

# COMMISSION FOR THE TRANSPORTATION DISADVANTAGED

## Emergency Commission Business Meeting



**Agenda**  
**June 14, 2011**  
**2740 Centerview Drive, Suite 1A**  
**Tallahassee, FL 32301**  
**10:00 am - until completion**

*David Darm, Chairman*  
*Vacant, Vice-Chairman*  
*Walter Schoenig, Commissioner*  
*Charlotte Temple, Commissioner*  
*Jill Houghton, Commissioner*  
*Lawrence Forman, Commissioner*  
*Vacant, Commissioner*

**Conference Call Number: 1-888-808-6959**

**Conference Code: 524736**

<b>Item #</b>	<b>Agenda Item</b>	<b>Speaker(s)</b>
I	Call to Order	Chairman Darm
II	Welcome from the Chair	Chairman Darm
III	Introduction of Commissioners/Advisors and the Public	Commissioners/Advisors and Others
IV	Public Comments Comments limited to the current agenda items	Public
<b>Action Items</b>		
V	Proposed Consultant Contract Budgets for FY 2011-12	Bobby Jernigan
VI	Status of Sarasota County Medicaid Non-Emergency Transportation Provider	Bobby Jernigan
VII	Medicaid Amendment Number 4	Bobby Jernigan
VIII	Medicaid Reduction Implementation	Bobby Jernigan
IX	Public Comment	Public
X	Commissioner/Advisor Comments	Commissioners/Advisors
XI	Adjournment	Chairman Darm

When operating under Florida's Government in the Sunshine Law, the Florida Supreme Court recognizes the importance of public participation in open meetings. The Commission provides that right of access at each public meeting and adheres to Chapter 286.011, Florida Statutes. A comment card for each speaker is required, and this limits public comment to five (5) minutes per speaker.

In accordance with the Americans with Disabilities Act (ADA), and Chapter 286.26, Florida Statutes, persons in need of special accommodation to participate in the meeting (including an agenda) shall contact our office, at least 48 hours before the meeting by email at [vicki.scheffer@dot.state.fl.us](mailto:vicki.scheffer@dot.state.fl.us) or by the following listed below:

Commission for the Transportation Disadvantaged  
605 Suwannee Street, MS-49  
Tallahassee, FL 32399-0450  
(850) 410-5703 or (800) 983-2435  
(850) 410-5708 (TDD/TTY).

This meeting is subject to change upon the chairman's request.

**State of Florida**  
**Commission for the Transportation Disadvantaged**  
Commission Business Meeting

**MEETING DATE:** June 14, 2011

**AGENDA ITEM:**

V. Proposed Consultant Contract Budgets for FY 2011-12:

- A. Legal Services
- B. Quality Assurance
- C. 2012 Training and Technology Conference Planning
- D. Executive Director Discretionary
- E. Information Technology Contractual Services
- F. Staff Augmentation for the Non-Emergency Medicaid Transportation Services
- G. Single Audit
- H. 5-Year Plan

**BACKGROUND INFORMATION:** This agenda item was deferred from the May 24, 2011 Commission Business Meeting. Prior to the beginning of each fiscal year, the Commission should review recommendations by the Executive Director for projects to be outsourced that assist the Commission in accomplishing its statutory responsibilities. Many of these services have been provided in the past years in the areas of quality assurance by Thomas, Howell, Ferguson, Inc.; Legal Services by the Attorney General's Office; and conference planning by the University of Florida. The Commission continues to seek ways to help automate reporting requirements of the CTCs. We have used various Information Technology (IT) contracts to assist in this area. We have developed a reporting website for the AOR and the Medicaid transportation data. We will continue to be required to provide for Medicaid reporting for the next year. These IT contracts assist in the maintenance and enhancement to the reporting modules as the TD program grows and to meet the increased requirements demanded.

The Commission is required to produce a 5 year strategic plan. We will begin the process to procure a consultant to assist with the development of this plan. We are requesting \$30,000 as a cap at this time for these services.

These contract arrangements have served the Commission well as enhancements to Commission staff. As customary, an Executive Director Discretionary amount is requested to assist the Director with contractual service needs that may arise throughout the year. These needs would be discussed with the Commission Chairman and/or the Executive Committee, and would only be used with their consensus.

Based on the above summaries, the proposed contract levels recommended are as follows:

- A. Legal Services - \$50,000 - If unexpected legal costs arise, the committee will revisit this level of funding.
- B. Quality Assurance - \$190,000.
- C. Conference Planning - \$30,000.
- D. Executive Director Discretionary - \$75,000 to be used for contractual service contracts with consensus from the Commission Chair.
- E. Information Technology Contractual Services – Not to exceed \$150,000 without Commission approval.
- F. Staff Augmentation for Non-Emergency Transportation Services – Not to exceed \$100,000 without Commission approval.
- G. Single Audit - \$80,000
- H. 5-Year Plan – Procure consultant for assisting in the development of 5-year plan - \$30,000

All vendors will be procured in accordance with Florida Statutes and Departmental Policies and Procedures.

**EXECUTIVE DIRECTOR RECOMMENDATION/MOTION:**

The Executive Director recommends the Commission approve the contract budgets.

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Bobby Jernigan  
Executive Director  
Date: June 14, 2011

**State of Florida**  
**Commission for the Transportation Disadvantaged**  
**Commission Business Meeting**

**MEETING DATE:** June 14, 2011

**AGENDA ITEM:**

VI. Status of Sarasota County Medicaid Non-Emergency Transportation Provider

**BACKGROUND INFORMATION:**

The Commission was notified by TMS that they will no longer maintain the Medicaid Non-Emergency Transportation contract in Sarasota County with the Commission.

Since the last discussion on services for Sarasota, TMS has submitted a request for trip limiting in accordance with their service agreement and AHCA's and the Commission's trip limiting procedure. This will be reviewed by AHCA and Commission staff for approval. Once approved, TMS will be allowed to limit certain Medicaid trips for a limited time.

**ATTACHMENTS:**

Letter from TMS.  
Trip Limiting Procedure  
Trip Limiting Request from TMS

**EXECUTIVE DIRECTOR RECOMMENDATION/MOTION:**

Informational update.

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Bobby Jernigan  
Executive Director  
Date: June 14, 2011

**ACTION TAKEN AT MEETING:**



April 11, 2011

Bobby Jernigan, Executive Director  
Florida Commission for the Transportation Disadvantaged  
605 Suwannee Street, MS 49  
Tallahassee, FL 32399-0450

Dear Mr. Jernigan:

TMS Management Group, Inc. ("TMS") has provided Medicaid Non-Emergency Transportation services to the citizens of Sarasota County since 2007 and it is with regret that we must submit a notice of withdrawal to the Florida Commission for the Transportation Disadvantaged ("CTD") as the Subcontracted Transportation Provider ("STP") in Sarasota County, effective July 15, 2011.

TMS is committed to offering transportation services that are of a quality nature at an efficient cost. However, as we have documented each month in the CTD's Monthly Performance Measures Report, and through verbal communication, the trip volume has more than doubled since January 20, 2009 and this has caused TMS to sustain continuing financial losses for the past 14 months. TMS has utilized public transit passes, volunteer mileage reimbursement, and multi-loaded trip scenarios as cost containment options to operate within Sarasota County's Medicaid funding allocation. Even with the increased utilization of each of these options, the revenue per trip has dropped from \$17.84 in January 2010 to only \$11.38 in March 2011. This is well below the average cost per trip for both this service area and around the state.

As you recall, TMS notified the CTD of this issue in March 2010, and it is never our intent to depart from a county, but, unfortunately, Medicaid eligibles and trip volumes have increased to such a level that we can no longer sustain the losses in Sarasota County. TMS will work closely with the CTD staff, and the selected vendor, to ensure all data and information is expeditiously shared to ensure minimal interruption in service for Sarasota County Medicaid beneficiaries.

At this time, TMS remains committed to all other STP properties in Florida and sincerely regrets that it has become necessary to cease our relationship with the CTD in Sarasota County. If any further information is needed at this time, please feel free to contact me at 727.871.6500. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "David McDonald", is written over a white background. The signature is fluid and cursive.

