

WisDOT Technical Assistance

The attached technical assistance materials were issued by WisDOT in 2011. The information covers the establishment of an Agency rate and application of that rate to an agreement with, what would now be, a Managed Care Organization.



**Division of Transportation Investment
Management**
Bureau of Transit, Local Roads, Railroad & Harbors
PO Box 7913
Madison, WI 53707-7913

Scott Walker, Governor
Mark Gottlieb, P.E., Secretary
Internet: www.dot.wisconsin.gov

Telephone: (608) 267-7350
Facsimile (FAX): (608) 266-0658

May 6, 2011

Dear Municipal and Tribal Rural Bus Systems and Municipally-Run Shared-Ride Taxi Systems:

We are contacting you because we have received questions from several rural transit systems concerning Logisticare. Logisticare is the contractor hired by the State of Wisconsin's Department of Health Services to "broker" (i.e., arrange) non-emergency medical transportation (NEMT) for Medicaid and BadgerCare Plus eligible individuals throughout the state.¹ Beginning July 1, all NEMT rides for eligible individuals will be arranged through Logisticare. Logisticare is a pure broker, meaning they do not provide direct transportation services, own vehicles, or hire drivers. Instead, Logisticare contracts with local transportation companies, organizations, and in some cases, transit systems, to provide the actual NEMT rides for Medicaid eligible individuals. Non-medical rides for Medicaid eligible recipients, which are not arranged by Logisticare, can continue take place on non-Logisticare providers.

Up to now, some transit systems provided NEMT rides via a voucher program in which a county social service agency purchased passes or vouchers for Medicaid eligible rides on rural public transit systems for their Medicaid eligible clients. Beginning July 1, this will no longer occur. All NEMT rides will be brokered through Logisticare to private and public transportation providers who have signed a contract with Logisticare to become a Logisticare NEMT provider.

Rural bus systems may wish to consider becoming Logisticare providers for at least two reasons:

- **Maintaining Ridership** - Depending upon the mix of their current ridership, bus systems may experience a significant decrease in ridership and corresponding fare revenue if they no longer transport Medicaid eligible riders for NEMT trips.
- **Increasing Ridership** – as a means of increasing ridership and generating additional revenue.

As the recipient of federal Section 5311 funding and/or state 85.20 operating assistance, rural transit systems should review the attachment which provides technical assistance related to becoming a Logisticare provider. In general, interested transit systems will need to:

- Contact Logisticare. Contact information is at the end of this letter.
- Determine if it has excess capacity to become a Logisticare provider.
- Develop a fare structure to recover costs associated with providing Logisticare rides for WisDOT's approval.
- Contact WisDOT to demonstrate its excess capacity and proposed Logisticare fare.
- Involve your corporation counsel in negotiating a contract with Logisticare.

¹ The following members do not currently receive non-emergency medical transportation (NEMT) through LogistiCare: nursing home residents, BadgerCare Plus Core Plan, BadgerCare Plus Basic Plan, SeniorCare, FamilyCare, and members enrolled in an HMO in Milwaukee, Waukesha, Washington, Ozaukee, Kenosha, & Racine counties. For more information see, <https://facilityinfo.logisticare.com/wifacility/Home.aspx>.

- Present the draft contract with Logisticare to WisDOT for review for compliance with state and federal transit regulations.
- Notice a public hearing and hold one, if one is requested.

As the administrator of federal Section 5311 and state 85.20 programs, WisDOT is responsible for the oversight of federal and state transit funding and the continuing control of federally funded vehicles and facilities. Therefore WisDOT must review:

- Fare structure to ensure costs are recovered in the provisions of NEMT rides under contract to Logisticare.
- Contracts between a municipality or tribe and Logisticare that uses a) any state or federally funded municipal or tribal staff and/or b) federally funded equipment, vehicles and facilities to ensure compatibility with existing state and federal regulations.

For more information on becoming a Logisticare provider for NEMT rides, for those of you attending the Wisconsin Rural and Paratransit Provider (WRAPP) conference in LaCrosse on May 10-11, representatives of Logisticare will be making a presentation on morning of May 11 and are available to talk with you. If you aren't planning to go, but would like to see if late registration at the WRAPP Conference is possible, contact the conference organizer, Rita Harmon, at rharmon@co.grant.wi.gov or call (608) 723-6113.

If you are unable to attend the WRAPP Conference, contact Ray Blanco of Logisticare at: rayb@logisticare.com or by phone at: (770) 329-6223.

Sincerely,



John Alley, Chief
Public and Specialized Transit Section
Wisconsin Department of Transportation

Attachment 1 – Technical Assistance ...

