

INTER OFFICE MEMO

To: Administration & Finance Committee

Date: 04/26/2023

From: Rashida Kamara, Director of ADA & Specialized Services

Reviewed by:

SUBJECT: Non-Emergency Medical Transportation (NEMT) Contract Recommendation

Background:

In January 2023, staff proposed participating in the Medi-Cal (Medicaid in California) Non-Emergency Medical Transportation (NEMT) program to the Operating & Scheduling (O&S) Committee. This program covers transportation to and from medical appointments, including wheelchair vans, gurney vans and ambulance services. Transit agencies are eligible to provide NEMT trips using FTA section 5310 eligible vehicles, which allocates funds to improve mobility for seniors and individuals with disabilities. Leveraging the existing fleet for eligible passengers would help both County Connection and its low-income passengers avoid significant costs. Participating in the program requires administrative work and cooperation with Medi-Cal. However, there is potential for substantial revenue collection to help offset these costs.

Process:

The process for a transit agency to become approved by Medi-Cal to provide NEMT trips can take about six months. Once approved, transit agencies can receive Medi-Cal reimbursement of approximately \$35-\$40 per one-way trip for NEMT services. Eligible passengers don't pay fares as the cost of the service is covered by Medi-Cal. NEMT trips can be co-mingled with the Americans with Disabilities Act (ADA) Paratransit Services to provide operational efficiencies, avoiding the need for a separate fleet.

Update:

In February 2023, County Connection staff released a Request for Proposals (RFP) for a NEMT management service to assist County Connection in qualifying as a provider and identify eligible trips. County Connection staff partnered with Deanna Perry, Manager of Accessible Services at Tri-Delta, to be part of the selection process since she has been managing an NEMT reimbursement program for over 8 years. Tranova, LLC (Tranova) a company that provides NEMT oversight and reimbursement programs for other transit agencies was the only qualified RFP response submitted. The panel concluded that Tranova possesses the experience and qualifications needed to administer this program.

Financial Implication:

Tranova proposed a one-time set-up fee of \$49,500 plus an hourly rate of \$150 per hour for ongoing support. Set-up activities include establishing state Medi-Cal approvals, managed care approvals, training, testing, policy development, outreach strategies/materials, and outreach activities. Ongoing

support consists of billing Medi-Cal for eligible trips and other miscellaneous support. Monthly costs are estimated at \$2,250, with a projected annual expense of \$27,000. Staff anticipates recouping this cost yearly due to the revenue generating potential of the program. Once the program is up and running, staff conservatively estimates it will generate approximately \$20,000 per month in Medi-Cal revenue. Tranova's proposed cost structure is included at Attachment A.

Recommendation:

Staff recommends awarding a contract for management of NEMT reimbursement services to Tranova LLC for a two-year base term with three one-year options commencing July 1, 2023, at the cost of \$49,500 for initial start-up and \$150 per hour for ongoing services.

Action Requested:

Staff respectfully requests the Administration & Finance Committee forward this item to the Board for approval to authorize the General Manager to enter into an agreement with Tranova LLC for management of NEMT services.

Attachments:

Attachment 1: Tranova's Cost Proposal Structure



ALTERNATIVE COST STRUCTURE FOR NEMT SERVICES PROPOSAL

4. Cost Proposal

Tranova proposes pricing as an hourly rate for services provided.

4.1. Hourly Rate

- \$150.00

4.2. Estimate of Hours and Cost

Set-Up (One-Time, Year 1)	
Set-Up Activities	Estimated Hours
State Medi-Cal approval	50
Managed Care approvals	40
Managed Care training/testing	40
Policy Development	20
Outreach Strategy/Materials	40
Outreach Activities	100
Operations Policies and Training	40
Estimated Set-Up Hours (one-time)	330
Hourly Rate	\$150
Estimated Set-Up Cost (one time)	\$49,500

Ongoing (Post-Launch, Monthly)	
Ongoing Activities (per month)	Estimated Hours
Billing	10
Misc Support	5
Estimated Ongoing Hours (per month)	15
Hourly Rate	\$150
Estimated Ongoing Cost (per month)	\$2,250
Estimated Ongoing Cost (per year)	\$27,000