



**Potential and Feasibility for
Coordination of Transportation
Services in Illinois**

Submitted to:
*Illinois Council on
Developmental Disabilities*

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Executive Summary

The State of Illinois has begun a process of examining the need for coordination of transportation services in the state. This effort is being conducted in response to Public Act 93-0185 which created the Interagency Coordinating Committee on transportation (ICCT). It is a timely effort due to a new emphasis being put on transportation coordination at the federal level through the new transportation funding law known as SAFETEA-LU . . .

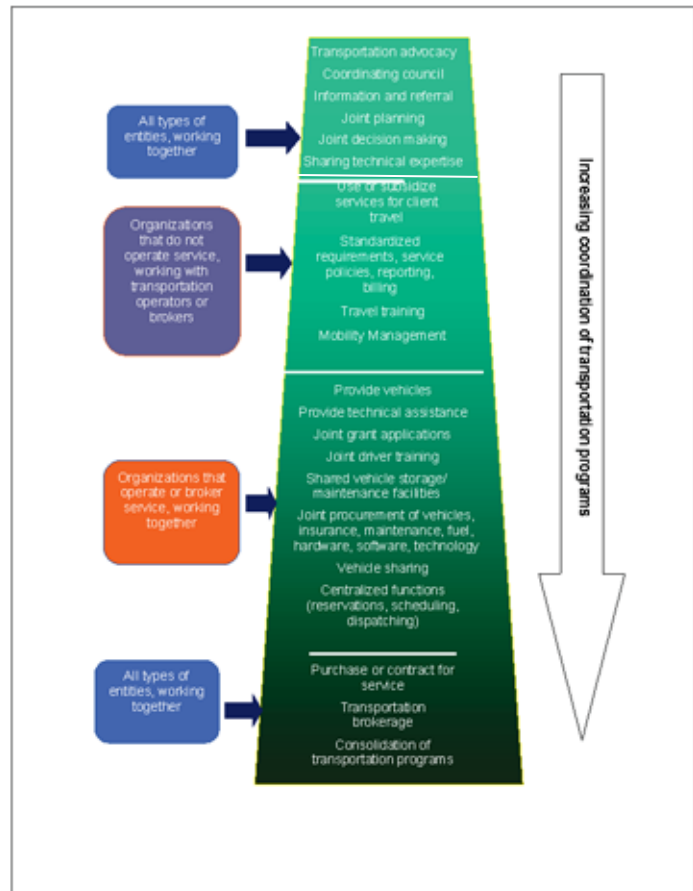
A review of coordination programs in other states revealed some models to emulate and lessons learned that may be helpful to the current coordination effort in Illinois.

- A state mandate is very helpful in encouraging coordination. Most states that have model coordination programs have a state mandate. Of the states reviewed in this report, Florida, Kentucky and North Carolina have coordination mandates.
- Even without a state mandate, an active program of interagency cooperation at the state level can help encourage coordination at the regional/local level. An example of this is seen in Massachusetts.
- Coordination programs take time, effort and trust. Even the exemplary programs have problems holding onto all of the participating agencies. Each participating agency needs to be convinced they are gaining something from the program, whether it is a reduction in overall cost, a reduction in per trip cost, or an improvement in quality of service.
- Coordination programs should be looking for win-win situations, where efficiency is gained by using a more appropriate type of transportation, by increasing ride-sharing, or by spreading overhead costs over more programs and trips. Moving costs from one agency program to another will not increase the efficiency of the transportation system.
- Coordination programs should be monitoring quality of service to insure that the clients and passengers are properly treated. Poor service quality will increase the chance that a coordinated system will fail.

. . . (A)ctions for the ICCT to consider include:

- Use of an Interagency Committee to provide technical assistance and encouragement to local coordination efforts.

- Use of an Interagency Committee to provide advice for discretionary funding for transportation, particularly in programs funded through IDOT.
- Develop standardized requirements for local transportation purchased through state programs. This should reduce costs associated by providers having to meet different requirements.
- Develop and support a state program for travel training.
- Develop a state program for aiding local transportation programs with joint purchasing.
- Encourage a system of regional brokerages to provide coordinated transportation for multiple agencies. Brokerages can be particularly useful where there are options for transportation such as van operators or taxis.
- Encourage the formation of consolidated systems, particularly in rural areas where options for transportation are limited.



All of the coordination actions will take time and effort, and some will take a source of funds for the start-up period. Realistically, the Illinois coordination program will work best with a source of funding that can provide a broad base of support that is not limited to agency clients. However, as studies of programs in other states have shown, coordination programs can save considerable money and/or increase service and improve service quality.

Introduction

The State of Illinois is examining the potential for increased coordination in its transportation services, particularly those that are financed at the state level. A coordination committee has been meeting and has been working to gather data on the expenditures that each state agency now makes in providing transportation services to its clients.

This report takes a look at the coordination efforts that have taken place, reports on interviews with some key state level departments involved in providing funding for transportation, describes some successful coordination efforts at the local/regional level in Illinois and state level coordination efforts in other states. A series of potential actions for Illinois to consider are also described.

The first section of this report shares the summaries of interviews with some state level agencies and identifies other agencies that we sought information from. Some Illinois examples of successful service coordination are presented in this section as well.

The second section of the report describes exemplary state level coordination models from other parts of the country. Many of the examples have state legislation that has provided the impetus for coordination, however not all state level efforts require mandated coordination. Some of the examples show how states provide incentives for coordination to happen.

The final section of the report describes a series of coordination efforts that a state level coordinating entity could implement. Coordination of services is challenging. It takes incentives, information, understanding of win-win benefits, people who want to make coordination happen, and support through all levels of government – state, regional and local. Most strategies have components that a state level coordination entity can facilitate in addition to the very essential component of local and regional cooperation.

Summaries of Illinois Coordination Efforts

The first step in examining of options for improving coordination of transportation services in Illinois was to interview members of different agencies that provide transportation for clients. Due to the work of the ICCT, a database had been created that began to quantify the amount of transportation spending done by each department, and also the method being used to provide transportation. The purpose of the interviews was to get a more detailed picture of transportation activities to go with the database, and to better understand the current coordination plans of each department.

Several state departments and local transportation agencies were generous with their time in allowing TranSystems staff to interview them – summaries of the efforts of those departments are in the next section. Unfortunately, in the timeframe for this project we were unable to interview two agencies that have important roles to play in coordination. These are the Department of Transportation and the Department of Community and Economic opportunity.

State Agency Interview Summaries

Following are accounts of the interviews undertaken and observations about the implications of current plans and programs on coordination.

The Department of Healthcare and Family Services

The Department of Healthcare and Family Services (HFS) is one of the largest providers of transportation in the State of Illinois. This department is responsible for Medicaid (Title XIX) funding as well as funding for other programs such as SCHIP (State Children’s Health Insurance Program) or KidCare (Title XIX). The information for this write-up was from an interview with Cristal Thomas, Kelly Carter and Michele Maher on December 28, 2005 and an update in April, 2006.

The agency provides non-emergency medical transportation services (NEMT) as required by federal law. In addition, the agency provides services for several special state programs aimed at those with incomes above the eligibility level for Medicaid.

The Department of Healthcare and Family Services was considering a transition of its approach to providing transportation services. Currently, it is using a vendor statewide which is responsible for approving requests for transportation service. However, it solicited for a statewide broker via a RFP, with proposals due December 20, 2005. The RFP had the following description of the history of NEMT in Illinois:

“Prior to June 2001, the Department of Human Services (DHS) local offices administered the NEMT program. Each local office was responsible for authorizing NEMT, but the authorizations were not entered into the Agency’s claims payment system, causing the Agency to rely primarily on post payment audits and data analysis to detect Fraud and Abuse. In 1999, the Agency’s Office of Inspector General released findings of Fraud and Abuse in the NEMT program and called for implementation of a prior approval process with an administrative service organization. In March 2000, the Agency released an RFP for an entity to administer the Non-Emergency Transportation Service Prior Approval Program (NETSPAP). The Agency

implemented NETSPAP on June 1, 2001 in Cook County, and expanded the program regionally through May 1, 2004, when the NETSPAP became statewide. The NETSPAP has been successful in reducing inappropriate billing....

