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Michelle Probert
Office of MaineCare Services
Department of Health and Human Services
11 State House Station
Augusta, ME 04333-0011

August 9, 2011

Re: MaineCare Non-Emergency Medical Transportation System Redesign

Dear Ms. Probert:

LogistiCare, as the nation's leading provider of specialized transportation network management, has vast experience managing various State NEMT Programs. Our depth of experience managing NEMT full risk brokerages means we have repeatedly faced — and overcome — a wide array of Medicaid transportation management challenges across a large number of diverse NEMT Programs.

Our 29 office locations including 18 call centers, handle 34,000 calls per day and coordinate approximately 26 million trips for more than 8.5 million members each year. We are currently operating in 38 States and offer more experience than any other third-party firm.

Based on our experience, after reviewing the materials posted concerning MaineCare's RFP requirements, we would like to respectfully offer the following recommendations.

1. LETTERS OF INTENT REQUIREMENT

Based on our experience when introducing a new broker model, requiring letters of intent from existing providers only strengthens the providers that do not want third party oversight. As we have experienced in our visits in Maine with several of the current providers, there will be resistance to signing letters of intent. They see the pure broker as competition and will not sign the letters in the hope that by withholding their willingness to work with the broker, they will eliminate the broker as a competitor that is not able to prove network coverage at the time the RFP is submitted. This is especially true when the existing providers plan to submit proposals to act as brokers. Our experience nationwide is that regardless of which providers sign LOIs and which ones don't, once an award is made, they all come to the table to protect their volume and continue to provide service.

In place of the letter of intents, we recommend that the Department require each broker to submit a vehicle/provider needs analysis as part of the RFP submission in which they detail the number and type of vehicles they will need in their network to adequately service the trip volume

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in each region and require a detailed explanation on how the bidder will develop a plan to build out their network based on the vehicle needs forecasted.

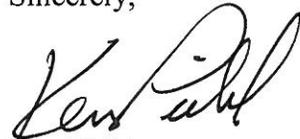
2. ALLOWING SELF-REFERRALS

Although CMS allows a broker to self-refer trips under certain conditions, this is usually reserved for exceptions in very rural areas where commercial network development has been attempted and back-up services may be required. Allowing the broker to self-refer trips has more detrimental aspects than positives. It will encourage the broker to cherry pick the choice routes and will lead to their selecting routes most advantageous to themselves. This will have the effect of stagnating the current network and will never allow for the growth of competition.

It will make it that much harder to bring in new commercial providers to cover after-hours and weekend services, where often very high ambulance cost is incurred without an appropriate NEMT network. In the end, the broker/provider may drive costs up, continue to weaken an existing network and, over time, create less competition. If self-referral is allowed, it should be capped at a very low number, no more than 5% to 10% of the trips for the truly hard to reach rural areas. This allows continuity of service for severely underserved areas and yet still encourages the broker to build out their network with independent providers and more competition.

Thank you for your consideration of these recommendations as we look forward to the opportunity of doing business in Maine.

Sincerely,



Ken Piehl
Executive Vice President
LogistiCare Solutions LLC