David McDonald, President

13825 ICOT Boulevard, Suite 613, Clearwater, Florida 33760 - [www.tmsmanagementgroup.com](http://www.tmsmanagementgroup.com)  
Toll Free: 866.790.8859 - Fax: 727.252.0933

Client Sensitive Agency Efficient Provider Friendly

CC: JR Harding, EdD, CTD Chairman  
Beth Kidder, Bureau Chief, Medicaid Services Agency for Health Care Administration  
John Irvine, Area 4 Project Manager, CTD  
Anthony C. Beckford, SCAT General Manager

- f. Require the use of public transportation, where available and appropriate, for Medicaid Beneficiaries who are able to understand common signs and directions.
  - g. Determine if the Medicaid Beneficiary is ambulatory, requires a mobility device, or requires a stretcher for transport. The STP shall transport Medicaid Beneficiaries who must use a mobility device for ambulation or must remain in a lying position in vehicles appropriate to their level of need.
  - h. Provide Transportation Services only to a Medicaid compensable service.
  - i. Refuse to reimburse the cost of transportation provided for a Medicaid Beneficiary by any relative or member of the same household, exclusive of foster parents.
  - j. Some nursing facilities, group homes, and personal care homes have one or more vehicles, which are intended to facilitate the general administration of the facility and not necessarily to provide for resident transportation. The STP cannot deny Transportation Services based on the mere existence of a vehicle. The availability of a vehicle for resident transportation must be determined on a case by case basis. If the vehicle is not available for resident transportation at the time required, as represented by the nursing facility manager or director of nursing, as applicable, the Recipient/Subcontractor shall exclude such vehicle as an alternate form of available transportation.
  - k. Consider information presented by or on behalf of a Medicaid Beneficiary relative to the need for Transportation Services upon each such request for transportation, notwithstanding previous denials of service.
  - l. Except as otherwise specified below, require that a Medicaid Beneficiary and associated Attendant/Escort be picked up from, and returned to, a common address.
  - m. Ensure that Medicaid is the payor of last resort and that the Medicaid Beneficiary does not have access to any other form of transportation service to a Medicaid compensable service.
5. If the STP requires an application process to determine eligibility for Transportation Services, the STP shall provide Transportation Services to all Medicaid Beneficiaries requiring Urgent Trips pending the STP's final eligibility determination.

### C. Trip Limiting Procedure

1. Nothing in the Trip Limiting Procedure detailed below supersedes the Commission's or AHCA's prohibition against limiting specific types of Trips as set forth in the Gate Keeping section above.
2. The STP may limit the total number of daily Medicaid Trips available so long as the STP completes the following Trip limitation procedure:
  - a. The STP shall provide all detailed background information explaining why the STP feels it must initiate Trip limits to the Recipient no less than sixty (60) Calendar Days before the STP plans to initiate Trips limits. The background information shall include the following:
    - (1) An explanation as to why the STP needs to initiate Trip limits and what it plans to do to resolve the issues that require the STP to request Trip limits as quickly as possible;
    - (2) The STP's process for establishing a daily budget;
    - (3) The STP's current Gate Keeping strategies/programs and how the STP intends to revise its Gate Keeping strategies/programs to ensure a swift return to normal provision of Transportation Services;
    - (4) The STP's Costs and an explanation of its financial situation;
    - (5) A copy of the notification the STP proposes to mail to all affected Medicaid Beneficiaries at least thirty (30) Calendar Days before it plans to initiate its Trip limits. The STP's letter should state that trips for dialysis, chemotherapy, etc. are exempt from the upcoming Trip limits.
    - (6) The STP's current daily budget allocation and the STP's projected daily budget allocation during the period the STP proposes to limit Trips; and
    - (7) A specific date upon which the STP expects to be able to provide Transportation Services without Trip limits, not to exceed ninety (90) Calendar Days.
  - b. Upon receipt of the Trip Limiting request from the STP, the Commission shall review the information and, within ten (10) Business Days, either:
    - (1) Forward documentation with analysis as to why the request is necessary and reasonable to AHCA for approval. Send written notification to the STP that request has been submitted to the AHCA for approval;

- (2) Deny the STP's request and send written notification to the STP;  
or
  - (3) Forward documentation with analysis for partial approval of request to AHCA for approval and notify the STP in writing of such action. (STP may request a trip limit of 30 trips but the Commission recommends a Trip limit of forty (40) Trips per day for AHCA's approval).
- c. If the STP's Trip limit request submission is incomplete or does not adequately explain the reasons it feels that it must initiate Trip limits, the Commission shall deny the STP's request and send a copy of the denial to the Agency for Health Care Administration.
- d. Upon receipt of the documents from the Commission, the Agency shall have ten (10) business days to review the information and either:
- (1) Approve the STP's request and send written notification to the Commission;
  - (2) Disapprove the STP's request in full and send written notification of the Agency's disapproval to the Commission, or
  - (3) Approve the STP's request in part and send written notification to the Commission with specific instructions as to which part(s) the Agency approves.
    - (a) Example – The STP requests a Trip limit of thirty (30) Medicaid compensable Trips per day, but the Agency for Health Care Administration approves a Trip limit of forty (40) Trips per day.
- e. The STP shall acknowledge the Commission's/Agency's final determination within five (5) Business Days. If the Agency grants only partial approval, the STP must specify in its acknowledgement that it will abide by the final approved Trip limit program.
- f. If the STP wants to extend the Trip limit, the STP must supply the Commission and the Agency at least thirty (30) Calendar Days before the first Trip limit period ends with an explanation as to why the initial Trip limit period was insufficient to meet the goals set forth in the STP's original proposal and how the STP plans to be able to resume normal services at the end of the second ninety (90) day period. The Commission and the Agency may approve an extension of up to ninety (90) days.
- g. The Agency will not allow a STP to conduct more than two (2) Trip limit periods during a three-hundred sixty-five (365) Calendar Day period. If a STP is unable to provide the full spectrum of Transportation Services

without limiting Trips after two (2) Trip limit periods in a 365 Calendar Day period, the Commission shall terminate the STP and procure a new STP.

### **III. MEDICAID BENEFICIARY SERVICES**

#### **A. Medicaid Beneficiary Services**

##### **1. General Provisions**

- a. The STP shall have written policies and procedures for the provision of Transportation Services, as specified in this Agreement
- b. The STP shall ensure that Medicaid Beneficiaries are aware of their rights and responsibilities, how to obtain Transportation Services, what to do in an Emergency or Urgent Care situation, how to file a Complaint, Grievance, Appeal, or Medicaid Fair Hearing, how to report suspected Fraud and Abuse, and all other requirements and Covered Services.
- c. The STP shall have the capability to answer Medicaid Beneficiary inquiries via written materials, telephone, electronic transmission, and face-to-face communication.
- d. The STP shall not charge the Commission, Agency for Health Care Administration or Medicaid Beneficiaries for printing written materials.
- e. The STP must make oral interpretation services available free of charge to non-English speaking Medicaid Beneficiaries. This applies to all non-English languages, not just those that the State identifies as prevalent. The STP shall not charge the Commission, Agency for Health Care Administration or the Medicaid Beneficiary for interpretation services. The STP shall notify all Medicaid Beneficiaries that oral interpretation is available for any language and written information is available in prevalent languages, and how to access those services.

##### **2. Medicaid Beneficiary Communications**

- a. Requirements for all Communications
  - (1) The Commission and the AHCA must approve, in writing, all written, website and verbal communications developed by the STP for distribution/transmission to Medicaid Beneficiaries before communication.
  - (2) The STP shall make all written communications available in alternative formats and in a manner that takes into consideration the Medicaid Beneficiary's special needs, including those who are visually impaired or have limited reading proficiency (e.g., Braille,

f. The STP may limit out of county Trips to specific days of the week (e.g., Tampa on Mondays and Wednesdays; Orlando on Tuesdays and Thursdays). The STP must provide out of county Trips on unscheduled days if the provider with whom the Medicaid Beneficiary has an appointment does not see patients on the Recipient's regularly scheduled Trip day. The STP is responsible for notifying Medicaid Beneficiaries of an established out of county service route so that Medicaid Beneficiaries can schedule appointments accordingly.

- (1) The STP can request confirmation, but shall not require written confirmation, from the provider or the Medicaid area office that the out of county Medicaid compensable services are not available in the Medicaid Beneficiary's county of residence or that the services are available only on a specific day that does not correspond to the established schedule.

2 Out of State Transportation

a. If the Agency for Health Care Administration authorizes an out of State Medicaid compensable service, the STP shall not require additional confirmation that the services are available in the State.

- (1) For advance notice purposes, within one (1) Business Day of receipt from the Agency for Health Care Administration, the Commission shall notify the STP when a Medicaid Beneficiary requests out of State Medicaid compensable services.

- (3) The Commission shall forward the written approval from the Agency for Health Care Administration to the STP authorizing out of State Medicaid compensable services.

- (4) At least quarterly, the Commission shall update the STP on the status of Medicaid Beneficiaries receiving Medicaid compensable services out of State.

- (5) The Commission will forward any notification from AHCA stating that a Medicaid Beneficiary is ready for transport back to the State.