First Transit, Inc. currently operates the NETSPAP. The program is strictly a prior/post authorization program for NEMT Services. First Transit's duties include operating a toll-free hotline to receive requests for prior approval, determining eligibility for non-emergency transportation, screening calls to determine the most cost effective and appropriate Mode of Transportation necessary, reviewing and adjudicating requests for Standing Orders, offering three randomly selected transportation providers when requested, validating a random sample of trips to ensure that the Participant has a Covered Medical Service appointment, recruiting transportation providers when needed and transmitting authorizations and administrative reports to the Agency. Claims are submitted directly to the Agency from transportation providers, and if an authorization for the trip has not been received from First Transit, the claim rejects. Many Participants rely on the transportation provider to obtain the authorization for their transportation to a Covered Medical Service.

Fixed Route transportation is not included in the NETSPAP. Fixed Route tokens or cards are available at DHS local offices in only a few counties. If First Transit determines that a Participant in one of those counties can utilize the public transportation system to get to their medical services, the Participant is referred to the DHS local office to obtain the token or card."¹

The RFP sought bids for a statewide broker to assume the following responsibilities:

- Screen requests for NEMT Services and insure that the most economical mode of transportation is provided.
- Provide educational materials to participants including the need to make reservations two business days in advance.
- Make advance reservations for trips and notify participants.
- Schedule and dispatch trips. Notify providers two business days in advance.
- Recruit providers into the NEMT and negotiate reimbursement. All providers must be enrolled. Providers are assigned particular geographic areas.
- Insure drivers are trained.
- Insure the use of fixed route transit service and distribute passes where this is warranted.
- Wait time for pickup should not exceed 15 minutes. Drivers must wait at least 5 minutes after scheduled pick-up time. On-board time is limited to 45 minutes longer than the average direct travel time.
- 98% of requests must be scheduled within two business days of receipt.
- Provide up to 50% of the service in selected counties where there may be a shortage of providers.
- (there are extensive call center requirements)
- Perform various validation checks.
- Insure vehicles meet ADA requirements and a variety of other requirements.
- Insure that vehicles are inspected at the start and every 6 months thereafter.

¹ State of Illinois Department of Healthcare and Family Services, Request for Proposals, 2006-24-006-RFP, p. 12-13.

- Insure that drivers meet requirements including having passed a criminal background check.
- Keep a variety of records to track trips.
- Establish a complaint resolution and appeal process for participants and providers
- Various reporting requirements.

HFS requested that potential brokers bid a per-capita rate per month for which it would have to provide all mandated transportation services. Long Term Care Facilities would fall under the new brokerage program.

In 2004, HFS spent over 58.1 million dollars on non-emergency medical transportation services. Approximately half of this is from federal sources. Most of this funding goes to local approved private transportation operators. Rates for services are established by the HFS. Not much use is made of public transportation at this point.

During 2004, HFS served over 85,000 individuals and provided 3 million passenger trips (one-way). The services were available to over 1.8 million participants each month. These numbers imply a cost of around \$31 per beneficiary and \$19 per trip on average. They expected to make further savings with the broker system and therefore anticipated fewer problems with transportation in the future.

It was anticipated that the brokerage based system should provide several benefits over the existing system. These include:

- Financial motivation for the broker to arrange for shared rides and more use of public transportation, since the amount of funding the broker receives is fixed on a per capita basis.
- A complaint resolution process for participants and vendors.
- Regular inspection of vehicles.
- Driver training.
- Quality of service standards that the broker must insure.
- Prompt payment of vendors. (Previously this was an area of vendor complaints.)

HFS considered going to a regional brokerage, but avoided that since some regions in the state are less desirable than others. They wanted to insure that all regions would be taken care of. They also considered participating in a wider coordinated system. However, they felt that the switch to a statewide brokerage limited to Medicaid non-emergency medical transportation would be enough of a change. So they have delayed any effort at a broader coordination program at this time.²

² Following receipt of bids for the statewide broker, HFS has decided to delay implementation of a statewide broker.

Department of Human Services

Department-wide Coordination Initiative

The following summary was provided by the Department of Human Services as a report on the on-going coordination activities that they have been working on.

Coordinating all transportation services and programs for DHS customers is part of the Illinois Department of Human Services SmartPath Initiative.

In April, 2005 an internal Transportation Services Coordination Committee consisting of representatives from the divisions/offices of Human Capital Development, Developmental Disabilities, Rehabilitation Services, Mental Health, Community Prevention, Alcohol and Substance and the Office of the Assistant Secretary of Operations was formed. The Committee was charged with working collaboratively in the coordination of transportation services across divisions in order to improve quality, increase access, serve unmet needs, eliminate fraud and attain efficiencies. The desired overall outcome is to improve the quality and increase access of transportation services to all DHS customers.

Assistant Secretary Francisco DúPrey and Luanne Derocchi and Russ Friedwald of MIS worked on preparing a database with questions related to transportation services, eligibility, funding, etc. for committee members and also for other state agencies to provide this information for analysis. As users completed the survey, recommendations were made to improve survey responses and make the survey more user friendly.

The Committee inventoried all state and federal transportation services by division and completed the transportation survey for each of their programs providing any services and funds for transportation purposes. Due to shortage of MIS staff some of the work on the survey was delayed. Members are working with MIS staff and recently received some reports requested detailing information from the survey. This will assist members in identifying and comparing eligibility requirements, gaps, funding levels and so on.

Research has been done on states such as Kentucky, Washington, Florida, Vermont, Kansas, Pennsylvania and New Jersey. States are definitely working on improving transportation coordination in many ways. States such as Kentucky, New Jersey and Florida have enacted legislative mandates to coordinate transportation services. Depending on the level of transportation services that already exist, some states have extended fixed-route bus schedules and paratransit services, other states have given counties the responsibility for coordinating transportation services by submitting a coordination plan, upon approval the county uses available resources and contracts outside for those services they cannot provide. Kentucky provides non-emergency, non-ambulance medical transportation services to eligible Medicaid, vocational rehabilitation and Department of the Blind recipients through a contracted regional broker who is responsible for coordinating transportation services within their 15 transportation regions.

The Committee also met informally with a few providers for their input on transportation coordination and they responded favorably to having transportation coordination handled by an outside source. Their main concern was reliability. Other concerns are the affordability of transportation and the

availability of information on transportation services. Many state and local government agencies have coordinated their websites to include transportation services and provider information available in their area.

Since DHS' population is so diverse the Committee is reviewing options available for an experienced consulting firm to review the information compiled thus far and provide recommendations as quickly as possible.

The final report with recommendations is expected soon.

Division of Developmental Disabilities

The Division of Developmental Disabilities is part of the Department of Human Services, and they are involved with the department-wide effort described above. We spoke with Mr. Steve Rudolph of the Division of Developmental Disabilities (DDD) about the transportation issues and characteristics for programs funded through this division.

There is an array of programs funded by DDD including long term care facilities, state operated facilities (e.g. Howe Developmental Center), community programs including CILA and day programs such as workshops and developmental training. Mr. Rudolph's role is to set the rates for some of these services that the DDD funds.

When DDD provides funding for day programs for developmentally disabled citizens, they include funding for transportation in with the overall funding. The funds for transportation are not separately identified. The day programs are aware that they need to provide transportation and are allowed to provide for that transportation in whatever way works best for the program. Mr. Rudolph emphasized that the DDD does not specify how day programs are to provide their transportation. They are allowed flexibility to do it how it best suits their situation. Each individual day program has the flexibility to identify opportunities, make any arrangements for coordinated services and implement those plans if they choose to focus on coordinating services. The DDD does not direct the day programs to coordinate their transportation services. However, if programs inquire about coordination DDD will share information and resources.

