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| LOCAL COMMISSIONERS MEMORANDUM |
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DSS-4037EL (Rev. 9/89)

Transmittal No: 96 LCM-25

Date: March 7, 1996

Division: Health and Long
Term Care

TO: Local District Commissioners

SUBJECT: Reimbursement of Medicaid Transportation Services
Furnished by Area Agencies on Aging.

ATTACHMENTS: None

Purpose

This letter clarifies Medicaid transportation policy as to whether transportation services that are provided by an Area Agency on Aging (AAA) and that are based on a suggested fee schedule for donations are considered to be a service that is ordinarily made available to other persons in the community without charge.

Background

The Department has allowed you to reimburse AAAs for the reasonable cost of transportation services for Medicaid eligibles. However, we have advised you that Medicaid does not allow for payment for services ordinarily made available to other persons in the community without charge. The issue raised was whether AAA transportation came under the aforementioned policy since there was no mandatory fee for service, only a request for donation.

The Health Care Financing Administration has clarified the matter. If only Medicaid clients or their third parties are charged for the service, then the care is to be considered as ordinarily available to other persons in the community without charge and Medicaid shall not reimburse for the service. If both Medicaid and non-Medicaid clients are charged for the service and a "suggested sliding-contribution-schedule" is used as the basis to seek a donation, the services will not be considered as ordinarily available to other persons in the community without charge and Medicaid shall make reimbursement.

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If you wish to use AAA transportation for Medicaid recipients, you can reimburse AAAs for the actual cost on the sliding-contribution-schedule.

For further information, feel free to contact Anne Reznikoff of the Medicaid Transportation Unit at 1-800-343-8859, ext. 35983, or by Sperrylink user identification number AW7870.

Richard T. Cody
Deputy Commissioner
Division of Health and Long Term Care