3. Neither the Agency for Health Care Administration, the Commission, nor the STP shall limit the following types of Trips. The STP shall provide the following types of Trips in addition to the STPs daily Trip allocation:

a. Urgent Trips

b. Trips to the following types of services:

- (1) Dialysis;

TRIPS THAT MAY  
NOT BE LIMITED  
↓

- (2) Chemotherapy;
  - (3) Wound treatment;
  - (4) Behavioral Health Care;
  - (5) Prescribed Pediatric Extended Care centers (PPECs); or,
  - (6) Any other Trip not specifically set forth above, but that the Agency for Health Care Administration determines, after consultation with the Commission, is in the best interests of the Medicaid Beneficiary population.
- 

4. The STPs shall comply with the following gate keeper responsibilities:
  - a. Accept requests for Transportation Services directly from Medicaid Beneficiaries, adult family members on behalf of minor Medicaid Beneficiaries, guardians responsible for Medicaid Beneficiaries, and providers/Licensed Health Care Professionals on behalf of Medicaid Beneficiaries.
  - b. Assure that the Medicaid Beneficiary is a resident of Florida and is currently Medicaid eligible. Medicaid eligibility shall be obtained by contacting a MEVS vendor or similar provider, including the STPs eligibility verification program, through FAXBACK with the Medicaid Fiscal Agent where a fax is sent through an automated system and a report is transmitted back containing Beneficiary eligibility information.
  - c. Determine if transportation resources exist within the Medicaid Beneficiary's Household regularly and/or specifically for the Trip requested, and may deny a Trip request if the Medicaid Beneficiary has appropriate transportation resources in his/her Household.
  - d. Determine if there is a reason why the Medicaid Beneficiary cannot utilize his/her own transportation (such as the vehicle is broken, out of gas, etc.). If the Beneficiary is unable to utilize his/her transportation, the STP may assist the Medicaid Beneficiary in utilizing his/her own means of transport (fix vehicle, supply gas, etc.).
  - e. Determine whether any person who does not reside in the Medicaid Beneficiary's household can reasonably provide transportation. "Reasonably" is defined to mean both willing and able. The STP shall not demand the use of transportation resources available through any party residing outside the Medicaid Beneficiary's household.



June 8, 2010

Chairman David Darm  
Florida Commission for the Transportation Disadvantaged  
605 Suwannee Street, MS 49  
Tallahassee, FL 32399-0450

Dear Chairman Darm:

TMS Management Group, Inc. ("TMS") and our owners have been a proud partner within the Florida Transportation Disadvantaged Program for many years. In 2008, TMS began operating as the Subcontracted Transportation Provider in Sarasota County, after the Community Transportation Coordinator (CTC) declined to participate in the Medicaid Non-Emergency Transportation Program.

TMS took over the Sarasota Medicaid Program because the current CTC could not work within the monthly Medicaid budget. In the first year, TMS implemented several innovative programs such as Mileage Reimbursement, multi-loading, and a robust bus pass distribution program. TMS worked with the Local Coordinating Board, Planning Organization, and the CTC to create a bus pass distribution program that would benefit the entire coordinated system.

In an effort to continuously adhere to the monthly allocation, in September 2009, TMS and SCAT entered into an agreement in which TMS could purchase discounted Monthly Bus Passes for our Medicaid clients. TMS has vigorously pursued this bus pass distribution as the first transportation option for riders who are able to utilize fixed route services. TMS has purchased and distributed literally hundreds of bus passes during our tenure as STP giving beneficiaries the freedom afforded by public transit and the CTC, Sarasota County Area Transit (SCAT), an increase in ridership. TMS continues to distribute approximately 160 bus passes each month in Sarasota County.

In addition, TMS has pursued volunteer reimbursements to Medicaid recipients who have a friend or family member that can provide reliable transportation. This program has yielded good results and we continue to approve 20 individuals per month; however, most Medicaid clients do not have the ability each month to utilize this alternative source of transportation.

Although TMS has pursued innovative methods of transportation to keep costs down, Sarasota County's tremendous amount of growth over the last year to its Medicaid eligibility caseload has caused expenses to greatly exceed revenue. In fact, Sarasota County's rate of growth has surpassed the State of Florida's eligibility growth and in just the last two years, the total monthly caseload has increased by nearly 24%.



**Number of Medicaid Eligibles, 2009 - 2011**

	January 31, 2009	April 30, 2011	Percent Change
<b>Sarasota</b>	30,022	39,460	23.92%
<b>State of Florida</b>	2,444,044	2,975,095	17.85%

Sarasota County is also receiving a lower than average monthly allocation. The statewide per member per month rate is \$1.80, while Sarasota County only receives \$1.19 per member per month.

**Per Member Per Month, 2011**

	Eligibles, April 2011	Monthly Allocation	Per Member Per Month
<b>Sarasota</b>	39,460	47,054	\$1.19
<b>State of Florida</b>	2,975,095	5,369,118	\$1.80

TMS is fully committed to our partnership with the Florida Commission for the Transportation Disadvantaged (CTD), the Agency for Health Care Administration (AHCA) and the local Sarasota coordinated system. For this reason, we have exhausted every possible solution to remain within this project. However, it simply is not economically sustainable for any company to shoulder this responsibility without additional funding.

As we have been reporting to the CTD in the monthly Performance Measures Report, trip counts in Sarasota County have more than doubled since January 2009. Please see below:

<u>Month</u>	<u>Trips</u>	<u>Month</u>	<u>Trips</u>	<u>Month</u>	<u>Trips</u>
January 2009	1523	January 2010	2637	January 2011	4055
February 2009	1439	February 2010	3122	February 2011	3457
March 2009	1767	March 2010	3551	March 2011	4136
April 2009	1406	April 2010	3224	April 2011	4145
May 2009	1707	May 2010	3390	May 2011	
June 2009	1924	June 2010	3338	June 2011	
July 2009	2114	July 2010	3018	July 2011	
August 2009	2496	August 2010	3136	August 2011	
September 2009	2044	September 2010	3313	September 2011	
October 2009	2278	October 2010	3282	October 2011	
November 2009	2566	November 2010	3279	November 2011	
December 2009	2421	December 2010	3598	December 2011	

Currently, the provider costs are far beyond our Medicaid reimbursement for Sarasota County. We have worked hard to remain within the allotted amount of funds with limited success. Recent months



**TMS Management Group, Inc.**

13825 ICOT Blvd. Suite 613 Clearwater, Florida 33760  
Tel: 727.545.2100 Toll free: 866.867.0729 Fax: 727-252-0933  
www.tmsmanagementgroup.com

have shown that well over \$20,000.00 per month in excess provider and administrative costs have been realized beyond what we receive for transportation from the CTD. Moreover, TMS has posted these losses for sixteen consecutive months.

	<u>March 2011</u>	<u>April 2011</u>
Sarasota Allocation:	\$ 47,054.00	\$47,054.00
Provider Costs:	\$ 80,701.00	\$70,470.00
Administrative Costs:	<u>\$ 2,468.00</u>	<u>\$ 2,577.00</u>
Current Deficit:	\$(36,115.00)	\$(25,416.00)

We are requesting the following to assist with the budget deficits that Sarasota County is experiencing:

- Approval for Trip Limiting to begin on August 8, 2011
- Approval for Emergency Fund Dollars of \$25,000 per month for 2 months to stabilize the program until the Trip Limiting process has begun.

The required forms and back up documentation for both the Trip Limiting Procedure and the Emergency Fund Request are attached. Please consider swift action and immediate attention to this important matter.

TMS wants to continue to be a valuable Florida based STP, and we hold in high regard our longstanding relationship with all strategic partners including the CTD, ACHA, and the local coordinating boards. We look forward to working with you and your staff on finding a reasonable resolution to the current budget shortfalls in Sarasota County.

Sincerely,

David McDonald  
President

Attachments

Cc: Bobby Jernigan, Executive Director  
Beth Kidder, Bureau Chief of Medicaid Services  
John Irvine, Area 6 Project Manager  
Beverly Kent, SCAT Paratransit Manager  
Bob Herrington, Planner, Sarasota County MPO

# TRIP LIMITING REQUEST FOR SARASOTA COUNTY

<b>Subcontracted Transportation Provider (STP):</b>	<b>TMS Management Group, Inc.</b>
<b>Current Allocation:</b>	<b>\$47,054 per month</b>
<b>Over Budget:</b>	<b>\$26,649 (Average Per Month for 2010-2011)</b>
<b>Date Trip Limiting To Begin:</b>	<b>August 8, 2011</b>

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According to the STP Agreement and the Florida Medicaid Reimbursement Handbook, an STP may request that a Trip Limiting process be put in place when the allocation received is no longer adequate to provide the necessary transportation services. TMS will provide all detailed background information explaining why we feel we must initiate Trip limits to the Recipients.

The background information includes the following:

**(1) An explanation as to why the STP needs to initiate Trip limits and what it plans to do to resolve the issues that require the STP to request Trip limits as quickly as possible.**

TMS took over the Sarasota Medicaid Program because the current CTC was not able to work within the monthly Medicaid budget. In the first year, TMS implemented several innovative programs such as Mileage Reimbursement, multi-loading, and a robust bus pass distribution program. TMS worked with the Local Coordinating Board, Planning Organization, and the CTC to create a bus pass distribution program that would benefit the entire coordinated system.

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In addition, TMS has pursued volunteer reimbursements to Medicaid recipients who have a friend or family member that can provide reliable transportation. This program has yielded good results and we continue to approve 20 individuals per month; however, most Medicaid clients do not have the ability each month to utilize this alternative source of transportation.

