



Alliance for the Betterment of  
Citizens with Disabilities

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## Empowering People: Providers Shaping Policies

### Transportation and Day Habilitation.

Part II

September 2023

### “It’s Included, but is it Enough,” Continued Results from the FY’23 Survey

A survey of ABCD’s DH providers who transported individuals to and from DH during FY’23 tallied that fiscal year’s DH transportation spend and total revenue. From these figures the percentage of revenue spent on transportation to and from DH in FY’23 was calculated.

We found that in 55 DH programs serving 1501 people,<sup>1</sup> an average of 24% of their revenue was spent on transportation to and from DH in FY’23.<sup>2</sup>

Additional data patterns found in the FY 2023 Survey:

- 87.3% of DH sites surveyed averaged 20.8% of their DH revenue spent on transportation to and from DH. These DH served people with high tiers, had relatively high-volume agency wide and are not located in high density areas.<sup>3</sup>
- 12.7% averaged 45.9% of their revenue on transportation to and from DH. Location had no bearing here, only the number of individuals served agency wide. Many of these programs were in areas of the state where service options are limited.
  - A subset of this group located in urban/high density areas, transporting at least 58% wheelchair bound individuals, averaging 52.6% of their revenue on transportation to and from DH.

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<sup>1</sup> The total number of people served in the 55 DH sites, decreased by 10% from FY’19.

<sup>2</sup> The 24% represents an average reduction of 5.8% from FY’19 for the 55 DH sites.

<sup>3</sup> Their average 7.3% reduction from FY’19 was due to either the 19.7% increase, growth, consolidation and/or improved efficiencies.

## “Transportation—We Screwed this Up Too”<sup>4</sup>

A year ago, we set out to better understand the challenges surrounding the transportation of individuals to and from DH to either put the issue to rest or generate a coherent set of ideas. In our search, we not only lent credence to a provider assertion but revealed outcomes which we believe result from an oversimplistic solution.

It’s Intended as “Fee for Service,” not “Two for the Price of One.”

Transportation to and from DH may be included in the rate, but it is not nearly enough to cover costs.<sup>5</sup> All the DH sites in our surveys spent a disproportionate amount on what is basically a utility necessary for people to access their DH services. No DH’s mission is to transport individuals with IDD. Yet as a percentage of revenue, many spend more on this utility than businesses for which this utility is the service. And, disturbingly, for a small percentage of DH, the cost of this utility exceeds that of direct services.

### Everything Comes at a Cost<sup>6</sup>

It becomes a problem when the question, “How are we going to get people in?” is more prevalent in the conversation than, “How are we going to help people achieve their goals?” Then the real cost of this nearly free service is the time not spent thinking and acting tactically and strategically. Agencies need financial, capital, and human resources to remain relevant in the transforming world that is IDD supports and services. The current policy is draining too many DHs of the resources they need to remain viable as home and community based, person-centered, service providers.

### An Oversimplistic Solution

The effort of the original rate setters to simplify the formula, however well intentioned, failed to distill and instead distorted the results. Time spent on transport is not considered in the model and wheelchair use is not factored into the rates. As a result, there is a financial disincentive to transport individuals who live in cities/congested areas and/or are wheelchair bound. We can’t let the needs of this segment of our population recede from our consciousness.

### Discrepancy

In a letter dated 8/6/15 CMS approved New Jersey’s 7/27/15 request to amend Attachment C Service Limits (SL) for DH and Transportation. The approved amendments removed from SL for DH, “Transportation to and from DH site is not included in the service” and added SL for Transportation, “Transportation will not be available as a separate service when it is already included in the established rate for another service.” These amendments remained in the following correspondence dated 2/11/16 but reappeared thereafter in every correspondence of

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<sup>4</sup> Quote from a former DHS staffer

<sup>5</sup> Despite the ability of some agencies to decrease their percentage spend on transportation to and from DH, their amounts are between 1/6 and 1/3 of total revenue.

<sup>6</sup> Harry Browne

which there were 8 concerning HCBS/DDD Supports Services.<sup>7</sup> Particularly noteworthy was the correspondence dated 12/21/18 from CMS stating that their “Changes include...Updates to Attachment C reflecting...service limits.” The DH SL language contained in this and all 8 documents spanning 2017-2023 reads:

*Day Habilitation does not include services, activities, or training which the demonstration participant may be entitled to under federal or state programs of public elementary or secondary education state plan services or federally funded vocation rehabilitation. Day Habilitation is limited to 30 hours per week. Transportation to and from a Day Habilitation site is not included in the service.*

Though the 12/21/18 letter from CMS gave us pause as to their current interpretation of SL for transportation in DH, we have no reason to believe that this was anything but an oversight by NJ’s state government workforce.

The current CMS Demonstration Waiver Approval dated March 30, 2023, accepted by the State on April 28, 2023, did not include language for almost all the Attachments including Attachment C. For many, attachments were left blank and marked as placeholders. Attachment C specifically stated, “Placeholder for HCBS-FFS Program Service Definitions.” We await CMS’s final version of the approval.

