

# Cost of Not Providing Rides

## INTRODUCTION

Managers of volunteer driver programs often say the transportation services they provide can delay premature institutionalization for many of their passengers for 1 1/2 to 2 years. It is likely that traditional transportation service managers have the same impression. This brief fact sheet introduces examples of the costs of receiving and providing transportation services compared with the costs of not making transportation available.

Why is this important? People, especially older adults who require frequent transportation services, often find it difficult to pay for the services. At the same time, transportation providers can incur considerable costs for providing older adults with transportation. Below are examples of passenger fares for dialysis transportation, which in their case requires travel to and from dialysis treatments three times a week.

### Passenger Fares for Transportation

We will begin our discussion by looking at the fares incurred by two passengers who use two different types of transportation services to get to and from their dialysis treatments.

Ms. Smith \$2.00 per ride (dialysis rides @ 312 rides per year)\* = \$624  
Mr. Jones \$9.00 per ride (dialysis rides @ 312 rides per year)\* = \$2,808

### Costs Incurred by Transportation Services

Now let's say that the fares these passengers pay are much less than the actual costs incurred by the volunteer and community transportation services that provide their transportation.

Transit A: Ms. Smith \$15.00 per ride (dialysis rides @ 312 rides per year) = \$4,680  
Transit B: Mr. Jones \$30.00 per ride (dialysis rides @ 312 rides per year) = \$9,360

## FOR MORE INFORMATION

Please visit the numerous fact sheets and exercises in addition to the planning, implementation, and evaluation sections of the TurnKey Kit.

But what if a community transportation service or volunteer driver program is not available to these passengers or they cannot access these or other types of transportation services? If they are unable to get to their dialysis treatments (and no other treatment options are available) they might require an alternative living situation.

## TRANSPORTATION VS. LONG-TERM CARE

Let's begin by recalling the fares and service costs for Ms. Smith's and Mr. Jones' rides.

Fares: Ms. Smith \$2.00 per ride (dialysis rides @ 312 rides per year) = \$624

Transit Costs A: Ms. Smith \$15.00 per ride (dialysis rides @ 312 rides per year) = \$4,680

Fares: Mr. Jones \$9.00 per ride (dialysis rides @ 312 rides per year) = \$2,808

Transit Costs B: Mr. Jones \$30.00 per ride (dialysis rides @ 312 rides per year) = \$9,360

Research by AARP has found that nine in ten retirees intend to age in place (in their homes or apartments), and generally a key factor in their ability to do so can be their ability to access transportation services. Of course, getting to dialysis treatments is only one of the many destinations that can be critical to the ability to age in place.

Ms. Smith and Mr. Jones and their transportation services may have thought their volunteer and community transit services were costly (to them and to the service) but let's look at the alternative. Below are examples of the costs these older adults, their health insurance company, or a government agency such as Medicaid, might incur if they lived in a care facility. The two examples provide estimated annual cost of assisted living and nursing home care facilities.

### **Assisted Living Costs (private 1 bedroom)**

\$4,300 monthly or \$51,600 annual cost\*

### **Nursing Home Care (private room)**

\$8,821 monthly cost or \$105,852 annual cost\*

Whoa Nellie...if Ms. Smith can avoid the need for institutional care for even one year, somebody will save a lot of money.

Cost for Volunteer Driver Transportation: **\$624 or \$4,680**  
Cost for Community Transportation Service: **\$2,808 or \$9,360**  
Cost of Assisted Living Care: **\$51,600**  
Cost of Nursing Home Care: **\$105,852**

The point is that transportation services may seem expensive, but they are much less expensive than assisted living or nursing home care. This means that the cost of providing people with transportation (lifesaving rides or any type of rides for that matter) is in the best interest of a community. If, in fact, transportation services can delay institutionalization for a period of time, support for transportation services is extremely important. Why? Because such services may enable residents to get to needed destinations, to stay in the community, and hopefully delay, reduce, or eliminate the need for institutional care. In Ms. Smith's case, having a transportation service could result in savings of almost \$100,000.

## **The Take-Away**

Transportation options that enable people to access health care and other destinations can be expensive but the cost of not providing rides can be very expensive.

\*The Genworth 2020 cost of care survey provides the national median of monthly and annual costs for assisted living and nursing home care. The survey includes 440 regions with 49,000 providers completing 15,000 surveys.