We discussed limitations that would limit programs funded through DDD to participate in coordinated service at the local level. In general, there is no real barrier – from a funding perspective – to limit participation in coordination of services. Within the funds provided to these programs, there is great flexibility to use on the needed program elements. Several obvious limitations include a prohibition against programs 'double dipping' on reimbursement for transportation. A day program cannot contract with a Medicar to provide transportation and then have the provider bill Medicaid for that trip. This would effectively pay for trips twice. Additionally, if a program receives funding for transportation, then cannot charge the individual for that service.

Mr. Rudolph was not able to identify the magnitude of dollars that go towards transportation either in total terms or in percentage of costs. What he was able to identify was that there are 7,000 people in intermediate care, another 7,000 people in CILA settings, 3,600 people enrolled in other residential and

home-based services. Including these as well as persons with a variety of other supports and living arrangements, overall, the Division provides funding for over 30,000 people annually to travel to and from one or more day programs.

Several years ago, a Transportation Work Group did a study “Transportation Reimbursement for Day Program Services”. The study was attempting to identify approaches of a rate methodology to determine funding for the day program rate for transportation. They were also considering breaking out the transportation dollars, rather than including it in an embedded rate. The results of the study did not progress beyond the study phase.

Department of Aging

We spoke with Bert Weber of the Department on Aging. His role in the department is as a transportation liaison and he works for the Bureau of Community Operations. He connects the Department with the actual operations and recipients of the DoA funds at the 13 Area Agencies on Aging.

The Department on Aging provides funds to 13 Area Agencies on Aging (AAA). The money is ‘guided’ by the Older Americans Act. According to Mr. Weber, the Older Americans Act is written to encourage coordination and the Department actively works with their 13 AAAs to help them identify how to coordinate their services and to share examples of what other agencies are doing.

The funds for an array of needed Older Americans Act services are distributed by formula throughout the state. Funds for transportation are embedded within the total figure, yet have been separately identified in terms of what funds are used for transportation. The Community Support elements include 1) access, 2) in-home support and, 3) legal services.

According to the database (developed by DHS for the ICCT), funds for transportation total \$6,169,720 for Community Supportive Services (Title III-B of the Older Americans Act). This is the total for the state and combines the Federal, State and local shares.³ Annually, 852,891 one way trips are provided. Nearly 24,000 individuals received transportation services. This translates to an average of 35 trips per user per year. The average cost of a trip is \$7.23.

Each of the 13 AAAs are required to put together an Area Plan that seeks input from the community on the needs faced by elderly in their service area. They generally reach out to people with disabilities, seniors, the public, legislators about the demand for services. These are then presented as part of their Area Plan to the Department on Aging for approval. The Department on Aging funds are then used to deliver services in accordance with the thirteen AAAs Area Plans. It is the AAAs that are responsible for delivering all of the services. The local AAAs make the decisions about what to fund and how to deliver those services. They will go through competitive procurements and then manage, monitor and evaluate the services and report to Department on Aging.

³ Statewide numbers broken down by source (\$1,944,424 – Federal; \$759,869 – State; \$3,465,427 – Local)
The subset of these figures for NE Illinois is (\$516,750– Federal; \$80,311 – State)

The Department is actively working with the Area Agencies (who are responsible for services within 13 distinct Planning and Service Areas) to foster coordination with Section 5311 recipients (rural transit funding). He feels they generally have a very good relationship with the 5311 providers. The Older Americans Act is very specific about making sure that the services that AAAs provide ‘supplement, but don’t supplant other services’. There is nothing that prohibits using Department on Aging funds in a coordinated service. The services are very broad, and are for those 60+. This is the only eligibility criteria for services under the Older Americans Act. Participants do provide suggested contributions for the services delivered however, if a person cannot afford to make a contribution, they will still receive service. There is not a need to have the money follow individual people or cases.

Mr. Weber felt that all of the AAAs in Illinois do a good job of coordination in their own right. He feels that part of the reason is the guidance from the state. Throughout the Policies and Procedures Manual as well as the Area Plan process, there is a high level of support for encouraging coordination. Also, having people like Mr. Weber whose job it is to assist the AAAs with their field operations allows best practices to be shared and coordination activities to be proactively encouraged. There are a number of providers who have become certified for ‘medically necessary transportation’ so that they can provide coordinated service when some of the funding for services comes from Medicaid. Mr. Weber attributes much of the AAAs success at coordination of services to the intention stated in the Older Americans Act, the strong ‘people’ skills of many of the AAAs, the process of reaching out to the community to identify needs, and the support of the Department on Aging in encouraging and assisting the AAAs with coordination of services.

Local AAAs are required to provide a 15% match at the local level. That match can consist of cash, in-kind (volunteers), and program income (suggested contributions).

IDOT – Division of Public and Intermodal Transportation

IDOT’s Division of Public and Intermodal Transportation (DPIT) is responsible allocating several categories of federal funds to transit agencies in Illinois. They also have a Consolidated Vehicle Procurement program for paratransit vehicles. Coordination is a factor considered when IDOT is awarding funds or vehicles. Mr. David Spacek of IDOT’s Division of Public and Intermodal Transportation provided written answers to questions about the how the Division uses their processes to promote coordination. IDOT DPIT has some clear sources of funding that are specific to transit and transportation, and they have transportation as their core mission. Many of the funds have federal requirements associated with them, yet often there is an opportunity – within the funding requirements – to encourage particular behavior. IDOT uses ‘coordination’ as one of the factors to allocate funds among the many applicants.

Statewide Procurement

Consolidated Vehicle Procurement: IDOT DPIT has a coordinated vehicle procurement program (CVP) for paratransit vehicles. This is done to provide ‘purchasing power’ to smaller agencies and also to provide the specialized technical support of developing vehicle specifications needed for procurement. The CVP is open to all agencies that receive state operating assistance, or federal funding through Sections 5307, 5310 or 5311. The state has an application that agencies fill out if they are interested in buying through this program. The application process is the same regardless of

agency funding source. The funding to the agencies (either through state operating assistance, or the federal funding sources) has coordination as a factor in the funding decision. Participation in CVP is not, however, directly influenced by coordination.

Federal Funds

Section 5310: Section 5310 is a funding category to provide vehicles to not-for-profit agencies who serve the elderly and people with disabilities⁴. IDOT DPIT has an annual application process for these vehicles. Applications are scored according to:

- the applicant's level of existing service provided
- proposed utilization of the vehicle
- experience in managing federal and state funded programs (transportation and other)
- planning and administrative experience
- resources
- vehicle maintenance programs and experience
- coordination efforts and practices

In order to be successful in the scoring, an applicant must be involved in coordination efforts and must show support from the local public transportation provider. Applicants are selected based on funding availability and scoring results. The Governor's Office officially approves the recipients.

Section 5311: Section 5311 is a federal program of assistance to non-urbanized areas⁵. In order to utilize these funds, localities are required to provide local matching funds. IDOT DPIT administers 5311 compliance. They also are involved in determining how to distribute Section 5311 funding to rural areas throughout the state. In advance of proposals for the upcoming federal fiscal year of funding, IDOT DPIT will be reviewing their process for determining recipients of Section 5311 funding. This federal funding source has grown dramatically with the authorization of the SAFETEA-LU federal transportation bill. A significant increase in Section 5311 funds (approximately 50%) has been made available at the federal level for rural area transit funding. Decisions on the approach for considering additional programs to fund are being made soon.

Job Access / Reverse Commute: Job Access / Reverse Commute funds (JARC), Section 5316 funding is another type of federal funding that is targeted for individuals with lower incomes for the purposes of accessing employment opportunities⁶. Previously, this was an earmark program and IDOT was involved in evaluating proposed projects. JARC has now become a formula program and IDOT is currently developing a process for evaluation of potential projects that is supportive of the federal guidance. They expect to be an active participant in this process.

⁴ For Federal fiscal year 2006, Illinois has been allocated \$4.324 million in Section 5310 funding.

⁵ For Federal fiscal year 2006, Illinois has been allocated \$11.813 million of Section 5311 (including Section 5340) funding.

⁶ Federal fiscal year 2006 JARC funds are allocated to each urbanized area as well to the Governor for urbanized areas between 50,000 and 199,999 (\$0.628 million) and for non-urbanized areas less than 50,000 (\$0.616 million). Individual urbanized area amounts can be found Federal Register / Vol. 71, No. 23 / February 3, 2006 starting on page 5952.

