

**Government of the District of Columbia  
Office of the Chief Financial Officer**

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**Natwar M. Gandhi**  
Chief Financial Officer



CHAIRMAN CROPP

**MEMORANDUM**

**TO:** The Honorable Linda W. Cropp  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi  
Chief Financial Officer

**DATE:** JAN 25 2005

**SUBJECT:** Fiscal Impact Statement: "Medicaid State Plan Amendment and Waiver Instituting Non-Emergency Transportation Broker Delivery System Approval Resolution of 2005"

**REFERENCE:** Draft Proposed Resolution-- No Number Available

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**Conclusion**

Funds are sufficient in the FY 2005 through FY 2008 budget and financial plan to implement the provisions of the proposed legislation. No additional staff or resources will be required. The proposed legislation may result in reduced expenditures of local and federal matching funds.

**Background**

The proposed resolution would change the Medicaid reimbursement methodology for non-emergency transportation services and is expected to result in local and federal savings for this program. Currently, the Medicaid Assistance Administration (MAA) handles all aspects of transportation coordination with a large number of transportation vendors to ensure that transportation for Medicaid recipients to their medical providers is available.

The proposed State Plan Amendment and Waiver will allow MAA to provide and coordinate non-emergency transportation for Medicaid recipients through an approved broker on a capitated rate payment basis. Several states, including Virginia, have implemented similar cost-saving programs.

### Financial Plan Impact

Funds are sufficient in the FY 2005 through FY 2008 budget and financial plan to implement the proposed resolution. Assuming a 2.06 percent increase in eligible enrollment, the District is expected to expend between \$13.9 million and \$14.5 million for non-emergency services in FY 2005. After establishing a capitated rate program, expenditures are expected to range between \$13.2 million and \$14.2 million. The table below presents the projected local expenditure reductions impacting the District's budget and financial plan.

Expenditure Reductions Impacting the Financial Plan (\$ in 000s)				
FY 2005	FY 2006	FY 2007	FY 2008	TOTAL
\$132	\$327	\$354	\$387	\$1,200