Although TMS has pursued innovative methods of transportation to keep costs down, Sarasota County's tremendous amount of growth over the last year to its Medicaid eligibility caseload has caused expenses to greatly exceed revenue. In fact, Sarasota County's rate of growth has surpassed the State of Florida's eligibility growth and in just the last year, the total monthly caseload has increased by nearly 20%.

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November 2009	<b>2566</b>	November 2010	<b>3279</b>	November 2011	
December 2009	<b>2421</b>	December 2010	<b>3598</b>	December 2011	

Currently, the provider costs are far beyond our Medicaid reimbursement for Sarasota County. We have worked hard to remain within the allotted amount of funds with limited success. Recent months have shown that well over \$25,000.00 per month in excess provider and administrative costs have been realized beyond what we receive for transportation from the CTD. Moreover, TMS has posted these losses for sixteen consecutive months.

	<u>March 2011</u>	<u>April 2011</u>
Sarasota Allocation:	\$ 47,054.00	\$47,054.00
Provider Costs:	\$ 80,701.00	\$70,470.00

Administrative Costs:	<u>\$ 2,468.00</u>	<u>\$ 2,577.00</u>
Current Deficit:	\$(36,115.00)	\$(25,993.00)

**(2) The STP's process for establishing a daily budget.**

In order to determine the daily allocation, TMS will calculate an average amount spent on "urgent care" trips in Sarasota county, this amount will be subtracted from the monthly allocation. The dollar amount that is left will be divided by the average cost per trip to show how many trips per month we can do. Then, this number is divided by the number of normal operating days within the month. This will be the daily trip limit. TMS will then subtract out the average trip counts for recurring, life-sustaining trips (dialysis, chemotherapy, etc.) and the remainder will be considered the daily trip limit for routine medical appointments. Please see the calculation below.

\$47,054	Monthly Allocation
<u>- \$2,000</u>	Average Amount spent on Urgent Trips
\$45,054	Amount available per month for regular trips

$\$45,054 / \$20.77$  (Average Per Trip Cost/2010-2011) = 2,169 Trips Allowed Per Month.

$2,169 \text{ trips} / 23 \text{ days}$  in between August 8, 2011 and November 7, 2011 = 94 Trips Allowed Per Day

$94 - 40 \text{ trips per day for Chemotherapy, Dialysis, etc.} = 54 \text{ Trips Per Day}$

This formula will be updated on September 8, 2011 to reflect current data.

**(3) The STP's current Gate Keeping strategies/programs and how the STP intends to revise its Gate Keeping strategies/programs to ensure a swift return to normal provision of Transportation Services.**

Current Gate Keeping Strategies:

- Bus Passes, if appropriate
- Mileage Reimbursements, if available
- Multi-Loading Clients

Future Gate Keeping Strategies:

- Heavily market the bus pass
- Continue offering mileage reimbursement
- Limit out of county transports to Monday, Wednesday and Friday Require the Transportation Provider to call the Medicaid recipient 24 hours advance to confirm the trip.

**(4) The STP's Costs and an explanation of its financial situation.**

TMS has operated in a deficit every month since March 2009, for over two years. We have patiently waited for the caseload to stabilize or for an increase in revenue due to Washington increasing its share of Medicaid costs as part of last year's federal economic-stimulus package, to flow down to transportation. Neither of these events has happened. The CTD's allocation has remained unchanged over the course of the six years it has managed the contract; however, the Medicaid caseload and trip demand continue to drastically rise in Sarasota County and TMS can no longer shoulder the burden without assistance.

	<u>Mar 11</u>	<u>Apr 11</u>	<u>TOTAL</u>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
Revenue - Medicaid (FL)			
Sarasota County	<u>47,054</u>	<u>47,054</u>	<u>94,108</u>
<b>Total Revenue - Medicaid (FL)</b>	<u>47,054</u>	<u>47,054</u>	<u>94,108</u>
<b>Total Income</b>	<u>47,054</u>	<u>47,054</u>	<u>94,108</u>
<b>Cost of Goods Sold</b>			
Provider Cost	80,101	70,470	150,006
Verification Services			
Medicaid	<u>600</u>	<u>505</u>	<u>1105</u>
<b>Total Verification Services</b>	<u>600</u>	<u>505</u>	<u>1105</u>
<b>Total COGS</b>	<u>80,701</u>	<u>70,470</u>	<u>151,171</u>
<b>Gross Profit (Loss)</b>	<u>(33,647)</u>	<u>(23,416)</u>	<u>(57,063)</u>
<b>Direct Expenses</b>			
Operator payroll & benefits	1,740	1,849	3,589
Rent (3%)	228	228	456
Telephone (3%)	<u>500</u>	<u>500</u>	<u>1,000</u>
<b>Total Direct Expenses</b>	<u>2,468</u>	<u>2,577</u>	<u>5,045</u>
<b>Net Loss</b>	<u>(36,115)</u>	<u>(25,993)</u>	<u>(62,108)</u>

**(5) A copy of the notification the STP proposes to mail to all affected Medicaid Beneficiaries at least thirty (30) Calendar Days before it plans to initiate its Trip limits. The STP's letter should state that trips for dialysis, chemotherapy, etc. are exempt from the upcoming Trip limits.**

Please see attached notice.

**(6) The STP's current daily budget allocation and the STP's projected daily budget allocation during the period the STP proposes to limit Trips; and**

Current Daily Trip Count: 197 Trips Per Day

Projected Daily Budget Allocation: 94 trips per day for the period from August 8, 2011 – September 7, 2011, 94 trips per day for the period from September 8, 2011 – October 7, 2011, 94 trips per day for the period from October 8, 2011 – November 7, 2011.

**(7) A specific date upon which the STP expects to be able to provide Transportation Services without Trip limits, not to exceed ninety (90) Calendar Days.**

November 8, 2011



**June 8, 2011**  
**Notice to All Sarasota County Medicaid Recipients**  
**Who Use Transportation Services!!**

TMS Management Group, Inc. ("TMS") is the company who arranges all non-emergency transportation services in Sarasota County. TMS receives a set amount per month that does not change when new Medicaid clients become part of the transportation program. Unfortunately, the monthly amount that TMS receives is currently not enough to cover all of the trip requests that we are receiving.

**Beginning on August 8, 2011, TMS has received state approval to place a "limit" on the number of trips that are scheduled each day.**

*How Will This Change Your Services?*

- **You will need to call as soon as you know the date of your medical appointment to arrange for transportation.** You may not be guaranteed a trip on the day that you request. If the trip limit is full for the day, you will need to re-schedule your appointment on a different date and call again to confirm the transportation services.
- **Out-of-county trips will only occur on Monday, Wednesday or Friday.** No routine out-of-county trips will be schedule on any other day. Please make any out-of-county appointments on Monday, Wednesday, and Friday and call the TMS office as soon as possible.
- **You must verify your transportation a day before your scheduled ride.** The transportation provider who is scheduled to pick you up will call you the day before your scheduled ride. **YOU MUST VERIFY** with the provider that you are going to be ready to take the trip the next day at the scheduled time.

*Are There Any Options Other Than a Ride from a Transportation Provider?*

- **YES!** You may be approved to utilize a bus pass or use a family member or friend to provide your transportation service, please call TMS at 1-866-867-0729 to see if you are eligible for either of these innovative programs.

*Who Does this Not Affect?*

The "trip limiting" process **DOES NOT AFFECT** the following individuals:

- Medicaid clients who use their own car to drive to appointments.
- Medicaid clients who use a family member or friend to drive to appointments.
- Medicaid clients that need dialysis services.
- Medicaid clients that need chemotherapy.
- Medicaid clients that have an "urgent" trip, including urgent care, discharge from a facility, etc.
- Medicaid clients who receive a monthly bus pass, please follow the normal process.

We apologize for any inconvenience that this may cause and we encourage you to schedule your rides as early as possible. If you have any questions, please contact TMS at 1-866-867-0729.

Thank you.

## Emergency Request Forms

### 1. Eligibility Status of the Recipient.

TMS Management Group, Inc. ("TMS") is the Medicaid Subcontracted Transportation Provider for Sarasota County.

### 2. Explanation of how and why transportation services for the transportation disadvantaged are or will be substantially denied.

Sarasota County has experienced a large increase in Medicaid eligibles and an increase in the average cost per trip. The allocation (\$47,054 per month) has remained the same since the inception of the program and this dollar amount is not enough to cover the costs of the transportation services that are necessary in Sarasota County. TMS can no longer operate at a loss in this county and is requesting emergency funds to cover the expenses until trip limiting can be put into place. If no additional funding is allocated to Sarasota County, the Medicaid recipients may experience limitations of transportation services.

### 3. Factors causing or contributing to the emergency.

TMS took over the Sarasota Medicaid Program because the current CTC could not work within the monthly Medicaid budget. In the first year, TMS implemented several innovative programs such as Mileage Reimbursement, multi-loading, and a robust bus pass distribution program. TMS worked with the Local Coordinating Board, Planning Organization, and the CTC to create a bus pass distribution program that would benefit the entire coordinated system.

