Human Service Transportation Coordination State Profile: Florida

Prepared for the Federal Transit Administration
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Author's Note: This is the third in a series of four profiles of state human service transportation coordination programs. Already published are profiles on Kentucky and Washington. The last profile will feature Wisconsin's human service transportation program.

Introduction

Personal mobility is a crucial need for all individuals, but especially for the transportation disadvantaged – those impaired by age, disabilities that prevent them from operating a vehicle, or those with income constraints. By 2030, the United States will see a significant increase in the number of those considered to be transportation disadvantaged, especially those over the age of 65.

Today, 17 percent of Florida's population is 65 or older[1], in 2020 that number climbs to 18 percent, and by 2030 it is 27 percent (over 1 in 4 persons) – a 127 percent change or an addition of 4.3 million people.[2] According to a 2002 survey one in five of this group does not drive,[3] which means that an additional 870,151 people in Florida will be seeking sufficient transportation options in the next 20 years.

The new health care reform law will also create additional Medicaid beneficiaries who will be eligible for non-emergency Medicaid transportation or NEMT. In Florida, an additional 1,171,792 will be eligible for NEMT in 2014 when Medicaid is expanded to 133 percent of the federal poverty level.[4] Further, the Community Transportation Association of America (CTAA) is advocating that persons who purchase their health insurance through the state exchanges created through the health care reform law be eligible for transportation services similar to NEMT.[5]

These numbers are sobering for a public transportation system that is suffering from cutbacks because of the economic recession; however, at least 26 states[6] have taken a variety of proactive measures to ensure that they have a transportation delivery program in place that ensures adequate transportation for those who cannot obtain it on their own and save state money and resources at the same time. Out of these states, some have innovative programs that do an exceptional job at both transporting the transportation disadvantaged and

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[1] U.S. Census Bureau, *State and County Quick Facts: Florida*, http://quickfacts.census.gov/qfd/states/53000.html (last visited August 23, 2010).

[2] U.S. Census Bureau, *U.S. Population Projections, Population Pyramids and Demographic Summary Indicators for States,* http://www.census.gov/population/www/projections/statepyramid.html (last visited August 23, 2010).

[3] Linda Bailey, *Aging Americans: Stranded Without Options* (Washington, D.C.: Surface Transportation Policy Project, 2004), 4.

[4]. John Holahan and Linda Blumberg, *How Would States Be Affected By Health Reform? Timely Analysis of Immediate Health Policy Issues* (Washington D.C.: Urban Institute, 2010), 9.

[5] Dale J. Marsico, *Important Changes to Medicaid Transportation Benefits* (Washington D.C.: Community Transportation Association of America, 2010) http://web1.ctaa.org/webmodules/webarticles/anmviewer.asp?a=45&z=36 (last visited June 28, 2010).

[6] Nicholas J. Farber and James B. Reed, *State Human Service Transportation Coordinating Councils: An Overview and State Profiles* (Denver: NCSL, 2010).

preserving state resources. This brief will explore Florida's Commission for the Transportation Disadvantaged Program, how it is funded and the results the program has seen since its inception in 1989.

Program Description

Florida's well-established coordination system is intended to balance local flexibility with comprehensive state planning, policy and oversight.[7] The Commission for the Transportation Disadvantaged (CTD), an independent state agency, , serves as the policy development and implementation agency for Florida's transportation disadvantaged program.[8] The legislature created the Commission in 1989 and made it responsible for the statewide coordination of transportation services for persons who are transportation-disadvantaged, defined as those who "because of physical or mental disability, income status, or age are unable to transport themselves or to purchase transportation and are, therefore, dependent upon others" for transportation, or children who are "handicapped, high-risk or at-risk."[9] According to CTD the goal of coordination is to "ensure the cost-effective provision of transportation by qualified community transportation coordinators or transportation operators for the transportation disadvantaged."[10]

The CTD brings together multiple agencies and populations. It has seven voting members; at least five who have significant business experience, at least two who have a disability and use the transportation disadvantaged system, and at least one over 65 years of age. Ex officio non-voting advisors include representatives of the state agencies or departments for Children and Families, Elder Affairs, Health Care Administration, Persons with Disabilities, Transportation, Veterans Affairs and Workforce Innovation, as well as a county manager or administrator appointed by the Governor.[11]

