

## **Attachment A – DES/DDD Transportation Reimbursement**

### **Projected Expenditure Impact**

Staff estimates the initial one-year cost to comply with the terms and conditions required to be an HCBS Qualified Vendor to be \$193,974. This projected cost includes:

- CPR/First Aid Training
- Safety and Sensitivity training specific to DES/DDD
- Fingerprinting
- Program support

Allowing for driver turnover, renewal of CPR/First Aid certification, additional training and fingerprinting as required, staff estimates that the ongoing reoccurring annual cost will vary from \$59,000 to \$187,000 per year after the initial year of implementation. Expense variations are dependent upon the number of certification renewals required.

### **Projected Revenue Impact**

If certified to be an HCBS Qualified Vendor, the City of Tucson via Sun Van, would be eligible for a \$9.32 per trip reimbursement for eligible work trips, and \$9.17 per trip reimbursement for eligible medical trips.

As Sun Van is not currently a qualified DES/DDD provider, staff does not have access to the DES/DDD database that would indicate whether or not a current Sun Van client is DES/DDD eligible for trip reimbursement. Therefore staff must estimate the number of eligible clients and the total eligible work and medical trips. Based on current data, Sun Van estimates approximately 225 clients may be DES/DDD qualified, with a total of 55,397 potential DES/DDD transportation-eligible trips and 120 potential DES/DDD medical-eligible trips made within the Sun Van service area annually. These numbers may change once Sun Van is approved to be a qualified provider and has access to the DES/DDD client database.

If Sun Van is receiving reimbursement from DES/DDD for qualified trips, these clients will not be charged a fare when riding Sun Van, resulting in an estimated loss \$67,303 of current annual passenger revenue.

Based on this information, staff estimates annual revenue to be approximately \$450,097 by becoming an HCBS Qualified Vendor.

### **Projected General Fund Impact**

An entity that becomes a DES/DDD qualified provider has ninety days to attain required certifications. Based on the timing of this process, Sun Van is unable to fully recoup the initial certification costs in FY 2014 through DES/DDD reimbursements.

After recouping the initial certification expenditures, the initial 12-month estimated General Fund Savings would be approximately \$256,123. This savings would vary per year based on the number of authorized DES/DDD clients riding Sun Van and the re-occurring cost of maintaining Sun Van's Qualified Vendor status.

## **Attachment A – DES/DDD Transportation Reimbursement**

### **Summary:**

The projected revenue of \$450,000 and potential savings to the General Fund within the first twelve months of \$256,123 are estimates. These projected numbers are subject to change based on the following factors:

1. Actual number of DES/DDD clients that are Sun Van clients. Sun Van staff will not be able to access the DES/DDD database to confirm actual DES/DDD clients until their application to be a qualified provider is approved.
2. Additional costs. The projected costs include certification and training costs only, and do not include additional labor costs. As the DES/DDD required certifications are a change in working conditions under the current Sun Van labor contract, staff is required to meet and discuss these changes with the union. These discussions could potentially result in additional costs.
3. DES/DDD reimbursement process. Staff has been working cooperatively with DES/DDD staff on understanding the reimbursement process. While staff does not anticipate any major issues with the process, the estimate could change if unexpected issues arise during this process.