

Medical Assistance Transportation Memorandum *Operations* MATP OPS # 06/2008-009

Date: June 25, 2008

Subject: Minimum Mileage Reimbursement Rate Increase

To: All Statewide County MATP Program Offices

FROM: Tyrone Williams, Director, MATP

Purpose:

The Medical Assistance Transportation Program (MATP) is increasing the minimum mileage reimbursement rate to \$.25 per mile. The rate increase will take effect July 1, 2008.

Background:

Under the Scope of Services Section, The Department's MATP Instructions and Requirements allow Counties to reimburse consumers who have access to private vehicles (their own or another individual's) but cannot meet their own transportation needs. This reimbursement will be at a specified rate per mile for travel expenses plus parking and tolls. The county determined the rate of reimbursement, which could not be less than \$.12 per mile.

Discussion:

Department of Public Welfare (DPW) staff has concluded that the current minimum mileage reimbursement rate (\$.12 per mile) is not sufficient to support increasing gas prices. Effective July 1, 2008, the new minimum reimbursement rate will not be less than \$.25 per mile.

If a county's current mileage reimbursement rate is higher than the revised minimum rate, there is no need to lower the rate. If a county deems an increase above the \$.25 minimum is required; the county must submit a request and justification for the increase to DPW. Submit your documentation to the county's MATP Financial Representative and Program Advisor for review and approval.

Next Steps:

Counties with a current mileage reimbursement rate lower than the \$.25 rate per mile rate will need to increase their rate to \$.25 by July 1, 2008. Counties should notify all consumers who currently use MATP by written notice of the change. In addition, counties should update their brochures accordingly (Please work with your program advisor on the best course of action).

For counties with rates higher or equal to \$.25 per mile, we need no additional action at this time.

Counties wanting to increase their mileage reimbursement rate higher than \$.25 per mile will need to send justification to their assigned Financial Representative and Program Advisor.

Any request for an increase should include, but not limited to, a formula to justify why the \$.25 per mile would not cover the cost of gasoline using the price per gallon, average miles per gallon, etc... Please include the calculations in your justification.

Justification should also include how an increase would be more cost effective. For example, the county should show how an increase in reimbursement would transition consumers from more costly modes of transportation or increase utilization.

When submitting your justifications please keep in mind that we provide funding for the rate solely to reimburse consumers for the cost of gas used to transport to Medical Assistance covered services. Your requested mileage reimbursement rate should not include any maintenance or wear and tear of the consumer's vehicle.

If you have any questions, please contact your Financial Representative or Program Advisor.