In an effort to continuously adhere to the monthly allocation, in September 2009, TMS and SCAT entered into an agreement in which TMS could purchase discounted Monthly Bus Passes for our Medicaid clients. TMS has vigorously pursued this bus pass distribution as the first transportation option for riders who are able to utilize fixed route services. TMS has purchased and distributed literally hundreds of bus passes during our tenure as STP giving beneficiaries the freedom afforded by public transit and the CTC, Sarasota County Area Transit (SCAT), an increase in ridership. TMS continues to distribute approximately 160 bus passes each month in Sarasota County.

In addition, TMS has pursued volunteer reimbursements to Medicaid recipients who have a friend or family member that can provide reliable transportation. This program has yielded good results and we continue to approve 20 individuals per month; however, most Medicaid clients do not have the ability each month to utilize this alternative source of transportation.

Although TMS has pursued innovative methods of transportation to keep costs down, Sarasota County's tremendous amount of growth over the last year to its Medicaid eligibility caseload has caused expenses to greatly exceed revenue. In fact, Sarasota County's rate of growth has surpassed the State of Florida's eligibility growth and in just the last two years, the total monthly caseload has increased by nearly 24%.

**Number of Medicaid Eligibles, 2009 – 2011**

	<b>January 31, 2009</b>	<b>April 30, 2011</b>	<b>Percent Change</b>
<b>Sarasota</b>	30,022	39,460	23.92%
<b>State of Florida</b>	2,444,044	2,975,095	17.85%

Sarasota County is also receiving a lower than average monthly allocation. The statewide per member per month rate is \$1.80, while Sarasota County only receives \$1.19 per member per month.

**Per Member Per Month, 2011**

	<b>Eligibles, April 2011</b>	<b>Monthly Allocation</b>	<b>Per Member Per Month</b>
<b>Sarasota</b>	39,460	47,054	\$1.19
<b>State of Florida</b>	2,975,095	5,369,118	\$1.80

TMS is fully committed to our partnership with the Florida Commission for the Transportation Disadvantaged (CTD), the Agency for Health Care Administration (AHCA) and the local Sarasota coordinated system. For this reason, we have exhausted every possible solution to remain within this project. However, it simply is not economically sustainable for any company to shoulder this responsibility without additional funding.

As we have been reporting to the CTD in the monthly Performance Measures Report, trip counts in Sarasota County have more than doubled since January 2009. Please see below:

<u>Month</u>	<u>Trips</u>	<u>Month</u>	<u>Trips</u>	<u>Month</u>	<u>Trips</u>
January 2009	<b>1523</b>	January 2010	<b>2637</b>	January 2011	<b>4055</b>
February 2009	<b>1439</b>	February 2010	<b>3122</b>	February 2011	<b>3457</b>
March 2009	<b>1767</b>	March 2010	<b>3551</b>	March 2011	<b>4136</b>
April 2009	<b>1406</b>	April 2010	<b>3224</b>	April 2011	<b>4145</b>
May 2009	<b>1707</b>	May 2010	<b>3390</b>	May 2011	
June 2009	<b>1924</b>	June 2010	<b>3338</b>	June 2011	
July 2009	<b>2114</b>	July 2010	<b>3018</b>	July 2011	
August 2009	<b>2496</b>	August 2010	<b>3136</b>	August 2011	
September 2009	<b>2044</b>	September 2010	<b>3313</b>	September 2011	
October 2009	<b>2278</b>	October 2010	<b>3282</b>	October 2011	
November 2009	<b>2566</b>	November 2010	<b>3279</b>	November 2011	
December 2009	<b>2421</b>	December 2010	<b>3598</b>	December 2011	

Currently, the provider costs are far beyond our Medicaid reimbursement for Sarasota County. We have worked hard to remain within the allotted amount of funds with limited success. Recent months have shown that well over \$25,000.00 per month in excess provider and administrative costs have been realized beyond what we receive for transportation from the CTD. Moreover, TMS has posted these losses for sixteen consecutive months.

	<u>March 2011</u>	<u>April 2011</u>
Sarasota Allocation:	\$ 47,054.00	\$47,054.00
Provider Costs:	\$ 80,701.00	\$70,470.00
Administrative Costs:	<u>\$ 2,468.00</u>	<u>\$ 2,577.00</u>
Current Deficit:	\$(36,115.00)	\$(23,416.00)
<p><b>4. The eligible activities which are to be undertaken as a result of the emergency. This includes the procurement of capital equipment, units of transportation service (trips), the recipients of the additional trips, and start-up activities or other extraordinary planning agency related activities.</b></p> <p>The emergency funds will be used to continue to purchase units of transportation service for Sarasota County Medicaid recipients.</p>		
<p><b>5. A detailed explanation of funding level necessary to accomplish the desired activities and a budget of the manner in which the emergency funds will be spent.</b></p> <p>TMS is requesting \$25,000 per month to cover the cost of the transportation provider expenses for the period from June 8, 2011 to August 7, 2011 until Trip Limiting begins.</p> <p>The total request will be \$50,000 and will be used to purchase transportation services at the current level until trip limiting begins on August 8, 2011.</p>		
<p><b>6. A description of the time period for which the emergency situation and subsequent emergency activities will exist.</b></p> <p>The time period is June 8, 2011 to August 7, 2011.</p>		
<p><b>7. The activities or need for services are not related to those which are normally planned and provided through an established sponsoring agency or program.</b></p> <p>These services are to be paid for by the Medicaid program; however, the Medicaid allocation has not increased since the inception of the contract between the CTD and AHCA, yet Medicaid eligibles and costs are increasing at a dramatic rate.</p>		
<p><b>8. Any other special considerations which the potential recipient deems pertinent to the emergency situation.</b></p> <p>TMS plans to continue our current gate keeping activities and begin these future gate keeping strategies:</p> <ul style="list-style-type: none"> <li>• Heavily market the bus pass</li> <li>• Continue offering mileage reimbursement</li> <li>• Limit out of county transports to Tuesdays and Thursdays</li> <li>• Require the Transportation Provider to call the Medicaid recipient 24 hours in advance of the trip or the morning of the trip to verbally confirm the trip with the Medicaid recipient.</li> <li>• Out of County Transports and Transports for methadone treatment will be required to be multi- loaded on a 15 passenger vehicle</li> </ul>		

**9. Support for the initiative by the respective Community Transportation Coordinator, local coordinating board, and planning agency within the affected service area.**

TMS works closely with the CTC, the local coordinating board and the planning agency within Sarasota County. We feel all entities will be supportive of our request, especially given the CTC operated this program for a number of years and declined to participate due to the same issue that TMS is experiencing.

**State of Florida**  
**Commission for the Transportation Disadvantaged**  
**Commission Business Meeting**

**MEETING DATE:** June 14, 2011

**AGENDA ITEM:**

VII. Medicaid Amendment Number 4

**BACKGROUND INFORMATION:**

This agenda item was deferred from the May 24, 2011 Commission Business meeting. The Agency for Health Care Administration has provided an amendment for the Commission to consider. Amendment #4 changes include:

- Caps the administrative fees not to exceed \$2,453,226.83 during any Agreement year. Provides for clarification of allowed administrative expenses and accounting.
- Allows Commission to retain up to five percent (5%) of the annual Agreement amount in reserve during the term of the contract.
- Requires by November 30<sup>th</sup> of each contract year, an annual reconciliation of project funds to determine if there are any surplus fund remaining.
- Requires the Commission to refund any surplus funds identified by the reconciliation.
- Modifies language to allow for communication with beneficiaries to be at or near the fourth (4<sup>th</sup>) grade reading comprehension level.
- In accordance with legislative appropriations, reduces the monthly contract payment amount for July and August from \$5,451,615.16 to \$4,688,389.00. This represents a total decrease of \$763,226.16.
- The Amendment shall become effective May 1, 2011 or the date on which the amendment has been signed by both parties, whichever is later.

This contract is set to expire August 31, 2011. This amendment does not extend the contract term.

**ATTACHMENTS:**

DRAFT AHCA Agreement No. MED099, Amendment No. 4

**EXECUTIVE DIRECTOR RECOMMENDATION/MOTION:**

The Executive Director recommends the Commission approve Amendment 4.

