Action.<sup>14</sup> The teams consisted of transit providers, transit and urban development planners, employers, one stop career centers, state disability service agencies, and other stakeholders.<sup>15</sup>

From 2009 on, CTAA and United We Ride experts have provided technical assistance to Work Without Limits and the transportation coordination teams. Work Without Limits (WWL) participates in coordination activities with three levels of government, according to Aniko Laszlo, head of the Work Without Limits Transportation Coordination project. At the national level, WWL coordinates with its United We Ride Northeast Ambassador, with CTAA, and with the Center for Workers with Disabilities transportation work group. At the state level, WWL has a strong partnership with the HST Office and disability service agencies. At the local level, interaction with the transportation coordination teams continues, each headed by the Regional Transit Authorities. The teams span a variety of regional demographics, from urban and suburban to rural.<sup>16</sup>

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## Sustainability

Job Access and Reverse Commute and New Freedom funding will support development of a mobility management information network to help the transportation coordination teams stay connected through a website ([www.mass.gov/hst](http://www.mass.gov/hst)), social networking tools, newsletters, the sharing of best practices, and opportunities to learn from other state and national efforts. Keeping lessons learned on the table will also help all stakeholders continue to make progress.<sup>17</sup>

## Coordination Lessons Learned

The “lessons learned” listed below are drawn from several sources that have examined transportation coordination in Massachusetts.<sup>18, 19</sup>

1. A champion is critical to collaboration or coordination. The champion stays at the table, helps to engage more participants, and keeps the energy flowing. In Massachusetts, leadership through the Medicaid Infrastructure Grant (the Work Without Limits Transportation Coordination project led by Aniko Laszlo) has been instrumental in fostering and supporting the regional transportation coordination teams.
2. Also be sure to engage decision-makers from public and private entities in transportation coordination efforts. To successfully engage employers, it is especially important to have a well-designed strategy.
3. A resource inventory greatly facilitates coordination. Build on existing resource inventories and supplement them with new resources, including local resources.
4. Recognize the transportation needs of different populations. Although Work Without Limits is focused on accessible transportation, all of the regions see the need to expand transportation services broadly for multiple populations.
5. Understand that there is a tension between keeping an initiative small and having the capacity to access multiple funding sources. There can be challenges to securing and using grant funding, including extensive application procedures, reporting requirements, grant administration, and difficulties in finding local matching funds.

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6. Learn from other communities. Participation in each other's leadership team meetings fosters cross-fertilization of ideas.
7. Do not underestimate the importance of marketing existing transportation services. Individuals often don't know what services are available, where to look for information, or how to use existing services. Travel training is a bridge to independence for transportation-disadvantaged populations.
8. Be realistic in planning, and begin with small, doable projects that have clear outcomes. Have a well articulated plan with identified resources. This builds credibility, keeps stakeholders engaged, and attracts funding to facilitate growth of the initiative.
9. People stories are important. Make sure your work plan includes strategies to collect individual stories.
10. Focus transportation coordination efforts at the local and regional levels. Solutions must be tailored to the needs expressed by the area stakeholders.
11. Address jurisdictional barriers to coordination. Develop strategies that facilitate transportation coordination across jurisdictions. Strategies might include, for example, van sharing agreements, coordinated fare structures, and use of the same dispatch systems.

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## Endnotes

- <sup>1</sup> Farber, N., Reed, J., *State Human Service Transportation Coordinating Councils: An overview and State Profiles*. National Conference of State Legislatures. <http://www.ncsl.org/documents/transportation/HSTCCover.pdf>
- <sup>2</sup> Transportation Research Board of the National Academies, Transit Cooperative Research Program Report 144: *Sharing the Costs of Human Services Transportation Volume 1: The Transportation Services Cost Sharing Toolkit*. [http://onlinepubs.trb.org/onlinepubs/tcrp/tcrp\\_rpt\\_144v1.pdf](http://onlinepubs.trb.org/onlinepubs/tcrp/tcrp_rpt_144v1.pdf)
- <sup>3</sup> <http://www.federalregister.gov/articles/2008/12/19/E8-29662/medicaid-program-state-option-to-establish-non-emergency-medical-transportation-program>
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- <sup>9</sup> Ibid
- <sup>10</sup> Ibid
- <sup>11</sup> CTAA Webinar: *Team-Building for Action: Spotlight on Transportation Coordination in Massachusetts* presented on October 13, 2011. PFD transcription available at <http://web1.ctaa.org/webmodules/webarticles/articlefiles/TRANSCRIPTON.pdf> Webinar playback available at <http://web1.ctaa.org/webmodules/webarticles/articlefiles/TRANSCRIPTON.pdf>
- <sup>12</sup> <http://www.malegislature.gov/Laws/Constitution>
- <sup>13</sup> <http://www.mass.gov/eohhs/docs/hst/hst-annualreport-fy10.pdf>
- <sup>14</sup> CTAA Webinar: *Team-Building for Action: Spotlight on Transportation Coordination in Massachusetts* presented on October 13, 2011. PFD transcription available at <http://web1.ctaa.org/webmodules/webarticles/articlefiles/TRANSCRIPTON.pdf> Webinar playback available at <http://web1.ctaa.org/webmodules/webarticles/articlefiles/TRANSCRIPTON.pdf>
- <sup>15</sup> Ibid
- <sup>16</sup> Ibid
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<sup>18</sup> Ibid

<sup>19</sup> *WorkWithoutLimits Practice Briefs # 2: Lessons Learned from Local Transportation Coordination in Massachusetts since 2009*, #12 *Lessons Learned from Coordinated Transportation Series: The Minute Van Team*, #13 *Lessons Learned from Coordinated Transportation Series: Metro West Mobility Team*, #14 *Lessons Learned In Coordinated Transportation Series: The Berkshire Mobility Team*, #15 *Lessons Learned In Coordinated Transportation Series: Cambridge in Motion Team*, & #16 *Lessons Learned From Coordinated Transportation Series: Southeastern Massachusetts Transportation Alliance (SMTA)*. <http://www.workwithoutlimits.org/products/forproviders>

## Resources

Center for Workers with Disabilities, APHSA (March 2010), *Getting to Work: A Case Study Report on Accessible Transportation Projects*, available at <http://cwd.aphsa.org/home/docs/CWDTransportationBrief.pdf>

*Commonwealth of Massachusetts Executive Office of Health and Human Services Human Service Transportation Office FY2010 Annual Report* available on-line at [http://web1.ctaa.org/webmodules/webarticles/articlefiles/MAbst\\_annualreport\\_fy10.pdf](http://web1.ctaa.org/webmodules/webarticles/articlefiles/MAbst_annualreport_fy10.pdf)

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The Hilltop Institute (September 2008), *Non-Emergency Medical Transportation (NEMT) Study Report* [http://www.hilltopinstitute.org/publications/Non-Emergency\\_MedicalTransportationStudyReport-September2008.pdf](http://www.hilltopinstitute.org/publications/Non-Emergency_MedicalTransportationStudyReport-September2008.pdf)

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