Florida's legislation clearly defines the roles of both state and local agencies (see figure 1). The state Commission selects a Metropolitan Planning Organization (MPO) or other local entity to be the designated official planning agency, which, in turn, appoints and staffs a local Coordinating Board, the chair of which must be an elected official. The Coordinating Board serves as an advisory body in its service area. It identifies local service needs, provides guidance for service coordination, and recommends a community transportation coordinator (CTC) to the CTD. The CTD contracts directly with the CTCs, which are responsible for coordinating transportation services in each of Florida's 67 counties. CTCs receive state and federal funds and provide, contract for or broker transportation services. State agencies that

[7] Matt Sundeen, James B. Reed, and Melissa Savage, *Coordinated Human Service Transportation* (Denver: National Conference of State Legislatures, 2005).
[8] Bobby Jernigan, *Overview of the Florida Transportation Disadvantaged Program* (Tallahassee: Florida Commission of the Transportation Disadvantaged, 2009), http://www.dot.state.fl.us/ctd/docs/TD%20Overview%202009.ppt.
[9] Fl. Stat. Ann. §427.011(1).
[10] Fl. Stat. Ann. §427.013.
[11] Fl. Stat. Ann. §427.012.

fund transportation services ("purchasing agencies") buy trips from a CTC or are billed directly by service operators.[12]

One exception is the state Medicaid agency, which contracts directly with the CTD to manage the Medicaid non-emergency transportation program.[13] In 2004, the Florida Agency for Health Care Administration (AHCA) contracted with the CTD to transfer the administration and management of nonemergency Medicaid transportation (NEMT) to the CTD.[14] The agreement states that NEMT is to be provided by the CTD, certain Medicaid Health Maintenance Organizations and Medicaid Reform Provider Service Networks.[15] In 2007 Florida has moved towards providing Medicaid health care services through managed care organizations, which includes NEMT.[16] This caused more Medicaid beneficiaries to use the managed care organization for NEMT instead of the CTD, but resulted in a loss of critical Medicaid funds relied on by the CTD.[17] This resulted in the restricting of NEMT from managed care providers back to the CTD in 2008, although the shift allows for managed care providers who contracted to provide NEMT before 2004 to continue to provide the service.[18]

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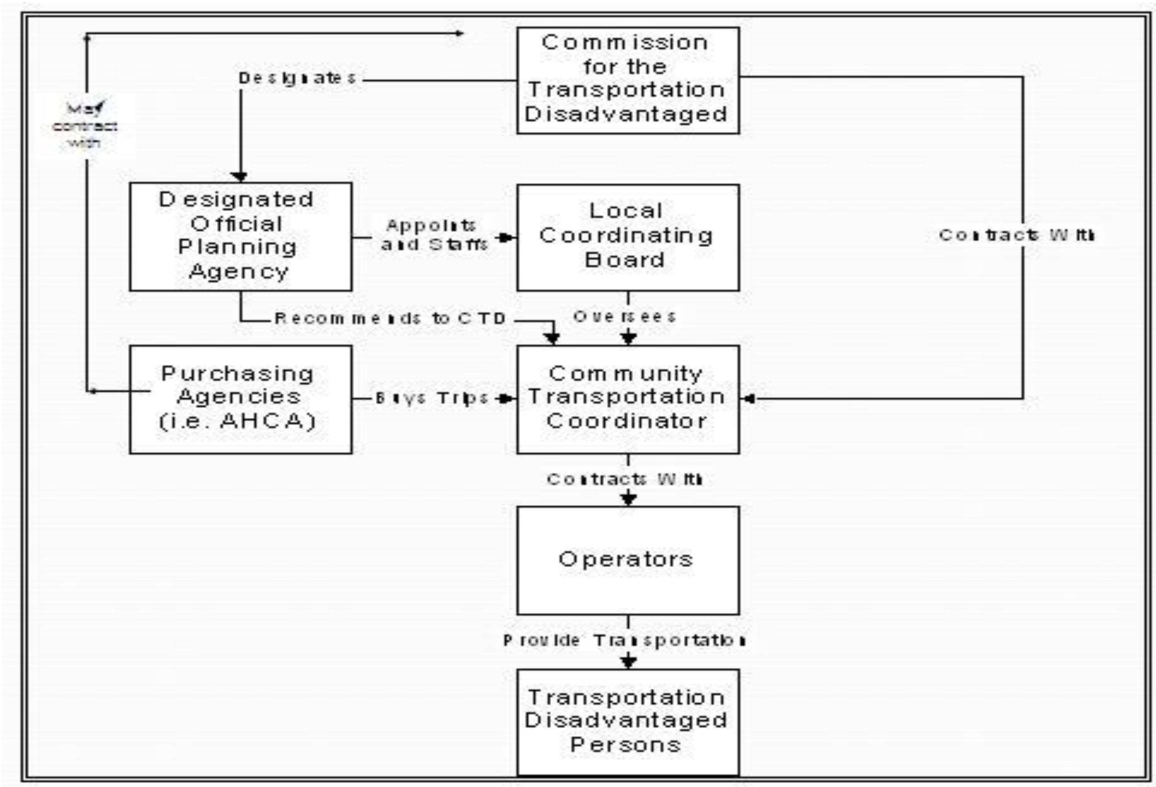
[12] Jernigan, *Overview*; Sundeen, Reed, and Savage, *Coordinated Human Service Transportation*; Fl. Stat. Ann. §427.013 et seq.
[13] Jernigan, *Overview*.
[14] Dyke Snipes, *Medicaid Nonemergency Transportation – Presentation to the Senate Health and Human Services Appropriations Committee, January 24, 2008* (Tallahassee: AHCA, 2008).
[15] Ibid.
[16] Ibid.
[17] Ibid.
[18] Ibid.