\_\_\_\_\_  
Bobby Jernigan  
Executive Director  
Date: June 14, 2011

**ACTION TAKEN AT MEETING:**

DRAFT FOR CONSIDERATION BY CTD

AHCA CONTRACT NO. MED099  
AMENDMENT #4

THIS CONTRACT, entered into between the STATE OF FLORIDA, AGENCY FOR HEALTH CARE ADMINISTRATION, hereinafter referred to as the "Agency" and THE FLORIDA COMMISSION FOR THE TRANSPORTATION DISADVANTAGED, hereinafter referred to as the "Recipient," is hereby amended as follows:

1. Section XII.A.4., Method of Payment, is hereby amended to read as follows:

Transportation Services are mandatory Medicaid services that shall not be restricted due to inadequate funding. Through this Agreement, the Recipient accepts the responsibility to provide or coordinate delivery of all Transportation Services within the existing funds of this Agreement. Administrative costs are limited to no greater than five percent (5%) of the monthly payment. The remainder of the monthly payment shall be paid by the Recipient for direct Transportation Services. At no time shall the administrative costs exceed \$2,453,226.83 during any Agreement Year. Only those costs incurred in managing the Transportation Services under this Agreement can be attributed as administrative costs. Administrative costs that the Recipient attributes to this Agreement must be proportional to the work performed in managing the Transportation Services under this Agreement. If administrative resources such as staff and equipment are shared among programs, the cost of those resources must be prorated in a manner that is proportional to the amount of time the resource is used for each program. The Recipient may only claim as an administrative cost under this Agreement the portion of the cost that is spent administering this Agreement.

2. XII.A.5., Method of Payment, is hereby amended to read as follows:

- a. In order to manage the Recipient's financial risk, the Recipient may retain up to five percent (5%) of the annual Agreement amount in reserve at all times. At the termination of the Agreement, the Recipient shall return any reserve funds to the Agency as described in XII.A.5.c.
- b. No later than November 30<sup>th</sup> of each Agreement Year, the Recipient shall provide the Agency's Contract Manager a written reconciliation, along with an electronic version, showing all Agreement-related income, administrative and Transportation Service expenditures, reserve funds, and any unexpended or unencumbered Agreement funds for the prior State Fiscal Year. The reconciliation must also show the amount expended for administrative costs in sufficient detail to demonstrate compliance with Section XII.A.4.
- c. The Recipient shall return any surplus funds to the Agency within thirty (30) Calendar Days after the Agency approves the reconciliation described in XII.5.A.b. Surplus funds include amounts withheld for administrative costs, as described in Section XII.A.4, Transportation Services funds, and reserve funds as described in XII.A.5.a. The Agency may, at its discretion, extend the thirty (30)

DRAFT FOR CONSIDERATION BY CTD

Calendar Day timeline, if requested by the Recipient within ten (10) Calendar Days before the termination of the thirty (30) Calendar Day period. The Recipient's request must include an explanation for the proposed extension, with supporting evidence, as appropriate, and an anticipated payment date. The Agency has ten (10) Business Days to render a final decision.

3. Section IV.A.2.a.(5) is hereby amended to read as follows:

All written materials, pursuant to 42 CFR 441.56, shall use clear and nontechnical language and shall strive to be at or near the fourth (4<sup>th</sup>) grade reading comprehension level.

4. Section VIII.A.2.j.(1) is hereby amended to read as follows:

The Recipient shall notify the Medicaid Beneficiary, in writing, using clear and nontechnical language, pursuant to 42 CFR 441.56, that shall strive to be at or near the fourth (4<sup>th</sup>) grade reading level, of any Action taken by the Recipient to deny a Transportation Service request, or limit Transportation Services in an amount, duration, or scope that is less than requested.

5. The first sentence of the Standard Contract, Section 3.A. is hereby amended to read as follows:

The Agency shall pay the Recipient on a fixed price (fixed fee) basis in an amount not to exceed \$179,140,074.46.

6. The second sentence of Attachment I, Section XII.A.1., Method of Payment, is hereby amended to read as follows:

The Agency shall pay the Recipient, upon satisfactory completion of all terms and conditions specified in the Agreement, a total not to exceed **\$179,140,074.46** (a decrease of **\$763,226.16**).

7. The third and fourth sentences of the first paragraph of Attachment I, Section XII.A.2., Contract Billing and Payment, is hereby amended to read as follows:

For the actual provision of Transportation Services for the months of September 1, 2010 through June 30, 2011, the Agency shall make equal monthly payments to the Recipient totaling \$5,451,615.16. The monthly payments shall be divided into two (2) payments of **\$2,725,807.58**, upon receipt of invoices. For the actual provision of Transportation Services for the months of July 1, 2011 through August 31, 2011, the Agency shall make equal monthly payments to the Recipient totaling \$4,688,389.00. The monthly payments shall be divided into two (2) payments of **\$2,344,194.50**, upon receipt of invoices. The Recipient shall request payment through submission of a properly completed invoice to the Agency Project Manager or the Agency Project Manager's Designee.

DRAFT FOR CONSIDERATION BY CTD

8. This amendment shall begin on May 1, 2011, or the date on which the amendment has been signed by both parties, whichever is later.

All provisions in the Contract and any attachments thereto in conflict with this amendment shall be and are hereby changed to conform to this amendment.

All provisions not in conflict with this amendment are still in effect and are to be performed at the level specified in the Contract.

This amendment and all its attachments are hereby made a part of the Contract.

This amendment cannot be executed unless all previous amendments to this Contract have been fully executed.

IN WITNESS WHEREOF, the parties hereto have caused this three (3) page amendment to be executed by their officials thereunto duly authorized.

THE FLORIDA COMMISSION FOR THE STATE OF FLORIDA  
TRANSPORTATION DISADVANTAGED AGENCY FOR HEALTH CARE  
ADMINISTRATION

SIGNED  
BY:

SIGNED  
BY:

NAME: Bobby Jernigan

NAME: Elizabeth Dudek

TITLE: Executive Director

TITLE: Secretary

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

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**State of Florida**  
**Commission for the Transportation Disadvantaged**  
**Commission Business Meeting**

**MEETING DATE:** June 14, 2011

**AGENDA ITEM:**

VIII. Medicaid Reduction Implementation

**BACKGROUND INFORMATION:**

Pursuant to the 2011 legislative session agency for healthcare will be reducing the commission contract amount by 7% or \$4.5 million. This reduction makes it necessary for us to reduce the allocations we have set for each county. We have attached the county allocations for Medicaid Non-Emergency transportation. To help the counties prepare for the reductions we have not reduced the monthly allocations for July and August. This should allow the transportation providers some time to plan for the reductions that will begin in September.

In addition to the reductions, we need to consider an updated allocation formula and methodology. The current allocations were established in 2004 when the Commission took on the Non-Emergency transportation task. Since then, AHCA has undergone and audit that requests AHCA and the Commission to consider transportation cost as a factor for developing allocations. Chapter 427, Florida Statute also requires the following:

427.013 (28) In consultation with the Agency for Health Care Administration and the Department of Transportation, develop an allocation methodology that equitably distributes all transportation funds under the control of the commission to compensate counties, community transportation coordinators, and other entities providing transportation disadvantaged services. The methodology shall separately account for Medicaid beneficiaries. The methodology shall consider such factors as the actual costs of each transportation disadvantaged trip based on prior-year information, efficiencies that a provider might adopt to reduce costs, results of the rate and cost comparisons conducted under subsections (24) and (25), as well as cost efficiencies of trips when compared to the local cost of transporting the general public. This subsection does not supersede the authority of the Agency for Health Care Administration to distribute Medicaid funds.

Staff has been gathering performance data and will provide to the Commissioners with formula ideas that may be submitted to our program participants for response and input.

**ATTACHMENTS:**

Allocation Schedule

Auditor General REPORT NO. 2011-167 excerpt pg 141-142

FDOT Audit response

**EXECUTIVE DIRECTOR RECOMMENDATION/MOTION:**

Informational purpose and discussion of possible time lines.

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Bobby Jernigan  
Executive Director  
Date: June 14, 2011