New Freedom: In SAFETEA-LU, a new category of funding was identified, Section 5317⁷. This is a new formula program meant to enhance transportation for people with disabilities. It is expected to be targeted to new public transportation services and provide access to people with disabilities beyond what the ADA currently provides. Guidance for these funds is being developed and will likely include IDOT's participation in shaping the implementation in Illinois.

Summary of Interviews

The state level agencies appear to be moving in the direction of developing coordination *within* departments. This is definitely a step in the right direction, as currently, the level of coordination in Illinois agencies is very low compared to many other states. It would be important for these agencies to also keep open to the efforts of the other departments for further opportunities to coordinate services. Only the very largest agencies might be able to successfully coordinate services within departments. Smaller agencies will likely not have adequate 'economies of scale' to embark on a coordination effort within their department. At a regional or local level, being able to successfully coordinate trips – *regardless of sponsoring agency* – is often critical to making coordination of service be cost-effective.

IDOT DPIT allocates several types of federal funds that can be used for transportation or purchase of vehicles. The Division has chosen to include coordination as one factor in the allocation decision. This is a positive step and an effective way to encourage transportation providers – the recipients of the funding that flows through IDOT – to engage in coordination at the local / regional level. IDOT, with a mission to focus on transportation and the ability to provide funds to providers, has the potential to be very influential in shaping coordination activities should they choose to increase their focus on this area. The emerging federal guidance for more partnership between transit providers and human service agencies to meet local mobility needs should encourage increased involvement in coordination at all levels.

The other agencies we interviewed, DHFS, DHS and DoA, all are agencies that see the importance of transportation as a way to meet the needs of their clients. In effect, transportation is an essential means to an end – the end being the core service their agencies offer. DHFS and DHS have been investigating coordination of services within their departments. As mentioned earlier, this is a start, but might be difficult to sustain because coordination typically needs the full population in local areas or regions to achieve the base of ridership needed for success. The Department on Aging involves coordination as a pre-condition of funding and provides guidance and support to the Area Agencies on Aging to encourage these practices.

In seeing the general direction that some of the coordination efforts are moving, it is important to be cognizant of potential downsides, or unintended consequences, that certain types of coordination can promote when multiple agencies are not included in developing the coordination model. In other words, sometimes an agency can develop a program of coordination that reduces their costs – but sometimes it is at the price of shifting demand to another provider of service in the area (trip

⁷ Federal fiscal year 2006 New Freedom funds are allocated to each urbanized area as well to the Governor for urbanized areas between 50,000 and 199,999 (\$0.393 million) and for non-urbanized areas less than 50,000 (\$0.43 million). Individual urbanized area amounts can be found Federal Register / Vol. 71, No. 23 / February 3, 2006 starting on page 5957.

shedding). This may have benefits for one agency, but does not have overall positive impacts on mobility or public cost.

One example may illustrate this issue. The DHFS is no longer pursuing a statewide Medicaid broker, but had that plan moved forward, it had the potential to hurt or help coordination, depending on the way the broker implemented the service. A broker receiving a capitated rate for transportation services will increase its own profits by moving as many people as possible from non-emergency medical transportation private operators to public transit services if this is possible. The more people that public transit handles, the more the brokers' costs are reduced. Medicaid will benefit by a lower bid from the broker.

This works well when the broker arranges for clients to buy a pass on the fixed route system. The result is improved fixed route ridership and increased revenue (pass revenue). This results in a more cost effective service and lowers public subsidy costs. For example, the private van cost for non-emergency Medicaid may range from \$16 to \$32 for a five mile one-way trip depending on the region in Illinois. In Cook County the cost would be \$20.15 for a one way trip or \$40.30 for a two-way trip. A transit pass for the CTA costs \$35/month for a 30 day reduced fare pass. If a client takes the CTA's fixed route service only twice in a month (to and from a health care provider), the cost to the broker for reimbursing this service would be \$35. Thus the broker will save a minimum of \$5.30 by using the CTA fixed route. If the client has additional trips in the month by the CTA fixed route service, the broker pays nothing for those additional trips. The pass revenue is additional revenue for the CTA, and since the client does not require new service, there is no new cost to the CTA for providing the service. This is an example of a win-win situation for coordination.

However, when the broker arranges for the customer to move from a Medicaid funded private van or taxi to the public ADA complementary paratransit system (paying only the transit fare), this will increase the subsidy required by the public transit provider. For example, *say that the operating cost is the same for the private operator as for the public paratransit service.* When the broker utilizes a Medicaid provider for a 5 mile trip in Cook County the cost will be around \$20.15 for a one way trip as above. If the broker moves the client to the public paratransit service and pays the paratransit fare (\$1.75), this represents a considerable savings of \$18.40 to the Medicaid program. However, because it is likely that the public transit authority will have to add a trip to accommodate this request rather than putting the client on an existing van trip, the cost to the transit provider will also be close to \$18.40. Thus this approach does not increase the efficiency of the system; rather it substitutes one program's funding for another. This is an issue that is increasingly emerging at transit agencies throughout the country.

Other Illinois Coordination Efforts

In addition to the state level agencies, technical assistance resources are provided by the Rural Transit Assistance Center. A summary of their activities follows. There are also several very good examples of local / regional coordination in Illinois and write-ups of these three services also follow.

Rural Transit Assistance Program / Rural Transit Assistance Center

The Institute for Rural Affairs out of the Western Illinois University runs both the federal RTAP and the Illinois RTAC. In addition to training programs, the Center has become the clearinghouse for the ICCT, and responsible for the draft of the January 9, 2006 report to the General Assembly of Illinois. Information for this write-up is from a conversation with Edward Heflin on 1/5/06.

RTAP work done by the RTAC includes (but is not limited to):

- Driver training
- Technical assistance via a toll-free line and on-site visits
- Maintenance seminars
- Lending library
- Planning assistance for transit providers
- Special projects for DOT
- Annual update of the IDOT/IPTA Capital Needs Assessment
- Sponsorship

While the RTAC does not fund transportation programs, it does provide technical assistance to transit agencies, and can be a resource to those wanting to increase coordination. New federal requirements in SAFETEA-LU do put emphasis on coordination for JARC funds and United We Ride funds. This should help push the effort in Illinois.

Edward Heflin, the Manager of the RTAC, has been pushing for increased coordination statewide, in rural counties, and particularly in Macomb County, where he resides. His advice regarding transportation for persons with developmental disabilities, in particular, is that if there is a good public transportation system, there need not be a separate specialized transportation system.

Examples of well functioning systems can be found around the state:

RIDES Mass Transit District

The RIDES Mass Transit District is the most rural of the three featured providers. It serves an 11 county region in Southeastern Illinois. The service started in 1977 in Pope and Hardin Counties with a FHWA Section 147 grant (a Federal Highway Program that provided funding for rural public transportation). The district grew as other counties joined, and in 1980 Rides began to receive FTA Section 18 funding (later Section 5311 funding). It became the first rural mass transit district in Illinois in 1990. In 2000 it was presented with the “Transit Systems of the Year Award” from CTAA (Community Transportation Association of America). In 2005 it was one of five transit organizations nationwide to win a “United We Ride” award for its efforts on behalf of coordination. Information for this write-up is from an interview with Bill Jung on January 17, 2006, the RIDES web page, and TCRP Report 105⁸.

RIDES contracts with 50 different agencies on a regular basis. These include:

⁸ Patricia Monahan et. al., *TCRP Report 105, Strategies to Increase Coordination of Transportation Services for the Transportation Disadvantaged*, Appendix A, Case Studies, pp. A-63 to A-67.

