

Medical Transportation: Challenges of the Future

By Jon E. Burkhardt

In recent years, there's been a growing recognition that transportation services are a vital component of any comprehensive medical care program. The opposite side of the coin is that the best medical services in the world aren't worth very much if the intended recipients cannot get to these services.

A recent study for the Susquehanna Valley Rural Health Partnership, summarized the issue in this way: "In many communities, a lack of transportation stands in the way of receiving adequate medical attention for some citizens. Such persons are often older, disabled, poor, rural residents, or members of minority groups. Since such persons often experience other barriers to accessing healthcare services, such as inadequate health insurance coverage, the additional burden of inadequate transportation compounds an already difficult situation. Problems in accessing appropriate health care services typically result in

- Lowered trip frequencies, higher per trip costs, and a tendency to limit medical trips taken to those "immediately and absolutely necessary."
- Restricted access to non-emergency health services, leading to missed healthcare for purposes such as well visits, health screening, and vaccinations.
- A greater than average or appropriate dependency on emergency transportation services and emergency health care services.
- Worsened health conditions and health outcomes, leading to greater expenditures than would otherwise have been necessary.
- In the long run, diminished health, shorter life spans, loss of worker productivity, and increased health system costs."

In the Winter 2004-05 edition of *Community Transportation*, Richard Wallace and Paul Hughes-Cromwick provide in-depth medical data to demonstrate that difficulties in accessing medical care create additional health problems: persons who miss medical care more often have multiple medical problems, and key medical conditions are more prevalent among those who miss medical treatments.

Medical transportation plays a vital role in improving health care by

- Encouraging greater use of preventive medical care
- Keeping people mobile and independent in their own homes
- Increasing overall health and well-being
- Reducing overall health costs to society
- Creating cost-sharing arrangements between the medical and transportation communities

Demographic and Other Trends

One of the great challenges of the coming years has been termed the *Age Wave*. Simply put, there will be more senior citizens (persons 65 and older) in our country in the future. In 1900, four percent of the U. S. population was 65 and older; in 2030, 21 percent will be 65+. According to the U.S. Census Bureau, the population 65 and older is expected to double between 2000 and 2030, reaching a total of about 71 million seniors in 2030. The oldest age groups are projected to grow fastest: expectations for the year 2040 are that there will be more persons 85+ than there were persons 65+ in 1960. Right now, there are more seniors in the population than teenagers. Men who are 65 years old today can expect, on average, 16 more years of life; today's 65-year old woman can expect 19 more years. In 2050, 40 percent of 65-year-olds are projected to live to be 90.

It is the Baby Boom generation – persons born between 1946 and 1964 – that is the leading edge of this Age Wave. In the year 2020, 10,000 persons will turn age 65 every day.

These projections are important because seniors typically require more health care than younger persons. The next generation of seniors is expected to be (on average) more healthy, better educated and more wealthy. Disability rates are, at the moment, declining, which means that the percent of persons with disabilities is expected to increase. But the sheer growth in population means that there will be more persons with disabilities and that there will still be large numbers of seniors and others needing substantial amounts of healthcare.

Thus the key demographic trends are expected to include:

- More seniors: greater numbers and a greater proportion of the population
- More trips by seniors: Recent Nationwide Personal Transportation Surveys show that trip-making is increasing more rapidly for seniors than for other groups.
- Widening income disparities: While, on average, many seniors will be even better off than those of today, those at the bottom of the economic ladder will be even farther behind in comparison with those at the top.
- More persons with disabilities, more persons with reduced mobility: As noted, population growth is expected to increase the numbers of persons with disabilities, even if their percent of the population declines. But the current “obesity epidemic” may reverse the trend toward better health, adding even more persons to the rolls of the disabled and transportation disadvantaged.
- More demand for high-quality services: Since greater proportions of seniors and other population groups will have had personal experience with the go-anywhere-at-any-time advantages offered by driving, they will tend to expect and demand more transportation services that are more responsive to individual needs and whims.
- More spatial dispersion, lower density settlements: The fastest growing areas in our country are suburban and rural locations, communities that implicitly encourage auto ownership and use and often find it difficult to support public transportation services.

In addition, there are several other trends of note with significant financial implications. First, key trust funds providing medical and social needs are projected to become insolvent in a short time. The Medicare Part A trust fund, which typically pays for in-hospital expenses, is projected to have no remaining fund reserves in 2018, and the Social Security system is projected to become insolvent in 2041. Presumably, Congress will act before those times to correct the projected insolvencies, but the key point is that funds for key services are likely to become scarce. Another key trend is the huge growth in informal caregiving for persons who are elderly or disabled. Current projections are that the value of services contributed by friends and family members to provide care exceeds \$257 billion per year. This stands in contrast to the \$92 billion now spent annually on nursing homes and the \$32 billion annual bill for home health care. The most frequent task of informal caregivers is providing transportation for a loved ones to medical care. Informal care services are provided at real costs to the caregivers in terms of time, employability and cash, so programs that can ease the burdens of caregiving and support these informal caregivers have the potential of creating great savings for our society.

