Expanding Specialized Transportation: New Opportunities under the Affordable Care Act

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The Affordable Care Act (ACA) provides new but limited opportunities to promote or fund specialized transportation services—such as door-to-door paratransit or escorts into doctors’ offices—for older people and adults with disabilities. However, relatively few states are currently taking advantage of these opportunities for low-income people with mobility limitations. Even among the states with transportation benefits, the ACA programs are small and specialized, and transportation services are restricted.

Transportation is vital to helping people live as independently as possible. Many older people and adults with physical disabilities need specialized transportation that can be provided upon request by van, small bus, or taxi. Specialized transportation is especially critical for high-risk, low-income populations who do not drive and have difficulty taking public transportation because of disability, age-related conditions, or income constraints.

Specialized transportation can help states and communities achieve the ACA’s goals. Transportation is an important element for states balancing their Medicaid programs toward home- and community-based services (HCBS). Transportation enables people to access preventative care, improves health outcomes, and avoids unnecessary hospital readmissions. The following ACA initiatives offer incentives to states to expand specialized transportation.

Money Follows the Person (MFP)

- MFP is a grant program for states to shift Medicaid funds toward HCBS and to identify and transition Medicaid beneficiaries who are living in an institution and want to return to the community.
- Forty-four states plus the District of Columbia receive an enhanced federal match for the services provided to Medicaid participants for the first 12 months after the beneficiary’s transition back into the community.
- More than 40,000 people have moved from institutions to the community.
- MFP participants from 16 states—out of 25 that provided service expenditure data—utilized transportation during 2012.

Community First Choice

- This new optional Medicaid benefit allows consumers to direct much of their own care.
- Four states receive an enhanced federal match of 6 percentage points for “participant-directed” services.
- Montana and Oregon specifically provide Community Transportation as a permissible service under this option.
Balancing Incentive Program

- This grant encourages states to balance their Medicaid spending toward HCBS.
- Twenty-one states are using this grant to make structural changes and to spend more on HCBS by October 2015.
- Connecticut is using the grant for strategic planning that includes transportation.

Section 1915(i) State Option

- This option allows states to provide Medicaid HCBS to individuals who do not meet the more stringent institutional level of care requirements to qualify for HCBS without waivers.
- Services must be offered statewide, and enrollment cannot be capped.
- Twelve states have this option, but mostly for people with mental illness.
- Connecticut specifies community transportation for older people or adults with physical disabilities.

Duals Demonstrations

- These demo projects seek to improve care for people who are “dually eligible” for both Medicare and Medicaid, who are typically sicker, use more health care, and have higher costs.
- Twelve states have signed memoranda of understanding to participate in the demos.
- Most demos are testing risk-based, capitated, managed care models.
- States do not have to expand transportation in these demos beyond what is currently covered in the Medicaid program, but California and Massachusetts are doing so.
- Care coordinators who help dual eligibles in the demos can also ensure access to transportation by scheduling trips for treatment and follow-up.

Care Transition Programs

- Several ACA initiatives seek to improve care transitions when patients move between one care setting or provider to another.
- Better care transitions can prevent costly hospital admissions and readmissions, particularly for people who are at high risk and who often have multiple chronic conditions.
- Many sites (102) are participating in the Community-based Care Transitions Program (CCTP) to reduce 30-day hospital readmissions.
- Atlanta is providing supplemental transportation through its CCTP.

Conclusion

This paper highlights opportunities to expand transportation and tap new funds within the ACA. Although new funding for transportation in the ACA is restricted and often targeted to specific low-income populations with mobility needs, states can expand transportation benefits through these ACA initiatives.

For a more complete description and to read the case studies that describe how the Atlanta region and the state of Connecticut are using the ACA options to expand specialized transportation, see the AARP Public Policy Institute’s *Insight on the Issues* #99.