- Illinois Department of Public Aid
- Illinois Department of Aging
- Illinois Department of Healthcare and Family Services (Non-emergency medical transportation)
- Coleman Tri-County Services
- Golconda Job Corps
- Golden Circle Nutrition
- Wabash County Special Education
- Family Counseling
- Adult Day Care

From the beginning RIDES has served both agency clients and the general public. The backbone of the service is the various agency contracts. Then, as space permits, seats can be filled by individual riders who pay the fare. Bill Jung, RIDES CEO, estimates that 40 percent of the ridership on RIDES is individuals who are developmentally disabled. Other characteristics of the ridership follow:

- 30 percent of riders are members of the general public
- 70 percent of riders are clients of agencies
- 33 percent of riders are elderly
- 67 percent of riders are people with disabilities

Because the service area of RIDES is so rural, there are no fixed route services. However, since some of the programs served have regular schedules, RIDES has developed service that might be called flexibly routed, but where there is a somewhat regular schedule. It is this service which is also available for the general public to use for a fare. RIDES is about 30 percent demand-responsive and 70 percent “deviated fixed-route.”

RIDES provides around 3.3 trips per vehicle hour, which is excellent for such a rural area. The cost per trip is \$11.30 and the total cost per vehicle mile is \$1.69. Rides funding comes from Federal Section 5311 funds (25%), Downstate Operating Assistance Program (42%), and local farebox and contract services (33%). Fare revenues are a relatively small part of this component.

Exemplary Coordination Models

Introduction

While contemplating an ideal structure for managing coordination in Illinois, it is desirable to look at what other states are doing, particularly those states thought to be providing exemplary coordinated services. As the examples below will show, there are many different approaches to coordination, and the only way to develop a system is to have all the involved parties work together on a solution that makes sense for Illinois. Strong state backing is very helpful on the regional and local level to encourage coordination, but there is no substitution for strong regional/local leadership. Illinois has excellent examples of coordinated systems even as the State of Illinois contemplates what should be done from the state perspective. In the discussions following, we look both at the state mandates and programs and at the organization of coordination at the regional level.

Coordination models from other states are exemplary if they show a demonstrated ability to achieve some advantage from coordination. The kinds of advantages that might be shown include:

- Saving money through shared overhead resources.
- Saving money/resources through operational efficiency (higher productivity in riders/hour or riders/mile).
- Saving money/resources through operational efficiency—assigning customers to the most efficient vehicles appropriate for that person (fixed route rather than paratransit, taxi rather than chaircar, chaircar rather than ambulance)
- Saving money through bulk purchase of insurance, vehicles or other items.
- More effective maintenance through use of centralized and specialized maintenance capabilities.
- Improving service quality with better standards for training, vehicle requirements and maintenance of vehicles.
- Improving service quality with improved ways of connecting customers and service.
- Improving financial tracking with better technology.
- Reducing fraud.

Examples from Other States

A number of states are generally regarded as having developed successful coordination programs that serve as models for other areas. They include, among others, Florida, Iowa, Kansas, Kentucky, Maine, North Carolina, Ohio, Pennsylvania, and Washington.⁹ Following is a description of programs in Florida, Kentucky and North Carolina, which show a range of approaches and advantages for coordination. Also included are descriptions of New Jersey and Massachusetts which also have successful coordination programs.

Florida

Florida is often viewed by the transportation industry as having a very comprehensive coordination program. Florida's program is legislatively mandated: a 1979 state law requires coordination for programs that receive state funding to provide transportation for transportation-disadvantaged people. At the state level there is a Florida Commission for the Transportation Disadvantaged (TD Commission) which designates and oversees a Local Coordinating Board (LCB) in each county. The TD Commission oversees the Transportation Disadvantaged Trust Fund, which is supported by a \$1.50 fee on annual vehicle registrations for passenger vehicles and trucks weighing less than 5,000 pounds, by 15 percent of the states block grant for transit, and by a voluntary contribution program by motorists when they register their vehicles.

The CD Commission is a 27 member board includes both private-non profit and for profit transportation providers, as well as representatives of human service agencies; business and consumers. The inclusion of operators who can benefit from the CD Commission policies has set up a conflict of interest that has received adverse media attention in the past few years.

The Local Coordinating Board in each county chooses a Community Transportation Coordinator (CTC) to coordinate transportation. Many state agencies contract directly with the Community Transportation Coordinator. The CTC provides transportation services by directly operating, by operating and contracting with other providers, or by brokering services. In 2003 the Community Transportation Coordinators were AAAs or other agencies that provide services to seniors. However, more and more public agencies (such as public transportation providers) are being designated as Community Transportation Coordinators.

The 2003 Annual Report said that the system provided 53 million trips in 2003. It reported that a funding increase of \$9 million allowed an increase of 2.7 million trips, implying a marginal cost per increased trip of between \$3 and \$4. It also reported unmet trips totaling 709,000. In 2002, the number of unmet trips had been a third higher.^{10,11}

⁹ TCRP Report 105, *Strategies to Increase Coordination of the Transportation Services for the Transportation Disadvantaged*, p. 15.

¹⁰ National Conference of State Legislatures, *State Profiles of Activities Related to Human Services Transportation Coordination*, pp. 38-40.

¹¹ TCRP Report 105, *op. cit.*, p. 45-46.

A study by the University of Florida done in 2003 found that the Community Transportation Coordinator program was saving money for the Florida Medicaid non-emergency medical transportation program. Out of a \$70.32 million dollar state transportation program in 2002, the savings estimated per year varied from \$11 million to \$234.55 million annually depending upon the analysis method used. The University's best estimate of savings was \$22.8 million, which would be equivalent to a savings of 24%.

The study went on to find that the use of the Community Transportation Coordinator program had resulted in a 30% reduction in users per beneficiary (which the researchers thought was probably due to better screening of users). Average cost per claim (or per trip) was reduced by 38%. The largest reduction in cost per trip came from those CTCs that also provided all of the transportation service, rather than acting solely as a broker. The researchers suggested that the Community Transportation Coordinator operators were better at choosing shorter routes, selecting cost-effective transportation modes and coordinating trips.

However the number of claims per user increased by 52%. This implied to the researchers that the Community Transportation Coordinator program was not doing a good enough job of screening trip eligibility for the users. Because the CTC is paid a fixed fee per trip and providers are normally paid a fixed fee which varies with transportation modes and mileage, there is no financial incentive to screen trip eligibility. The study found that the problem was significantly greater when the Community Transportation Coordinator also provided transportation service, thus earning both the CTC fee and the transportation fee. On the other hand, the per trip reimbursement may also provide incentive to operate more efficiently by grouping trips or doing other things that reduce operating costs.¹² In the recent past Medicaid has pulled out of the program and then back in. In December of 2005 Logisticare, a private for-profit transportation brokerage announced that it was going to handle the non-emergency transportation services for the majority of the state's health management organizations.

In conclusion, the Florida system of brokerages appears to be saving the state money on human service transportation. The Florida system still faces problems stemming from conflicts of interest of its governing committees as well as incentive systems that may encourage more trip making. However, these flaws could be remedied if the system were structured for Illinois. However, a program such as Florida's requires extensive top-down involvement, which may make it less attractive as a model for Illinois.

The coordinated Florida brokerage system would seem to provide savings through several of the coordination advantages spoken of earlier. The ones noted in the University of Florida evaluation include:

- Saving money/resources through operational efficiency (higher productivity in riders/hour or riders/mile). The evaluation study did indicate that better routing and grouping of rides was contributing to the 38% saving in cost per ride.
- Saving money/resources through operational efficiency—assigning customers to the most efficient vehicles appropriate for that person. The evaluation study found that the CTC's

¹² Dewey, J. et. al., *Independent Assessment: Florida Non-Emergency Medicaid Transportation Waiver*, University of Florida Bureau of Economic and Business Research, October 17, 2003.

providing transportation themselves were doing a good job assigning the appropriate vehicle.

- Reducing fraud. The evaluation study found that the CTC system had greatly reduced the incidence of use by ineligible users. However, it also found that there was evidence of ineligible trips.

However, the system needs to continually work to insure its large funding agencies (Medicaid, in particular) that they are getting a good deal from participating in the brokerage. In considering switching to a statewide broker as Illinois is doing, Medicaid may have hoped to save money by spreading the overhead/management costs over a greater number of trips. The tradeoff, however, is that the regional Community Transportation Coordinators may have the better knowledge of the local transportation operators and be better able to safeguard quality standards and efficiencies in the choice of mode and grouping of trips. The verdict is still out on the impact on the CTCs of the use of a Medicaid only broker by several of the managed care organizations.