FY 2011/2012 CTD Medicaid Non-Emergency Transportation Funding Allocations

6/9/2011	Prior Allocation for 2010/2011	Net Contract Reduction for FY2011/2012	Net FY2011/2012 Allocation for Med. NET	Monthly Allocations for July 2011 and August 2011 (to be paid each month)	Monthly Allocations for September 2011 through May 2012	Allocation for June 2012
Alachua	\$ 1,356,595	\$ (54,310)	\$ 1,302,285	\$ 113,050	\$ 107,619	\$ 107,614
Baker**	\$ 146,903	\$ (5,881)	\$ 141,022	\$ 12,242	\$ 11,654	\$ 11,652
Bay	\$ 570,442	\$ (22,837)	\$ 547,605	\$ 47,537	\$ 45,253	\$ 45,254
Bradford	\$ 118,034	\$ (4,725)	\$ 113,309	\$ 9,836	\$ 9,364	\$ 9,361
Brevard	\$ 1,594,881	\$ (63,849)	\$ 1,531,032	\$ 132,907	\$ 126,522	\$ 126,520
Broward**	\$ 2,578,308	\$ (103,220)	\$ 2,475,088	\$ 214,859	\$ 204,537	\$ 204,537
Calhoun	\$ 219,347	\$ (8,781)	\$ 210,566	\$ 18,279	\$ 17,401	\$ 17,399
Charlotte	\$ 456,365	\$ (18,270)	\$ 438,095	\$ 38,030	\$ 36,204	\$ 36,199
Citrus	\$ 450,190	\$ (18,023)	\$ 432,167	\$ 37,516	\$ 35,714	\$ 35,709
Clay**	\$ 273,191	\$ (10,937)	\$ 262,254	\$ 22,766	\$ 21,672	\$ 21,674
Collier	\$ 507,266	\$ (20,308)	\$ 486,958	\$ 42,272	\$ 40,241	\$ 40,245
Columbia	\$ 856,506	\$ (34,289)	\$ 822,217	\$ 71,376	\$ 67,947	\$ 67,942
Desoto	\$ 378,357	\$ (15,147)	\$ 363,210	\$ 31,530	\$ 30,015	\$ 30,015
Dixie	\$ 124,733	\$ (4,994)	\$ 119,739	\$ 10,394	\$ 9,895	\$ 9,896
Duval**	\$ 3,164,095	\$ (126,671)	\$ 3,037,424	\$ 263,675	\$ 251,007	\$ 251,011
Escambia	\$ 901,803	\$ (36,103)	\$ 865,700	\$ 75,150	\$ 71,540	\$ 71,540
Flagler	\$ 83,192	\$ (3,330)	\$ 79,862	\$ 6,933	\$ 6,600	\$ 6,596
Franklin	\$ 327,905	\$ (13,127)	\$ 314,778	\$ 27,325	\$ 26,013	\$ 26,011
Gadsden	\$ 634,458	\$ (25,400)	\$ 609,058	\$ 52,872	\$ 50,331	\$ 50,335
Gilchrist	\$ 71,464	\$ (2,861)	\$ 68,603	\$ 5,955	\$ 5,669	\$ 5,672
Glades	\$ 89,441	\$ (3,581)	\$ 85,860	\$ 7,453	\$ 7,095	\$ 7,099
Gulf	\$ 122,256	\$ (4,894)	\$ 117,362	\$ 10,188	\$ 9,699	\$ 9,695
Hamilton	\$ 770,233	\$ (30,835)	\$ 739,398	\$ 64,186	\$ 61,103	\$ 61,099
Hardee	\$ 394,710	\$ (15,802)	\$ 378,908	\$ 32,893	\$ 31,312	\$ 31,314
Hendry	\$ 1,099,538	\$ (44,019)	\$ 1,055,519	\$ 91,628	\$ 87,226	\$ 87,229
Hernando	\$ 1,017,988	\$ (40,754)	\$ 977,234	\$ 84,832	\$ 80,757	\$ 80,757
Highlands	\$ 741,295	\$ (29,677)	\$ 711,618	\$ 61,775	\$ 58,807	\$ 58,805
Hillsborough	\$ 3,263,391	\$ (130,646)	\$ 3,132,745	\$ 271,949	\$ 258,885	\$ 258,882
Holmes	\$ 228,252	\$ (9,138)	\$ 219,114	\$ 19,021	\$ 18,107	\$ 18,109
Indian River	\$ 188,801	\$ (7,558)	\$ 181,243	\$ 15,733	\$ 14,978	\$ 14,975
Jackson	\$ 688,470	\$ (27,562)	\$ 660,908	\$ 57,373	\$ 54,616	\$ 54,618
Jefferson	\$ 571,317	\$ (22,872)	\$ 548,445	\$ 47,610	\$ 45,323	\$ 45,318
Lafayette	\$ 72,000	\$ (2,882)	\$ 69,118	\$ 6,000	\$ 5,712	\$ 5,710
Lake	\$ 974,724	\$ (39,022)	\$ 935,702	\$ 81,227	\$ 77,325	\$ 77,323
Lee	\$ 1,205,885	\$ (48,276)	\$ 1,157,609	\$ 100,490	\$ 95,663	\$ 95,662
Leon	\$ 617,985	\$ (24,740)	\$ 593,245	\$ 51,499	\$ 49,025	\$ 49,022
Levy	\$ 448,462	\$ (17,954)	\$ 430,508	\$ 37,372	\$ 35,576	\$ 35,580
Liberty	\$ 123,506	\$ (4,944)	\$ 118,562	\$ 10,292	\$ 9,798	\$ 9,796
Madison	\$ 346,810	\$ (13,884)	\$ 332,926	\$ 28,901	\$ 27,512	\$ 27,516
Manatee	\$ 787,772	\$ (31,538)	\$ 756,234	\$ 65,648	\$ 62,494	\$ 62,492
Marion	\$ 1,217,025	\$ (48,722)	\$ 1,168,303	\$ 101,419	\$ 96,547	\$ 96,542

FY 2011/2012 CTD Medicaid Non-Emergency Transportation Funding Allocations

6/9/2011	Prior Allocation for 2010/2011	Net Contract Reduction for FY2011/2012	Net FY2011/2012 Allocation for Med. NET	Monthly Allocations for July 2011 and August 2011 (to be paid each month)	Monthly Allocations for September 2011 through May 2012	Allocation for June 2012
Martin	\$ 234,196	\$ (9,376)	\$ 224,820	\$ 19,516	\$ 18,579	\$ 18,577
Miami-Dade	\$ 9,314,058	\$ (372,878)	\$ 8,941,180	\$ 776,172	\$ 738,884	\$ 738,880
Monroe	\$ 661,357	\$ (26,477)	\$ 634,880	\$ 55,113	\$ 52,465	\$ 52,469
Nassau**	\$ 348,083	\$ (13,935)	\$ 334,148	\$ 29,007	\$ 27,613	\$ 27,617
Okaloosa	\$ 198,916	\$ (7,963)	\$ 190,953	\$ 16,576	\$ 15,780	\$ 15,781
Okeechobee	\$ 287,977	\$ (11,529)	\$ 276,448	\$ 23,998	\$ 22,845	\$ 22,847
Orange *	\$ 5,770,800	\$ (231,027)	\$ 5,539,773	\$ 480,900	\$ 457,797	\$ 457,800
Osceola *						
Palm Beach	\$ 4,396,285	\$ (176,000)	\$ 4,220,285	\$ 366,357	\$ 348,757	\$ 348,758
Pasco	\$ 826,030	\$ (33,069)	\$ 792,961	\$ 68,836	\$ 65,529	\$ 65,528
Pinellas	\$ 3,676,522	\$ (147,185)	\$ 3,529,337	\$ 306,377	\$ 291,658	\$ 291,661
Polk	\$ 1,997,683	\$ (79,975)	\$ 1,917,708	\$ 166,474	\$ 158,476	\$ 158,476
Putnam	\$ 527,962	\$ (21,136)	\$ 506,826	\$ 43,997	\$ 41,883	\$ 41,885
Saint Johns	\$ 643,340	\$ (25,755)	\$ 617,585	\$ 53,612	\$ 51,036	\$ 51,037
Saint Lucie	\$ 605,215	\$ (24,229)	\$ 580,986	\$ 50,435	\$ 48,012	\$ 48,008
Santa Rosa	\$ 297,158	\$ (11,896)	\$ 285,262	\$ 24,763	\$ 23,574	\$ 23,570
Sarasota	\$ 564,653	\$ (22,605)	\$ 542,048	\$ 47,054	\$ 44,794	\$ 44,794
Seminole *						
Sumter	\$ 276,509	\$ (11,070)	\$ 265,439	\$ 23,042	\$ 21,936	\$ 21,931
Suwannee	\$ 1,180,218	\$ (47,249)	\$ 1,132,969	\$ 98,352	\$ 93,627	\$ 93,622
Taylor	\$ 249,564	\$ (9,991)	\$ 239,573	\$ 20,797	\$ 19,798	\$ 19,797
Union	\$ 83,912	\$ (3,359)	\$ 80,553	\$ 6,993	\$ 6,657	\$ 6,654
Volusia	\$ 1,953,297	\$ (78,198)	\$ 1,875,099	\$ 162,775	\$ 154,955	\$ 154,954
Wakulla	\$ 41,639	\$ (1,667)	\$ 39,972	\$ 3,470	\$ 3,303	\$ 3,305
Walton	\$ 257,530	\$ (10,310)	\$ 247,220	\$ 21,461	\$ 20,430	\$ 20,428
Washington	\$ 252,622	\$ (10,113)	\$ 242,509	\$ 21,052	\$ 20,041	\$ 20,036
<b>Total</b>	<b>\$ 64,429,422</b>	<b>\$ (2,579,355)</b>	<b>\$ 61,850,067</b>	<b>\$ 5,369,122</b>	<b>\$ 5,111,187</b>	<b>\$ 5,111,140</b>