Figure 1: The roles of state and local entities in Florida's transportation disadvantaged system.[19]



State law gives the state Commission several other responsibilities besides designating planning agencies and contracting with CTCs. Among other duties, it must make annual reports to the governor and legislature, establish objectives and standards for transportation disadvantaged service provision, develop policies and procedures for coordinating state, local and federal funding, disburse funds and provide assistance to local agencies, and prepare a statewide five-year transportation plan that addresses coordination issues.[20]

Authority

Legislation was first passed in 1979 requiring the coordination of state-funded programs that provide transportation to transportation-disadvantaged populations. In 1989, the law was amended to create the CTD and create the Transportation Disadvantaged Trust Fund. Florida's transportation disadvantaged program and the CTD are currently governed by Chapter 427.011-017, Florida Statutes, and Rule 41-2, Florida Administrative Code. The Transportation Disadvantaged Trust Fund, which provides for carrying out the responsibilities of the CTD, is established in Chapter 427.0159, Florida Statutes, and further outlined in Rule 41-2.013 and 41-2.014, Florida Administrative Code. For sources of revenue for the trust fund, see Chapters 320.02, 320.03, 320.0848, 320.204, 341.052 and 427.0159, Florida Statutes.

[19] Jernigan, *Overview*.
[20] Fl. Stat. Ann. §427.013.

Funding

Unique among states, Florida has a dedicated funding source for transportation disadvantaged services and coordination: the Transportation Disadvantaged Trust Fund, administered by the CTD. The trust fund is disbursed in two kinds of grants: 1) planning grants to local planning agencies for the purpose of local transportation disadvantaged planning and providing staff support to local Coordinating Boards,[21] and 2) trip and equipment-related grants to CTCs to fund transportation services not otherwise sponsored by a government agency or program,[22] including the purchase of capital equipment.[23] The latter grants fulfill the crucial role of filling a service gap for persons whose transportation needs are not met by any other program. The fund also covers the CTD's administrative expenses.[24]

The fund's estimated revenue for FY 2009 was over $39 million.[25] Over half of this revenue came from a $1.50 registration fee for passenger vehicles and trucks weighing 5,000 pounds or less.[26] The fund is also supported by 15 percent of the state's public transit block grant program[27] (28 percent of the fund's revenue in FY 2009),[28] voluntary dollar contributions made by motorists at the time of vehicle registration[29] (<1 percent),[30] a portion of temporary disabled parking permit fees[31] (<1 percent)[32] and a $6 million per year direct transfer from the State Transportation Trust Fund (15 percent).[33] Starting in 2011, an additional $5 million per year will be transferred to the fund from the Highway Safety Operating Trust Fund, in part to make up for falling registration fee revenues.[34] State agencies that purchase transportation services may also pay into the TDTF for the administration of their funds by the CTD.[35] Under 4 percent of TDTF revenue is spent on the CTD's operating expenses.[36]

