



## Legislation Text

File #: 43435, Version: 2

### Fiscal Note

No appropriation required.

### Title

SUBSTITUTE-Creating an Ad Hoc Metro Paratransit Medicaid Waiver Funding & Policy Review Committee.

### Body

#### PREAMBLE

The Americans with Disability Act (ADA) requires Metro Transit to provide paratransit services complimentary to its fixed route service. For over 20 years, Metro Transit has been able to provide paratransit services above and beyond the minimum standards and criteria required by the ADA primarily because of its partnership with Dane County and the Medicaid Waiver (commonly refer to as "MA Waiver") Program.

~~MA Waiver is a Community Integration Program (CIP) that supports developmentally disabled individuals to live and work in communities as opposed to state institutions (ie., they "waive" out of the state institutions, thus giving rise to the name MA "Waiver"). Pursuant to Chapter 49 of the Wisconsin State Statutes, MA Waiver programs provide funding through county Departments of Human Services for community services to qualified persons with developmental disabilities. The Common Council annually adopts resolutions that authorize the Mayor and Clerk to contract with Dane County for the funding and provision of Metro paratransit services for people with developmental disabilities to fully participate in community living through the MA Waiver Program. This arrangement has allowed state funding to be passed through Dane County to Metro Transit such that Metro Transit is currently reimbursed for 60% of the actual cost of Waiver participants' paratransit rides. Metro Transit currently charges \$3.25 per paratransit ride compared to an actual cost of \$33. MA Waiver funding accounts for over \$3.7 million of Metro Transit's approximately \$9 million paratransit budget.~~

~~The state is in the process of changing the administration of the MA Waiver program through the implementation of the Family Care program such that the same funding would be required to private, for profit entities, such as insurance companies and managed care organizations, rather than directly to governmental entities. It is unknown whether these for profit entities will use this funding for Metro Transit's paratransit services or, if they do, whether reimbursement rates will equal 60% of the actual cost of the paratransit service. Because of the nuanced and specialized nature of MA Waiver Programs, and the potential impact this change will have on Metro Transit's paratransit services, an ad hoc committee is necessary to exam the potentially far-reaching impacts of this change.~~

The MA Waiver program is called the Community Integration Program (CIP). This program is a Home and Community-based Waiver Program which permits Wisconsin to waive certain provisions of the Social Security Act pursuant to Section 1915C of the act. This Waiver permits Wisconsin to use Medicaid funds for community-based services including transportation services, for people who are either relocated or diverted from institutional facilities for people with Developmental Disabilities. The State contracts with Dane County to operate the program locally.

Metro Transit is the primary transportation provider in Madison for services in the Metro service area. The Madison Common Council annually contracts with Dane County to provide these services. Madison funds generated from property taxes provide approximately 40% of the funding for these transportation services. These local funds are used by Dane County to generate federal funding that covers approximately 60% of the cost of the services. The current cost of a paratransit ride is approximately \$33. Based on the number of rides

provided to CIP 1 participants, Metro receives approximately \$3.7 million in federal funds. Metro's current total paratransit budget is \$9 million.

The recent state Biennial Budget is requiring the implementation of a new Medicaid program to replace CIP. This program is called Family Care. Family Care is a very different kind of Medicaid Waiver program. It is authorized by both Sections 1915B and C of the Social Security Act and is both a managed care and Home and Community-based Waiver program. Managed care under Medicaid is like an HMO except the program covers different services than an HMO. In this case, Family Care also covers transportation services. Being an HMO involves many differences than the current CIP program. Specifically, rules bar the entity that operates Family Care from using sources of funds other than Medicaid capitation payments (payments of a fixed amount per participant, per day). This means that Family Care must fund the total cost of transportation services. Madison will no longer provide the 40% of funding.