Kentucky

Kentucky is another often cited state for an exemplary coordination program. The Kentucky program is based in legislation.¹³ In 1998, the Kentucky legislature established the Human Service Transportation Delivery program to control costs of Medicaid non-emergency transportation and coordinate trips among social service agencies. This program came about in an effort to control costs for transportation and for welfare reform in the wake of rising costs, fraud and abuse. In 2000 the legislature created a multi-agency Coordinated Transportation Advisory Committee and established a group of program coordinators to resolve complaints. Section 281.870 established the Coordinated Transportation Advisory Committee with membership including representatives of the cabinets of Transportation, Health Services, Families and Children and Workforce Development.

Coordination is managed out of the Transportation Cabinet. Section 96A.095 of the Kentucky Revised Statutes authorizes the Transportation Cabinet to direct federal funds to entities promoting coordination. Several other statutes govern duties of the Transportation Cabinet program coordinators and brokers.

The transportation delivery program developed a network of 15 regional brokers that contract with the state to provide services. A regional nonprofit agency or private company is awarded a contract through a competitive bid process. Each broker administers one region. They can act as transportation providers themselves, contract with other transportation subcontractors for some service, or act solely as brokers by contracting out all transportation. Brokers can contract with nonprofit agencies, for-profit medical service providers, for-profit medical transportation companies, taxicab companies, municipal transit systems, and private individuals.

This program is different than Florida's in that each broker is provided with a fixed dollar amount for transportation depending upon the number of Medicaid recipients in the region. This is called a "capitated" or flat payment system. Because the dollar amount is fixed in the region, there is an

¹³ National Conference of State Legislatures, op. cit, pp. 48-49.

incentive to reduce costs by grouping trips and providing the lowest cost form of transportation that is appropriate. Kentucky does have a transit pass program, a particularly cost-effective option if public transportation can serve the travel need.¹⁴

The program has been estimated to save \$20 million dollars as of FY 2004 when the total program costs were around \$48.8 million. The system provided over 2 million trips, and served around 600,000 people. The overall cost per trip is thus on the order of \$24 per trip.

The Cabinet for Families and Children participated in the program and used it to serve 31,000 recipients. Their 1.6 million trips cost \$7.6 million dollars or \$4.75 per trip. However, this Cabinet has now left the program, apparently thinking that by focusing only on its clients, it will be able to find more savings.

There was a study done by a legislative research commission that investigated the quality of service under the coordination program. This review found *considerable cost savings but had some concerns about service quality*. There were issues in the methods used by the transportation brokerages in contracting with operators, generating dissatisfaction from those operators. There were also concerns that the quality of transportation was not adequately monitored.¹⁵

Like Florida, Kentucky's coordinated approach to transportation through regional brokerages is likely to be generating many of the coordination advantages mentioned earlier. However, it still must work hard to convince each participating organization that their needs are being efficiently and effectively handled.

¹⁴ Gail Stefl and Mark Newsom, *Medicaid Non-emergency Transportation: National Survey 2002-2003*, for the National Consortium on the Coordination of Human Services Transportation, December 2003, p. 15.

¹⁵ Hewlett, T. et. al., Legislative Review Commission Research Report 319, *Human Service Transportation Delivery: System Faces Quality, Coordination, and Utilization Challenges*, May 2004.

Alternative Models for Coordination

Coordination of transportation services is an important effort to undertake to stretch transportation resources and make more service available to people who need it for each dollar spent. There are many different ways to coordinate service – none are simple.

There are several important elements to consider when seeking to further coordination.

- Who are the right people to implement coordination – there are some elements of coordination that can be enhanced by participation of state level entities, other elements must be developed or implemented by local or regional players.
- Coordination must create a ‘win-win’ situation for all parties involved – to change from the status quo, each entity must perceive a benefit to them to go through the effort to coordinate services.
- Good information is needed on many detailed aspects of service to make some of the decisions (see the value) of embarking into coordination.

For the purposes of this report, it is important for us to focus on the appropriate type of actions that can be considered from a state level – rather than a regional level. No implementation will take place unless the local / regional level participates – but from a state level, successful actions can be taken to provide incentives to participation in coordinated transportation efforts.

In Illinois, Public Act 93-0185 set the stage for improving the coordination of transportation services for disadvantaged individuals in the state of Illinois. The act created the Interagency Coordinating Committee on Transportation (ICCT) for the purpose of researching and providing recommendations on ways to broaden and reduce duplication of transportation services for disadvantaged populations.

Results of the ICCT to date include the development of a database that provides basic information on transportation programs including delivery methods, funding sources, populations served and other information. The ICCT has also secured funding for a staff person to support the group as well as provide technical assistance regarding coordination.

The ICCT provides a group that is possibly positioned to assist in further state level coordination activities if the legislature accepts the recommendations of the recent report. There are other state level coordination bodies forming, within departments such as the group formed to create a statewide brokerage in the Department of Healthcare and Family Services, and the group that is working within the Department of Human Services to identify department level coordination opportunities. These entities may be the right body to advance coordination, or maybe a group with a different composition is required to successfully implement state level coordination in Illinois. The goal of this report is to identify some potential approaches for consideration as the dialogue about coordination moves forward.

Based on the agency summaries in this report, as well as the ICCT Report to the General Assembly, some Departments within the Illinois state government are taking a variety of steps towards improving coordination of transportation services. These steps include gathering and analyzing information on

transportation which might help further coordination efforts. Following are summaries from the department interviews and the ICCT Report¹⁶:

- The Department of Healthcare and Family Services has solicited a statewide broker to handle Medicaid non-emergency transportation services. This effort is separate from that of other Departments dealing with transportation services. The broker is likely to continue the program of purchasing fixed route bus passes for non-emergency medical transportation (NEMT) in cooperation with local public transportation agencies.
- The Department of Human Services has formed an internal Transportation Services Coordination Committee consisting of representatives from the divisions/offices of Human Capital Development, Developmental Disabilities, Rehabilitation Services, Mental Health, Community Prevention, Alcohol and Substance and the Office of the Assistant Secretary of Operations. The Committee inventoried all state and federal transportation services by division and completed the transportation survey for each of their programs. It has also been researching models from other states. DHS is considering hiring a consultant to advise them how such different populations can be coordinated.
- The Department of Aging is already encouraging coordination of transportation at the local level through the Area Agencies on Aging. Coordination is aided in this department by the requirements of the Older Americans Act that encourages coordination, requires the development of a local needs assessment. Additionally, state staff functions in a technical assistance role, providing guidance and bringing best practices to the Area Agencies on Aging.
- Illinois Department of Transportation has encouraged providers to adopt coordination and has provided staff to work with agencies to enter into coordination agreements.

State Level Coordination Strategies for Consideration

Transportation coordination can be improved with a concerted effort at both the state and regional levels. While a state mandate for coordination can be helpful, leadership at the local level is also essential for a successful coordination effort.

At the state level, a legislative mandate for coordination or an executive order can be helpful in encouraging coordination. For example:

- Vermont: 24 V.S.A. Chapter 126 Section 5090 requires state human service agencies to purchase transportation services from public transit systems if those services are appropriate for the clients who use them and are as cost-effective as other alternatives.

¹⁶ Interagency Coordinating Committee on Transportation, Public Act 93-0185: Interagency Coordinating Committee on Transportation, Report to Governor Rod R. Blagojevich and Illinois General Assembly, January 24, 2006.

The best incentive for coordination that can come from the state level is a program to provide general funding to encourage coordination programs.

- Florida has a trust fund to provide funding for transportation to disadvantaged individuals who have no other means of transportation. The trust fund is distributed to regional brokers who provide coordinated transportation services.
- North Carolina has a Human Service Transportation Management Grant Program, which contributes to the administrative cost of a transportation system that provides coordinated service, where other funds are not available for this purpose.