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[21] Ibid.; Florida Commission for the Transportation Disadvantaged (CTD), *Distribution Formula for the Commission for the Transportation Disadvantaged Grant Programs* (Tallahassee: Florida Commission for the Transportation Disadvantaged, n.d.), http://www.dot.state.fl.us/ctd/docs/tdhandbook/m%20DistributionFormula.doc.
[22] Fl. Stat. Ann. §427.0159(3); CTD, *Distribution Formula.*
[23] Rule 41-2.014, Florida Administrative Code.
[24] Fl. Stat. Ann. §427.0159(2).
[25] Jernigan, *Overview*.
[26] Fl. Stat. Ann. §320.03(9).
[27] Fl. Stat. Ann. §341.052(5).
[28] Jernigan, *Overview*.
[29] Fl. Stat. Ann. §320.02(14).
[30] Jernigan, *Overview*.
[31] Fl. Stat. Ann. §320.0848(3)(c)(1).
[32] Jernigan, *Overview*.
[33] Ibid.
[34] Fl. Stat. Ann. §320.204; Bobby Jernigan, CTD, telephone conversation with author, October 22, 2009.
[35] Fl. Stat. Ann. 427.0159(4).
[36] Ibid.; Florida Commission for the Transportation Disadvantaged (CTD), *Florida Commission for the Transportation Disadvantaged Annual Performance Report 2008* (Tallahassee: Florida Commission for the Transportation Disadvantaged, 2009), http://www.dot.state.fl.us/ctd/docs/APR/2008/CTD%202008%20Annual%20Performance%20Report.pdf.

Of the $361.7 million made available for transportation disadvantaged services in Florida in FY 2008, the TDTF provided just over 10 percent. Other sources of funding included fares, the federal Department of Transportation and other federal programs, and the state departments or agencies for Children and Families, Education, Elder Affairs, Health, Community Affairs, Juvenile Justice, and Workforce Innovation. The two largest contributors were local governments (48 percent) and the state Medicaid program (15 percent).[37]

Results

The Florida system won the FTA's State Leadership Award in 2004 and 2008 and has been recognized by the U.S. Department of Transportation and U.S. Department of Human Services as a "best practice" model.[38]

Data for Florida's system indicate significant economic and social benefits. Further, the services are being used by the intended recipients. In FY 2008, 680,274 transportation disadvantaged persons statewide received over 50 million trips. A reported 6.5 million of those trips were provided by the Transportation Disadvantaged Trust Fund,[39] these trips would not otherwise have been covered by any other program.

In 2008 Florida State University examined the CTD's return on investment (ROI) to both the state government and local governments that fund the program. The report acknowledges that the funds invested in the program do not generate revenue in the traditional sense, but impart substantial indirect financial benefits through the economic activity that is generated by the trips they provide and as result of avoiding costs that would have to been spent but for the CTD.[40] In 2007 the state invested $372,264,302 in transportation disadvantaged programs but generated $3,172,813,246.31 or a payback of 835% or $8.35 for every dollar invested in these programs.[41] The report conservatively estimates that the Florida's ROI is the following for its five most common activities:[42]

- Medical: if one percent of the trips funded help a client avoid a hospital stay (on average $7,900 per stay) the state's ROI is 1108% or $11.08 for each dollar invested. The state benefits from healthier citizens and from having to invest less in Medicaid/Medicare.

- Employment: if transportation disadvantaged clients have an earning potential of $6.79 per hour the state's ROI is 571% or $5.71 for every dollar invested. By providing trips to centers of employment the state reduces welfare costs and provides income that is

[37] CTD, *Annual Performance Report 2008*.
[38] Jernigan, *Overview*.
[39] CTD, *Annual Performance Report 2008*.
[40] Dr. J. Joseph Cronin, Jr., et al., *Florida Transportation Disadvantaged Programs Return on Investment Study* (Tallahassee: Florida State University, 2008), 2.
[41] Ibid., ii.
[42] Ibid., i - ii (applies to the bulleted list).

spent within the state and thereby provides income to state and local governments through the sales tax.

- Education: if transportation disadvantaged clients have an earning potential of $6.79 per hour the state's ROI is 585% or $5.85 for every dollar invested. The state benefits from a reduction in unemployment benefits as well as an improvement in the mental and physical health of the participating clients.

- Nutrition: if 1 out of 100 nutrition trips results in one person being able to avoid a hospital trip the state's ROI is 1252% or $12.52 per dollar invested. The state benefits from increased overall health of the transportation disadvantaged and from having to invest less in Medicaid/Medicare.

- Life-Sustaining/Other: if each trip generates $20 in incremental spending on taxable items the ROI to the state is 462% or $4.62 per dollar invested. The state benefits from a reduction in need of assisted living facilities, as they enable the transportation disadvantaged to live more independently, and from sales tax collected from purchases made during these trips.

However, unmet need is still evident. In that same year, over 1 million trips were denied due to lack of funding, lack of vehicle availability or other reasons.[43]

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[43] CTD, *Annual Performance Report 2008*.