Current Transportation Funding in Key Medical Programs

The major U.S. government-sponsored healthcare programs are Medicaid and Medicare. Transportation services are treated very differently in these programs.

Medicaid

Medicaid funds medical and health-related services for low-income, elderly or disabled persons. The program operates as a federal/state partnership in terms of its operation and funding. Each state sets its own regulations and policies within these guidelines concerning eligibility, type, duration and scope of services, reimbursement and administration. Thanks in part to legislative efforts by the Community Transportation Association, all states are now required by federal law to ensure necessary transportation to and from medical services for all Medicaid recipients. Both emergency and non-emergency transportation services are provided. A variety of travel modes can be used for non-emergency transportation: about 45 percent of all trips are provided by community transportation providers and nonprofit agencies, while taxis and bus pass programs each account for about 20 percent more. Other modes include cabs, volunteers and mileage reimbursement.

Medicaid is now the largest investment stream for non-emergency medical transportation in the U.S. At an annual cost of about \$1.75 billion, including both federal and state contributions, it dwarfs all other human service transportation programs. Despite this seemingly huge expense, transportation is, on the average, less than 1 percent of a state's Medicaid expenses. This

proportionally small expenditure helps to explain part of the difficulties sometimes encountered getting state or federal Medicaid officials to devote resources and attention to modifying their transportation practices.

Medicaid operates all its services, including transportation, on a cost reimbursement basis, looking for the least-cost provider of appropriate services. Transportation providers have voiced concerns about Medicaid transportation practices in some states, including the timing and process of reimbursement, ceilings on allowable costs, pre-authorization procedures for trips and service quality monitoring.

Medicare

Medicare is a key federal health program designed to cover all persons 65 and older, persons with certain disabilities and persons with chronic renal disease. Medicare Part A provides insurance for hospital expenses and Part B provides supplemental medical insurance, including medical transportation. But, unlike Medicaid, few medical transportation expenses are covered under Medicare. By law, Medicare-sponsored transportation is to be provided by ambulance only. Transportation is limited to severe medical situations such as life-threatening emergencies or bedridden patients. In addition, no payment is to be made for ambulance trips when other means of transportation could be used without endangering the individual's health (even if no other transportation is actually available). Total Medicare transportation expenses in calendar year 2000 were \$2.22 billion.

Not all Medicare transportation strictly adheres to the regulations. Medicare has paid for trips for many dialysis patients who do not meet the coverage guidelines for ambulance transportation. Many approved trips do not strictly qualify as current medical emergencies – but if you miss enough dialysis treatments, you certainly will be in an emergency situation – which means that the transportation provider may or may not actually be paid for those trips. These non-emergency trips could be provided much more costeffectively by community transportation providers than by ambulance operators.

In the Winter 2004-05 edition of *Community Transportation*, it was reported that the Medicare program could realize huge savings if the law requiring ambulance only/emergency only transportation was changed. By providing paratransit, not ambulance trips, and by shifting emergency room visits to primary medical care, the total annual savings to the Medicare program could exceed \$300 million. In addition, the cost savings from getting patients to more frequent medical care would be in the billions of dollars. The costs to U.S. society from just two diseases — cardiovascular disease and stroke, and kidney failure — equal \$375 billion per year. If the greater use of ambulatory care could generate at least a one percent savings, that would be \$3.75 billion per year, which would more than cover the costs of the additional ambulatory care and the transportation needed to provide access to that care.

A Local Case in Point

The Susquehanna Valley Rural Health Partnership is currently conducting a study in Clinton, Lycoming and Sullivan Counties in Pennsylvania to examine if additional transportation services could improve health care in the Susquehanna Valley region. Using information gathered in household surveys, medical provider surveys, transportation provider surveys, U.S. Census data and other information sources, this study demonstrated that

- Between 5,000 and 15,000 persons in Clinton, Lycoming and Sullivan counties have medical transportation problems

- More than half of all Emergency Department visits are for non-emergency reasons
- Excess Emergency Department and ambulance expenses are nearly \$2.6 million per year
- Persons lacking medical transportation and are frequently low income, in poor health are disabled, older and alone;
- Currently available transportation services do not meet all medical transportation needs
- The at-risk population in the three counties is growing

The initial report of this study recommends that the Susquehanna Valley Rural Health Partnership find ways to address the issues of inadequate access to local healthcare services and the unnecessarily large medical expenditures that result from this lack of access to medical care. Additional transportation investments in this region could create much larger economic benefits for local residents, the healthcare community and the Commonwealth of Pennsylvania.

Moving Forward

We're now at the point where the benefits of access to medical care have become clear. Coordination, not just among transportation providers but among transportation and medical providers, benefits everyone.

Going without medical care has negative consequences for the patient, the medical care system and all taxpayers in this country. Well-designed, well-coordinated community transportation systems can help save medical costs,

increase positive healthcare outcomes, increase the quality of life and reduce overall costs to society. It's time to get serious about productive healthcare and transportation partnerships.