However, without local leadership, there will usually not be successful coordination, despite any mandate at the state level. This may mean there will be slightly different approaches to coordination in each region depending upon the resources/organizations available. Nevertheless there are many actions that can be taken by a state level coordination entity (state departments, the ICCT or similar) to improve the chances that leadership for coordination at the regional level will emerge, that good programs can be developed, and that good programs can be sustained. This is the purpose of this section—to examine some of the programs and tools that a state level coordination entity can use to foster coordination at the local level.

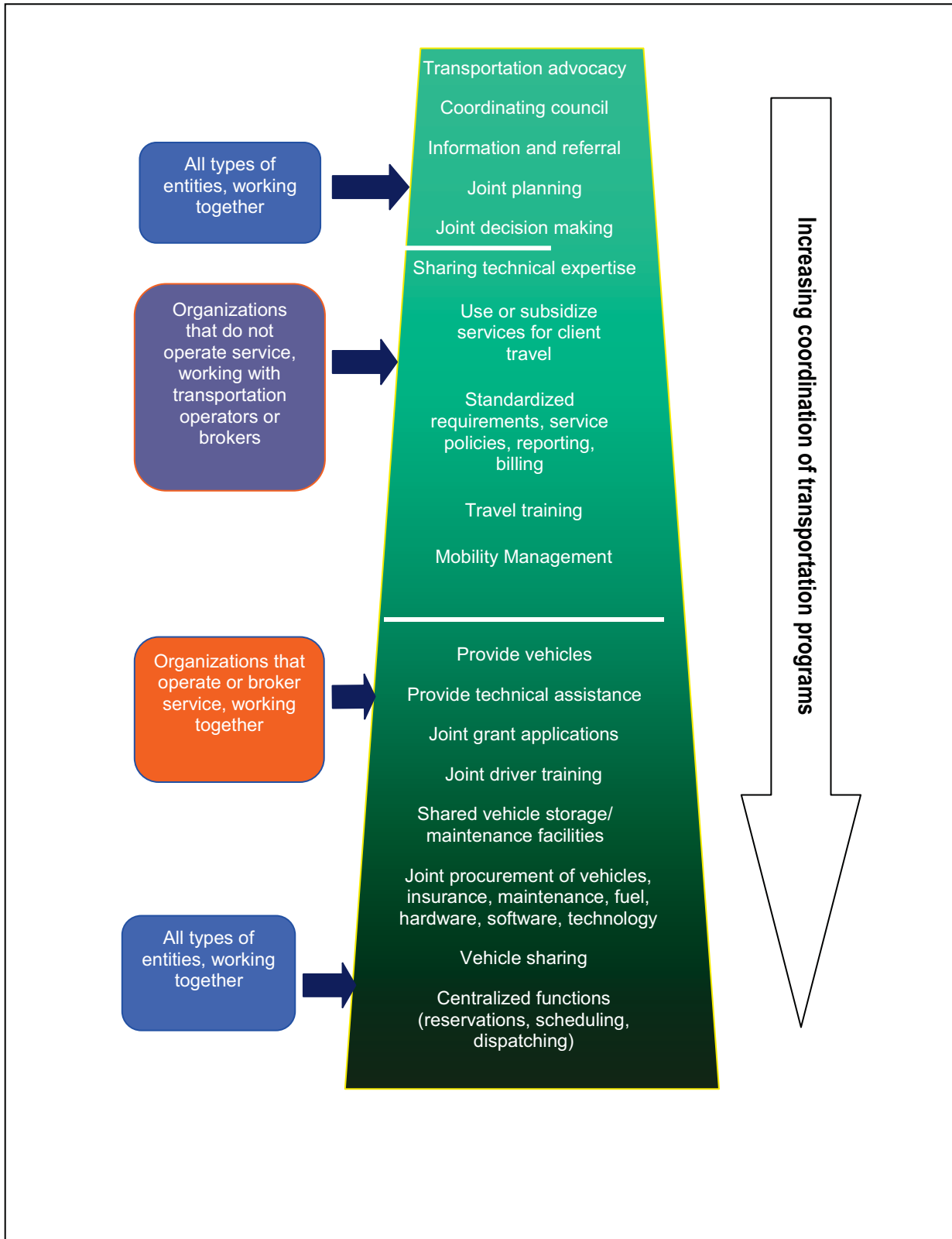
Before examining the options available at the state level, it is useful to examine a continuum of coordination actions that can be undertaken to encourage more efficient and effective delivery of transportation. The concept for the diagram in Figure 1 is based on TCRP Report 105.¹⁷

Figure 1 shows actions that can be taken at each stage of coordination ranging from separate transportation programs to blended programs. At the top end of the chart are actions that can be taken early in a program to increase coordination, whereas actions closer to the bottom are actions that can be taken when a coordination program is well advanced. As can be seen in Figure 1, another consideration is the type of entity that is involved in the coordination action. Some actions are taken with different types of entities working together, whereas others involve specific types of entities, such as those responsible for direct operation of service or those responsible for paying others to operate service.

The activities listed in the top part of Figure 1 represent actions that can be taken when transportation programs are all offered separately. As can be seen, the current work of the

¹⁷ Monahan, Patricia, et. al., TCRP Report 105, *Strategies to Increase Coordination of Transportation Services for the Transportation Disadvantaged*, Transportation Research Board of the National Academies, Washington DC 2004, p. 19.

Figure 1: Coordination Actions



ICCT and the individual department statewide coordination efforts are similar to several of the actions shown in Figure 1 at the top of the chart.

The ICCT is a coordination council, which has been gathering information on the transportation services within each agency represented. The ICCT has also conducted a planning process to address coordination of transportation for the disadvantaged, and set up a clearinghouse at the Rural Transit Assistance Center to provide information and technical assistance to localities on addressing transportation for the disadvantaged. These efforts are essential building blocks for coordination to be able to move forward.

Other activities included in the top box in Figure 1 are “sharing technical expertise” and “joint decision-making.” Sharing expertise could entail the ICCT or other state level coordinating entities in assisting local areas by encouraging local agency representatives to take on the task of transportation coordination planning and implementation. Joint decision-making could entail acting as an advisory committee for discretionary transportation funding. Following are some suggestions about potential state level coordination efforts that might make sense in Illinois.

An Interagency Committee assumes an active role in technical assistance

An entity at the state level could play an active role in providing technical assistance to coordination efforts at the regional level. This entity could be the ICCT or other entity, which we will call an Interagency Committee. An Interagency Committee can work to identify players on the local level who can promote coordination, and similarly encourage local human service agency staff to work towards coordination.

As an example of this activity, the State of New Jersey used a state level set of advisors when first deciding how to implement Welfare to Work programs. Because then Governor, Christine Whitman, made Welfare to Work a key program in New Jersey, to work towards coordination. Provision needed to be made for transporting individuals who did not have access to a private automobile. New Jersey Transit (NJT) hired a consultant (Multisystems, now TranSystems) to help develop transportation coordination plans for each of the 21 counties in New Jersey, and an interagency group of advisors formed at the state level to advise NJT and the consultant. The Interagency Committee was made up of members from the DOT, New Jersey Transit, the Department of Health and Human Services, and the Department of Labor. The committee played a key role in helping the consultant identify who to talk to on the county level and strongly encouraging those at the county level to participate in the program. At the county level an interagency transportation steering committee was also formed to develop a community transportation plan.

Transferability: In the case of New Jersey, the state spent over a million dollars in providing consultant services to each of 21 counties to develop plans for Welfare to Work transportation services. Also New Jersey has a state lottery program that provides funding for transportation services at the county level for senior citizens. The county transportation services are in many cases providing coordinated transportation for several human service agency clients. Finally, New Jersey established a

Transportation Innovation Fund to help fund services. This combined with federal funding through JARC and Welfare to Work grants helped with the implementation of the county level plans.

Since Illinois has many more counties to cover than New Jersey, and since county level transportation services are not available everywhere in Illinois, it might be difficult to undertake a statewide coordination program all at once. However, it might be feasible to undertake pilot technical assistance programs in a few select areas utilizing the Rural Transit Assistance Center program to provide the technical assistance.