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 10-058</b>
<b>CFDA Number</b>	93.775, 93.776, 93.777, 93.778
<b>Program Title</b>	<b>Medicaid Cluster</b>
<b>Compliance Requirement</b>	Activities Allowed or Unallowed, Allowable Costs/Cost Principles
<b>State Agency</b>	<b>Florida Department of Transportation (FDOT)</b> <b>Florida Agency for Health Care Administration (FAHCA)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	05-0905FL5028 (Federal 2008-09); 05-1005FL5MAP (Federal 2009-10)
<b>Finding Type</b>	Noncompliance and Significant Deficiency Questioned Costs – \$70,870,997.17
<b>Finding</b>	Controls were not sufficient to ensure that amounts paid by FAHCA to the Commission for Transportation Disadvantaged (CTD) or amounts paid by CTD to transportation providers under a Medicaid transportation program were reasonable.
<b>Criteria</b>	<p>OMB Circular A-87, Attachment A, Section C. – Costs must be necessary and reasonable for proper and efficient performance and administration of Federal awards. In determining reasonableness of a given cost, consideration shall be given to the restraints or requirements imposed by such factors as sound business practices; arms length bargaining; Federal and State laws; the market prices for comparable goods or services; and significant deviations from the established practices of the governmental unit which may unjustifiably increase the Federal award's costs.</p> <p>The Centers for Medicare and Medicaid Services Non-Emergency Transportation (NET) Waiver authorizes the coordinated NET program and includes provisions requiring FAHCA to demonstrate the cost-effectiveness of the program.</p> <p>Section 427.013(28), Florida Statutes, requires FAHCA and FDOT to consult together to develop an allocation methodology that equitably distributes transportation funds. The methodology shall separately account for Medicaid beneficiaries. The methodology shall also consider such factors as the actual costs of each transportation disadvantaged trip based on prior-year information.</p>
<b>Condition</b>	<p>Effective June 7, 2001, USDHHS granted FAHCA the authority to implement a coordinated NET program. FAHCA contracted with the Commission for the Transportation Disadvantaged (CTD), which is administratively housed within FDOT, to manage the NET Program. Effective November 2004, CTD began subcontracting with counties to provide services. The county providers include governmental entities and private entities, referred to as subcontracted transportation providers (STPs). The allocation of NET funds to the STPs was based on a formula which considered factors such as: county population density, estimated Medicaid trips, and 2002-03 fiscal year Medicaid payments. FAHCA renegotiated the NET contract with CTD effective December 1, 2008, however in negotiating the contract amount and in the allocation of that amount to the STPs, FAHCA did not maintain sufficient documentation to demonstrate that current actual costs of the CTD and STPs were considered. During the 2009-10 fiscal year, FDOT records indicated CTD received payments from FAHCA totaling \$70,870,997.17. During this period, CTD payments to STPs totaled \$64,691,870.</p> <p>In addition, as noted in report No. 2011-002, FAHCA's files related to the December 2008 contract did not contain sufficient information to document that fees paid for providing NET services were reasonable. Our report also stated that FAHCA's monitoring of the NET contract was not sufficient to ensure contractual compliance and evaluate the performance of CTD and the STPs.</p>

<b>Cause</b>	Procedures did not require that CTD demonstrate, using current data, the reasonableness of the amounts to be paid and allocated under the contract.
<b>Effect</b>	Without a current cost analysis, FAHCA was unable to determine that NET payments were reasonable.
<b>Recommendation</b>	We recommend that current transportation costs be summarized and used to evaluate the reasonableness of the total contract amount as well as the amounts allocated to STPs and to CTD for administrative costs. FAHCA should also conduct appropriate monitoring to evaluate CTD and STP compliance with governing laws, regulations, and contract terms.

**Florida Department of Transportation**

<b>State Agency Response and Corrective Action Plan</b>	The Commission for the Transportation Disadvantaged will be providing the AHCA with administrative costs audits for FY 2009/2010 to aid in determining the reasonableness of costs for future contracting purposes. The AHCA will receive audits for FY 2009/2010 and FY 2010/2011 in accordance with OMB Circular A-133 and the Florida Single Audit Act. The audits will allow the AHCA to determine the reasonableness of funding and if the allocation is sufficient for providing services. Onsite surveys of two transportation providers were conducted by AHCA in July 2010 and an onsite survey of the CTD and selected transportation providers is to be conducted by AHCA in the near future.
<b>Estimated Corrective Action Date</b>	July 2012
<b>Agency Contact and Telephone Number</b>	Bobby Jernigan (850) 410-5706

**Florida Agency for Health Care Administration**

<b>State Agency Response and Corrective Action Plan</b>	The Agency will receive administrative costs audit for FY 2009/2010 to determine reasonableness of administrative costs for future contracting purposes. The Agency will receive audits for FY 2009/2010 and FY 2010/2011 in accordance with OMB Circular A-133 and the Florida Single Audit Act. The audits will allow the Agency to determine the reasonableness of funding and if the allocation is sufficient for providing services. On-site survey of two transportation providers conducted in July 2010 and an on-site survey of the CTD and selected transportation providers to be conducted in the near future.
<b>Estimated Corrective Action Date</b>	September 2011
<b>Agency Contact and Telephone Number</b>	G. Douglas Harper (850) 412-4210

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 10-</b>
<b>CFDA Number</b>	93.775, 93.776, 93.777, 93.778
<b>Program Title</b>	<b>Medicaid Cluster</b>
<b>Compliance Requirement</b>	Activities Allowed or Unallowed, Allowable Costs/Cost Principles
<b>State Agency</b>	<b>Florida Department of Transportation (FDOT)</b> <b>Florida Agency for Health Care Administration (FAHCA)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	05-0905FL5028 (Federal 2008-09); 05-1005FL5MAP (Federal 2009-10)
<b>Finding Type</b>	Noncompliance and Significant Deficiency Questioned Costs – \$70,870,997.17
<b>Finding</b>	Controls were not sufficient to ensure that amounts paid by FAHCA to the Commission for Transportation Disadvantaged (CTD) or amounts paid by CTD to transportation providers under a Medicaid transportation program were reasonable.
<b>Criteria</b>	<p>OMB Circular A-87, Attachment A, Section C. – Costs must be necessary and reasonable for proper and efficient performance and administration of Federal awards. In determining reasonableness of a given cost, consideration shall be given to the restraints or requirements imposed by such factors as sound business practices; arms length bargaining; Federal and State laws; the market prices for comparable goods or services; and significant deviations from the established practices of the governmental unit which may unjustifiably increase the Federal award's costs.</p> <p>The Centers for Medicare and Medicaid Services Non-Emergency Transportation (NET) Waiver authorizes the coordinated NET program and includes provisions requiring FAHCA to demonstrate the cost-effectiveness of the program.</p> <p>Section 427.013(28), Florida Statutes, requires FAHCA and FDOT to consult together to develop an allocation methodology that equitably distributes transportation funds. The methodology shall separately account for Medicaid beneficiaries. The methodology shall also consider such factors as the actual costs of each transportation disadvantaged trip based on prior-year information.</p>
<b>Condition</b>	<p>Effective June 7, 2001, USDHHS granted FAHCA the authority to implement a coordinated NET program. FAHCA contracted with the Commission for the Transportation Disadvantaged (CTD), which is administratively housed within FDOT, to manage the NET Program. Effective November 2004, CTD began subcontracting with counties to provide services. The county providers include governmental entities and private entities, referred to as subcontracted transportation providers (STPs). The allocation of NET funds to the STPs was based on a formula which considered factors such as: county population density, estimated Medicaid trips, and 2002-03 fiscal year Medicaid payments. FAHCA renegotiated the NET contract with CTD effective December 1, 2008, however in negotiating the contract amount and in the allocation of that amount to the STPs, FAHCA did not maintain sufficient documentation to demonstrate that current actual costs of the CTD and STPs were considered. During the 2009-10 fiscal year, FDOT records indicated CTD received payments from FAHCA totaling \$70,870,997.17. During this period, CTD payments to STPs totaled \$64,691,870.</p> <p>In addition, as noted in report No. 2011-002, FAHCA's files related to the December 2008 contract did not contain sufficient information to document that fees paid for providing NET services were reasonable. Our report also stated that FAHCA's monitoring of the NET contract was not sufficient to ensure contractual compliance and evaluate the performance of CTD and the STPs.</p>

<b>Cause</b>	Procedures did not require that CTD demonstrate, using current data, the reasonableness of the amounts to be paid and allocated under the contract.
<b>Effect</b>	Without a current cost analysis, FAHCA was unable to determine that NET payments were reasonable.
<b>Recommendation</b>	We recommend that current transportation costs be summarized and used to evaluate the reasonableness of the total contract amount as well as the amounts allocated to STPs and to the CTD for administrative costs. FAHCA should also conduct appropriate monitoring to evaluate CTD and STP compliance with governing laws, regulations, and contract terms.
<b>State Agency Response and Corrective Action Plan</b>	The Commission will be providing the Agency with administrative costs audits for FY 2009/2010 to aid in determining the reasonableness of costs for future contracting purposes. The Agency will receive audits for FY 2009/2010 and FY 2010/2011 in accordance with OMB Circular A-133 and the Florida Single Audit Act. The audits will allow the Agency to determine the reasonableness of funding and if the allocation is sufficient for providing services. Onsite surveys of two transportation providers were conducted by AHCA in July 2010 and an onsite survey of the CTD and selected transportation providers is to be conducted by AHCA in the near future.
<b>Estimated Corrective Action Date</b>	July 2012
<b>Agency Contact and Telephone Number</b>	Bobby Jernigan, 850-410-5706

**“End of P&T Document”**