Dane County has chosen not to operate the Family Care program. This means that other organizations will be responsible for providing covered services and providing funding. These services include transportation services. There is no guarantee that these new providers will use the same system as was employed by Dane County for CIP services. They may seek to pay for the service by providing program participants funding to pay only the \$3.25 paratransit fare. Thus, there are both risks and opportunities involved in this situation, which is why a special Committee is needed to protect Metro's financial situation and Metro's customers.

WHEREAS, For 20 years the City has contracted with Dane County to receive MA Waiver funding for individual trips by approved Waiver participants; and

WHEREAS, approved MA Waiver participants are also found eligible for Metro ADA Paratransit services by Metro; and

WHEREAS, the City and Metro currently are reimbursed 60% of the actual cost of the ride as part of the cost sharing intergovernmental agreement; and

WHEREAS, the City and Metro charge a cash fare of \$3.25 per paratransit ride compared to an actual cost of \$33; and

WHEREAS, this arrangement has allowed Metro Transit to provide paratransit services above and beyond what is required by the ADA; and

WHEREAS, the current MA Waiver Agreement with Dane County will expire on December 31, 2016; and

WHEREAS, in either 2017 or 2018, Metro Transit and Dane County will no longer be able to continue this partnership because the State of Wisconsin intends to change the administration of MA Waiver funding by implementing the Family Care Program, which will require funding to go to private, for-profit entities, such as insurance companies and health maintenance organizations; and

WHEREAS, after the state changes the program, cost sharing will not be allowed under the for-profit model; and

WHEREAS, the anticipated loss of \$3.7 million in MA Waiver funding could prohibit Metro Transit from providing the level of paratransit services the community has received for the past 20 years is at risk because of this change; and

WHEREAS, the Transit & Parking Commission is requesting that an ad hoc committee examine the impacts of the State's decision to change the administration of the MA Waiver Program, and formulate paratransit policy

recommendations pertaining to issues such as the level of paratransit services Metro Transit will be able to provide after the anticipated loss of funding and the fare that will be charged for those services.

NOW THEREFORE BE IT RESOLVED that the Common Council creates an Ad Hoc Metro Paratransit Medicaid Waiver Funding & Policy Review Committee to propose recommendations for consideration to the Transit & Parking Commission; and,

BE IT FURTHER RESOLVED, that said committee shall consist of the following alders

- **Rebecca Kemble**
- **Tim Gruber**

BE IT FURTHER RESOLVED, that said committee shall consist of the following members of the Transit & Parking Commission:

- **Margaret Bergamini**
- **Ken Golden**

BE IT FURTHER RESOLVED, that said committee shall consist of the following members of the ADA Transit Subcommittee to the Transit & Parking Commission:

- **Carl DuRocher**
- **Mary Jacobs**
- **Susan De Vos**

BE IT FURTHER RESOLVED, that said committee shall consist of the following citizen members and Metro paratransit customers:

- **Jesse Kaysen**, Former chairperson of the Transit & Parking Commission, former chairperson of the ADA Transit Subcommittee, and Metro paratransit eligible rider.
- **Dr. James Cobb**, Former chairperson of the Transit & Parking Commission, former chairperson of the ADA Transit Subcommittee, retired Medicaid policy analyst for the Wisconsin Department of Health Services, and Metro paratransit eligible rider.

BE IT FURTHER RESOLVED, that the committee shall rely on Madison Metro staff and resources, including Chuck Kamp, Crystal Martin, Nancy Senn, and Ann Schroeder; and,

BE IT FURTHER RESOLVED, that vacancies on the Committee shall be filled by mayoral appointment, subject to confirmation by the Common Council; and,

BE IT FURTHER RESOLVED, that the Committee shall hold its first meeting no later than September 15, 2016.

BE IT FURTHER RESOLVED, that the Committee shall provide recommendations to the Transit & Parking Commission; and,

BE IT FINALLY RESOLVED, that the above appointments shall end and Committee dissolved when the Transit & Parking Commission takes action on the Committee's recommendations.