

Medical Transportation under Medi-Cal (prepared by David Raphael, 3/3/05)

Historical Context

- To assure access to basic health care, federal Medicaid rules require states to guaranty that all recipients can get to and from covered medical services.
- Most states comply, and have been sued when they don't.
- Nationwide, nonemergency Medicaid transportation is a 2-3 billion dollar a year industry, accounting for roughly 20% of all federal transit expenditures.
- In most states, Medicaid transportation reimbursements are part of the local funding mix that supports public and community transportation services.

Medi-Cal

- Medi-Cal is California's Medicaid program, and is administered by the Dept. of Health Services (DHS).
- Medi-Cal pays for health care for over 6 million state residents.
- Out of an annual budget of \$22 billion, Medi-Cal spends less than \$100 million on non-emergency medical transportation (NET) – about 4/10^{ths} of 1%.
- California ranks 38th in the nation in terms of relative expenditures for Medicaid transportation.

Medi-Cal's Restrictive Policies

- Over two-thirds of the Medi-Cal population is currently excluded from receiving medical transportation assistance.
- Medi-Cal policies restrict transportation reimbursement to only the most severely disabled enrollees – people using wheelchairs and others whose physical condition prevents them from using conventional forms of transportation. Public transit agencies are specifically prohibited from becoming Medi-Cal transportation providers.
- It makes no difference if enrollees lack access to public transit, family or other transportation alternatives, or are unable to pay for medical trips, they are ineligible to receive transportation assistance from Medi-Cal.
- In 1983, DHS was successfully sued because of its failure to assure access to care for all Medicaid recipients.

Consequences of Medi-Cal Policies

- Medi-Cal's failure to provide adequate transportation assistance and funding affects a majority of the Medicaid population, especially those in rural communities.
- Under the current definition of "medical transportation", a large number of California's Adult Day Health Care population would be denied access to Medi-Cal funded ADHC centers and services.
- Medi-Cal spends proportionately less of its budget on transportation – about 50% less – than other state Medicaid programs.
- These restrictive reimbursement policies place significant demands on scarce local transportation resources in an effort to assure access to care for the Medi-Cal population.
- Current practices result in a shifting of the transportation funding burden from state and federal levels – which jointly pay for 100% of Medi-Cal costs – to the local community and voluntary sector.
- Compared with their counterparts in other states, public transit agencies in California are disadvantaged because they are denied Medi-Cal reimbursement.

Cost Implications

- Restricting non-emergency medical transportation and access to care increase the use of such emergency services as ambulances, EMS vehicles and costly emergency rooms and other urgent care facilities.
- The hidden costs of limiting access are passed on to medical providers in the form of patient no-shows, missed appointments, and delayed hospital discharges.
- Denying access to ADHC and other community based health services increases the risk that individuals will be placed prematurely in costly, restrictive care facilities – the very result that the ADHC program seeks to prevent.
- Individuals and family care givers pay a price as well in the form of poor or deteriorating health, increased health disparities and even death due to the inability of Medi-Cal enrollees to obtain timely screening, diagnosis, treatment and preventative and therapeutic medical services.