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<sup>7</sup> CMS Extension Approval 7/27/17; NJFC Technical Correction, 2/21/18 ; DSRIP Protocol Approval 2/14/19 ; CMS Amendment Approval, 7/25/19; CMS Implementation Plan Approval 4/8/21; Demonstration Temporary Extension, 6/7/22; Demonstration Approval-Temporary Extension, 11/28/22; Demonstration Approval-Temporary Extension, 1/26/23

## DH Transportation Model 2.0 Parameters

### Root and Branch Reform

- Price transportation at its true cost
- Provide more choice to the individual and family.
- Provide more flexibility for creative problem solving by the provider, individual, and family.
- Incentivize transportation in densely populated, high traffic areas.
- Incentivize transportation of individuals in wheelchairs
- Provide equitable opportunities for individuals in lower tiers.

Working Under No Illusion that Everything we Suggest will Yield Perfect Results.

Our position is that transportation by the DH has a separate rate/code and be paid one-way portal-to-portal using the following distinct payment options which are dependent on the individual's circumstances.

1. \$0.76 per mile.
2. \$3.04/15 minutes in high traffic areas.
3. \$0.95 per mile for a person who is wheelchair bound.
4. \$3.80/15 minutes in high traffic areas for a person who is wheelchair bound.
5. \$5.00 /15 minutes for transportation aid.

Included in the ISP would be the amount for the morning and afternoon run which would be calculated annually using Alphabet Waze. Use of wheelchair rate would be determined on an individual basis.<sup>8</sup>

Rather than requiring agencies to provide transport they should, instead, be required to make every effort to do so. We believe that market forces will work in this instance. As we stated in the body of this paper, DH is motivated to get people in the door not only because it is the right thing to do but because it is in their financial interest to do so. Individuals, families, and providers have the option to decide the best mode of transportation, without having to go through the bureaucratic process of waiving the service. Providers will create different transportation options to attract individuals to their program.

“Safety net” DHs and options for our wheelchaired city-dwellers must be vigorously monitored by DDD.

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<sup>8</sup> Not all individuals who use wheelchairs need to be transported in a wheelchair-accessible van.

Postscript  
“We Screwed up Day”<sup>9</sup>

The optimal DH financial model is structured as a volume business, in the suburbs and with a majority of high tier ambulatory patients. It helps if the agency has enough residential to help “float day” and/or be a feeder into the DH.

To the extent that previous DH clients have chosen to receive services from their parents, we trust the state will ensure compliance with all rules and regulations to prevent the creation of a two-tiered public system. And to the extent that DH was overused, the “shrinking” in the aggregate is a positive indicator, however painful to the provider community. But DH remains the right option and the preferred choice of many people. As previously mentioned, the market cannot be counted on to solve all issues, like preventing DH service deserts. In this case it may be incumbent upon the state to consider taking steps to rescue some providers from possible failure due to location, numbers served, or client needs.

Indeed, our observations were confirmed recently by the department in their response to the Office of Legislative Services questions regarding the FY’24 Proposed Budget and the DDD community system.

“...the Division has observed program consolidations that may reduce options in certain geographic areas; challenges with providers’ ability to contain increasing costs like transportation; and has observed some providers prioritizing the admission of individuals with less intense care needs due to staffing challenges.”<sup>10</sup>

The initiative by the Murphy Administration which for DH resulted in the inclusion of an absence factor and funding to help make them whole from what was effectively a cut in 2014, was an inspired start. But if this paper shows but one thing, may it be that we must continue to “unscrew day.” Adopting improvements to the transportation policy is a good next step.

“The state can’t fail its obligation to the I/DD population.”<sup>11</sup>

Attachment: DH Transportation FY’23 Template

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<sup>9</sup> Quote from a former DHS staff

<sup>10</sup> DHS Response to OLS Questions FY 2023-2024. Discussion Points, page 42.

[https://pub.njleg.state.nj.us/publications/budget/governors-budget/2024/DHS\\_response\\_2024.pdf](https://pub.njleg.state.nj.us/publications/budget/governors-budget/2024/DHS_response_2024.pdf)

<sup>11</sup> Quote from a former DHS staff

## DH Transportation Worksheet

### DH Annual Expense for Transportation in FY 2023

#### Personnel Cost (Drivers & Aides)

- Salaries
- Payroll Taxes
- Workers Compensation
- Health Insurance
- Group Insurance

#### Fuel

Regular Maintenance/Repairs from Accidents

Vehicle Lease/Purchase

Insurance

Depreciation

Tolls/E-Z Pass

Trackers for safety of served individuals.

Two-Way Communication

Miscellaneous

Administration 2% of Payroll

Total DH Transportation Costs = A

### DH Revenue from All DDD Sources in FY 2023

DH FFS Revenue

Transportation Mileage Revenue

Total = B

### Percentage of DH Revenue which Pays for Transportation Expenses

$A/B = C$

### Please use only FY'23 data for all answers

1. How many DH are you reporting on for this survey?
2. How many participants are enrolled in DH?
3. How many and what percentage of participants did you provide transportation services?
4. How many and what percentage of participants are transported within your current catchment area? (What is your catchment? What would it be at 75%)
5. How many drivers and aids were employed to transport?
6. What number and percentage of your transportation was for people in wheelchairs?