

ASSEMBLY MILITARY AND VETERANS' AFFAIRS
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3556

STATE OF NEW JERSEY

DATED: MARCH 4, 2024

The Assembly Military and Veterans' Affairs Committee reports favorably Assembly Bill No. 3556.

This bill requires the Department of Transportation (DOT) to oversee the implementation of a paratransit brokerage program, through which the provision of certain forms of paratransit service would be managed by a transportation broker and made available through an interactive brokerage software.

Under current law, the State is required to provide various forms of paratransit service, including: (1) ADA paratransit service, which is currently administered by the New Jersey Transit Corporation (NJ Transit) under the Access Link program, which service is required under the federal “Americans with Disabilities Act of 1990”; and (2) Medicaid paratransit service, which is currently administered by the Department of Human Services (DHS), through a contracted broker, under the State Medicaid program, which service is required under Title XIX of the federal “Social Security Act.”

Under the bill, the provision of these paratransit services would be consolidated into one paratransit brokerage program overseen by the DOT. Specifically, the paratransit brokerage program would be managed by a transportation broker contracted by the DOT and facilitated through the use of an interactive brokerage software, which would allow eligible persons to schedule requests for service and allow participating providers to competitively bid to fulfill these requests. Importantly, this brokerage model is intended to achieve cost savings and operational efficiencies in the provision of paratransit service, which efficiencies are not achievable under the current, fragmented service models.

In managing the paratransit brokerage program, the bill requires the transportation broker to assume the following responsibilities: (1) maintaining a paratransit provider network for ADA paratransit service and Medicaid transportation service, respectively, with sufficient capacity to provide all required forms of paratransit service within all applicable service areas in the State; (2) ensuring that each provider of ADA paratransit service and Medicaid paratransit service is qualified to provide the service and complies

with all applicable provisions of law or regulation; (3) ensuring that each recipient of ADA paratransit service and Medicaid paratransit service is eligible to receive the service; (4) compensating each paratransit provider that operates in the program; (5) receiving and acting upon passenger complaints; and (6) divesting from any ownership stake or equity interest in any entity or organization that operates as a paratransit provider under the program.

The bill also requires the DOT and DHS to develop separate standards concerning the provision of ADA paratransit service and Medicaid paratransit service, respectively, under the program. At a minimum, these standards would be required to prescribe minimum functionality requirements for interactive brokerage software to ensure that the provision of ADA paratransit service and Medicaid paratransit service, respectively, complies with all applicable requirements of law.

Thereafter, the bill requires the DOT, in consultation with DHS and NJ Transit, to issue a request for proposal (RFP) and enter into a contract for the development of the interactive brokerage software. After this software has been developed, the bill also requires the DOT, in consultation with DHS and NJ Transit, to issue an RFP and enter into a contract for the procurement of the transportation broker. In each case, the contractor selected by the DOT would be required to demonstrate experience in the development of a similar software platform or the administration of a similar brokerage program.

Immediately after the paratransit brokerage program has been implemented, the program would be limited to the provision of ADA paratransit service and Medicaid transportation service by paratransit providers other than county transit agencies and community organizations. However, within two years following the implementation of the program, and every five years thereafter, the DOT would be required to conduct a study to assess whether the program should be expanded to incorporate other forms of paratransit service or to allow county transit agencies and community organizations to operate as paratransit providers. Thereafter, the bill provides that the program could be expanded, subject to the determinations of this study and the adoption of rules and regulations effectuating such expansion.

Under the bill, the operational and administrative costs of the paratransit brokerage program would be defrayed by proportionate funding from the DHS and NJ Transit, with DHS responsible for the costs of Medicaid paratransit service and NJ Transit responsible for the costs of ADA paratransit service. In each case, the bill requires these monies to be transferred to the DOT and paid to the transportation broker. Using these monies, the transportation broker would be required to compensate the paratransit providers operating in the program, which compensation would be based

exclusively on the requests for paratransit service that have been fulfilled by the provider. Of the remaining funds, the bill permits the transportation broker to retain such amounts as may be prescribed in the transportation brokerage contract to support the costs of managing the program.

The bill would also amend and repeal various sections of statutory law to reflect the creation of the paratransit brokerage program and to allow for the possibility of program expansion. Specifically, the bill would repeal several sections of the “Paratransit Services Improvement Act,” P.L.2020, c.114 (C.27:25-35 et seq.), which sections set forth an alternative process for integrating the provision of certain paratransit services. However, the bill would amend this law to clarify that the Regional Paratransit Coordinating Councils would also be responsible for encouraging participation in the program.