Functions at regional level: Where a state transportation program has counterparts at the regional level, these entities could be encouraged to form a regional coordinating body. For example, Community Action Programs (CAP) agencies and Area Agencies on Aging could be encouraged to work together on a coordinated system. The new Medicaid broker planned by the Department of Health and Family Services could also be encouraged to participate, as the development of better transportation systems at the regional level should make the provision of non-emergency medical transportation (NEMT) easier and less expensive.

Functions at state level: The state human service agencies participating in a pilot coordination program should form a subcommittee that would meet and determine how to encourage regional action. That subcommittee could join the region every six months to plan and evaluate progress.

Changes at the state level: A state-funding program for pilot demonstration projects would provide significant impetus to getting something started at the local level. The Rural Transit Assistance Center program would need additional resources to undertake a concentrated program of technical assistance in pilot areas.

Advantages: Pilot areas for technical assistance can be selected where the program seems most likely to succeed. The ICCT report to the governor mentioned 20 technical assistance requests from 30 counties, so there is widespread interest in the program. A few success stories would generate more interest and begin to fill some of the transportation gaps. New coordinated programs will likely reduce transportation costs and/or provide transportation opportunities where few exist today.

Disadvantages: A pilot technical assistance program would take resources in the form of staff time from participating state agencies, and funding resources both for the Rural Transit Assistance Center as well as for start-up funding for pilot programs.

The Interagency Committee assumes an active role advising on discretionary transportation funding

The Interagency Committee can act as an advisory committee to help direct discretionary state funding for transportation. This option goes beyond the recommendation that the ICCT serve as an advisory group to help IDOT coordinated and develop the federally mandated human service transportation plan for Illinois.¹⁸ It suggests that the committee play an active part in

¹⁸ IBID, p. 6.

determining funding priorities on an ongoing basis, particularly when new funding becomes available. This group could help insure that coordination is a criterion for receipt of funds or that funds are provided as an incentive to regions actively engaged in coordinated transportation efforts.

The overall mandate should be to use the funding as much as possible to encourage the formation and use of coordinated transportation systems. The committee could serve as an advisory function for the Illinois DOT program that distributes funding for private non-profit transportation providers (5310), for the rural transportation program (5311), for Jobs Access Reverse Commute (JARC), and for the New Freedom Program. This is in line with the ICCT recommendation that it “assist in developing new policy guidance and clarifications to support job access and coordination and monitor implementation.”¹⁹

As an example, the Commonwealth of Massachusetts developed an Interagency Advisory Committee (IAC) when the predecessor to the 5310 program was first begun. Known at that time as the 16(b)(2) program, its purpose was to provide capital funds for vehicles for private/non-profit organizations providing transportation for elderly persons and persons with disabilities. The IAC was made up of members from the Executive Office Transportation, the Executive Office of Elder Affairs, the Executive Office of Human Services, the Council on Developmental Disabilities, the Massachusetts Rehabilitation Commission, the Department for Mental Retardation, MassHealth (Medicaid), Commission for the Blind, Mental Health, and so forth. The IAC helped to develop criteria for choosing programs for funding, and served as an evaluation committee to rank the programs. Distribution of the 16(b)(2) funds was still the responsibility of the Executive Office of Transportation, but for the most part, the recommendations of the IAC were followed.

Transferability: The concept of using an Interagency Committee to assist with decision-making with respect to the 5310 program or other discretionary funding programs would seem to be very transferable to Illinois. The ICCT or another state level coordination entity could fulfill this role.

***Advantages:* Using a state level Interagency Committee as an advisor on discretionary funding would increase interagency cooperation from a planning stage to joint decision-making. It would also make this group more familiar with transportation options and programs at the local level.**

***Disadvantages:* The DOT has established approaches for using discretionary funding, and these could be disrupted by a different approach.**

Consolidation of Transportation Services

RIDES Mass Transit District in Illinois provides an example of consolidated services at the local level. RIDES is the provider of public transportation, but it also provides transportation to most of the larger human service agency programs in the area. A more detailed description of RIDES Mass Transit District is included in Chapter 1.

¹⁹ IBID, p. 14.

Transferability: RIDES Mass Transit District is a shining example of a fully coordinated system in Illinois. Thus this model can work well in the state. However, many of the state level actions mentioned earlier would be needed to encourage the development of other RIDES throughout Illinois. Such actions include legislation or an executive order encouraging state agencies to support regional coordinated systems, funding to provide for technical assistance, and pilot funding or continuous funding supportive of a regional coordination entity.

Functions at regional level: A consolidated regional operator would handle all of the functions mentioned above under brokerages. A regional operator would have responsibility for contracting to serve human service agency clients, determining eligibility, determining the most appropriate and lowest cost transportation mode, and insuring quality service is provided.

Functions at state level: Again, similar to the situation for regional brokerages, state level departments can support a regional coordinated system through contracts to serve clients and also by eliminating administrative barriers to coordination.

Procurement mechanisms: If a system of quasi-public transportation entities exists at the regional level, procurement for service is usually done by negotiation with the brokers. Where the brokers are private for profit entities, procurement is usually done by a public procurement.

Reimbursement mechanisms: The same reimbursement mechanisms applicable to brokers are applicable to consolidated operators. Methods include negotiated per trip amounts which can have mileage components or other fees for special services. Another method is to use a cost allocation formula which shares costs among agencies whose clients are carried on a particular trip. Still another method is capitation where the brokers get a certain fixed amount depending upon a measure of the population in the area.

Advantages: In rural areas a consolidated operation is often the best way to provide transportation services to the transportation disadvantaged. This is because there are few other entities available to provide alternatives. For example, taxi operators may not exist in some areas. As mentioned in Chapter 2, a study of the Florida Community Transportation Coordinators found that those that provided all transportation directly (as opposed to acting as brokers for other providers) had the lowest per ride cost, since they were better at choosing shorter routes, selecting cost-effective transportation modes and coordinating trips.

Disadvantages: Even where consolidated regional systems are effective at coordinating transportation for many different agencies and thus providing comprehensive service at a regional level, state human service agencies may find it more simple to deal with fewer entities, and may favor a statewide broker limited to a single purpose.

Observations

This section shares some observations of the research for this report.

Coordination is ultimately implemented at the local / regional level

Illinois has some very good examples of successful coordination efforts at the regional level. In all cases, these are efforts that were initiated and implemented by the regional players. The coordination efforts were not simple, but were viewed as having benefits to regional mobility. They have been sustainable services meeting critical transportation needs in their areas. These systems have been developed without the existence of state mandates or influence.

Coordination can be enhanced with more support at all levels of government

State level support for coordination of services – whether mandated or voluntary – can be very effective in ‘unlocking potential’ of local / regional groups to enter into coordinated service arrangements. The inherent difficulty of getting people and agencies to work together in different ways can be surmounted by state agencies providing incentives for local players to work collaboratively. These incentives can be in the form of shaping policies to encourage coordination, providing additional resources for coordinated systems, or by mandating certain cooperation.

Little state-level coordination is currently happening in Illinois

Compared to many other states **Illinois has not been active at the state level in providing incentives or policies that support coordination. Some recent efforts of coordination have been within departments. Most successful coordination efforts require the broad base of customers that are supported by a wide range of departments and agencies.** In effect, the ‘audience’ needs to be travelers at a local / regional level. Policies and coordination support should work backwards from the local / regional level to identify successful strategies.

Many opportunities for coordination exist

While coordination ultimately is implemented at the local / regional level, there are many different ways for the state to influence and encourage coordinated transportation practices. State-level efforts, alone, cannot create coordination opportunities. After all, it is at the local / regional levels that coordination ultimately happens - but state level efforts have shown success as demonstrated in the exemplary practices section of this report. **Coordinated state efforts can provide that initial push to local areas to consider or advance their coordination work. A renewed effort of state agencies working together in Illinois holds promise to increase coordination opportunities statewide. Continuing to push forward on identifying ways to accomplish this should be a focus of the state.**