Attachment 1
Technical Assistance for Rural Transit Systems (bus or shared ride taxis)
Funded with Section 5311 and State 85.20 Transit Funds
Related to becoming a provider
of NEMT Rides under Contract to Logisticare

The decision as to whether or not to become a provider of Non-Emergency Medical Transportation (NEMT) rides for Logisticare is one which each municipal or tribal government running a rural transit system must decide for themselves. Rural transit systems will want to read through this attachment which discusses several issues that rural transit systems will need to work through as part of the decision-making process. Please note this list is not exhaustive and will vary by individual transit system.

- **Primacy of Public Transit** – Staff (e.g., drivers, dispatchers, municipal staff, etc), equipment and vehicles which are funded with federal Section 5311 transit funds must first be used for the provision of public transit service. Only after the needs of the original public transit riders are met, then can these staff, equipment and vehicle resources be used to meet the transportation needs of other federal programs (e.g., Medicaid), providing this incidental use does not interfere with the public transit system. There cannot be a reduction in the service quality or availability of the public transit as a result of transporting Logisticare clients. However, in many instances NEMT Medicaid riders can be accommodated (or have been accommodated in the past) by adding them as extra riders to pre-existing routes.
- **Demonstrate Excess Capacity** – Rural transit systems must establish that they have excess capacity (empty seats, idle vehicles, etc.) to accommodate new NEMT ridership. For example, consider how many NEMT rides are expected, at what times of the day, on which routes? Will Logisticare allow rural transit systems to choose which trips it can accommodate or must it take all assigned rides? NEMT riders may easily be accommodated with minimal impacts to schedules and for little additional costs by adding these riders to pre-existing routes with empty seats or those with minimal route deviation.
- **Cost Recovery** – Under federal rules, recipients of federal transit funds must recover the costs associated with providing NEMT rides. Therefore rural transit systems must develop a fare structure to charge Logisticare in order to recover costs associated with providing NEMT rides. Most rural transit systems may also want to recover the local share associated with providing such rides as well, but that is a local decision. The cost recovery should include vehicle operation costs as well as any costs associated with administering rides for NEMT riders. Rural transit systems may find it easier to develop and administer a fare based on per trip basis, rather than a mileage-based fare. Note that a mileage based fare the approach Logisticare typically uses.

Rural transit systems are reminded that many of the requirements of the standard Logisticare contract are not eligible expenses under your state and federal transit assistance contracts and cannot be charged to directly their state and federal grants. Some examples include, but are not limited to:

- Maintaining a dedicated telephone and fax line for use by Logisticare to contact provider

- Costs of initial and bi-annual inspection of vehicles by Logisticare
- Cost of interior and exterior signage related to Logisticare
- Basic Red Cross First Aid or equivalent, CPR, Passenger Assistance, Blood Borne Pathogens
- Compliance with the Health Insurance Portability and Accountability Act (HIPAA)
- Liquidated damages, etc.

Rural transit systems will either want to develop a fare structure to recover these costs or negotiate a contract with Logisticare that removes these provisions. Otherwise, these costs will be the responsibility of the municipality or tribe.

- **Contracts with Logisticare** – If a rural transit system intends to become a Logisticare provider, the contract should be executed between Logisticare and the municipality or tribe. Because your rural transit system is funded in part with federal or state and federal funds, WisDOT must review and approve the contract between the municipality and Logisticare. WisDOT’s review will be limited to compliance with state and federal transit laws only. It will be the responsibility of municipal or tribal officials and their legal staff to review contracts for provisions that may incur more costs for the municipality or tribe and to negotiate with Logisticare as they deem necessary.
- **Highly Regulated Transportation Providers Addendum** – Some rural transit systems in other parts of the country have used a “Highly Regulated Transportation Provider Addendum” which defines sections of the standard Logisticare agreement that may be replaced or deleted with specific regulatory provisions. The concept is that rural transit systems may already be meeting State of Wisconsin and Federal Transit Administration vehicle requirements and driver and attendant qualifications that may be acceptable to Logisticare. Such an addendum would need to be negotiated between Logisticare and the municipality or tribal government.
- **Public Involvement** – Rural transit systems who receive state funding should note that serving as a provider to Logisticare is most likely a service change that will result in a new rate structure for Logisticare clients. Therefore, the municipality must afford the opportunity for a public hearing, and hold one if requested.
- **Fare Revenue** – It is WisDOT policy to consider agency fares collected as the result of a contract for individual rides as fare revenue not local share.

If you have more questions, contact Monique Currie at Monique.Currie@dot.wi.gov or 608-267-7345.