LogistiCare

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April 19, 2010

Tim Weltzin, Issuing Officer
Iowa Department of Human Services
Division of Medical Services
Iowa Medicaid Enterprise
100 Army Post Road
Des Moines, Iowa 50315

RE: RFP MED-10-011 - NEMT Brokerage service

Dear Mr. Weltzin,

LogistiCare Solutions, LLC ("LogistiCare") is pleased to submit our proposal to provide Iowa Medicaid Enterprise ("the Department") for NEMT Brokerage services. We are confident our submission meets the requirements of the Department's Request for Proposal (RFP) and demonstrates that LogistiCare possesses the expertise and relevant experience to perform the services.

As required by the RFP, Logisticare requests confidential treatment for the following information included in our proposal:

- Figures and Tables: 3.2.2, 3.2.3, 3.2.4, 3.2.5, 3.2.6, 3.2.7, 3.2.8, 3.2.10, 3.2.11, 3.2.12, 3.2.13, 3.2.14, 3.3.5, 3.3.7, 3.3.8, 3.3.9, 3.3.11, 3.3.12, 3.3.13, 3.3.15, 3.3.17, 3.3.18, 3.3.20, 3.3.21, 4.2.6-12, 4.2.6-17
- Cost Proposal Client States Utilization Charts
- Attachments and/or Exhibits
    - Exhibit 1: Implementation Materials
    - Exhibit 3: Unaudited financial reports of LogistiCare Solutions, LLC
    - Attachment 2: Policy and Procedures Manual
    - Attachment 4: LogistiCAD Annotated Screen Prints
    - Attachment 5: LogistiCAD Reports
    - Attachment 7: Staff Training Material
    - Attachment 13: Non-Emergency Transportation Provider Manual (Mississippi)
    - Attachment 14: Driver/Provider Training Material
    - Attachment 15: Iowa Transportation Agreement (sample form)

Kirk Gonzales is LogistiCare's authorized representative regarding inquiries pertaining to the confidential status of our proposal materials. Kirk's contact information is:

1800 Phoenix Blvd., Suite 120
Atlanta, Georgia 30349
(800) 486-7647 x472

LogistiCare acknowledges that we have received RFP Amendments 1, 2, 2a and 3.

We look forward to discussing this proposal with you and members of your evaluation team. On behalf of our colleagues at LogistiCare, I thank you for this opportunity to present our capabilities and wish to express our strong interest in working with you on this important initiative.

Best regards,

Albert Cortina
Chief Administrative Officer
LogistiCare Solutions, LLC

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ATTACHMENT B

Primary Bidder Detail Form & Certification

(Instructions: Return this completed form behind Tab 2 of your Bid Proposal)

RFP No. MED-10-011: NEMT – Waiver Transportation Brokerage

Primary Contact Information (individual who can address issues re: this Bid Proposal)	
Name:	Alan Lewis
Address:	1800 Phoenix Blvd, Suite 120 College Park, GA 30349
Tel:	770-907-7596 ext 449
Fax:	770-907-7598
E-mail:	AlanL@logisticare.com

Primary Bidder Detail	
Business Legal Name:	LogistiCare Solutions, LLC
"Doing Business As" names, assumed names, or other operating names:	N/A
Form of Business Entity (i.e., corp., partnership, LLC, etc.)	LLC
State of Incorporation/organization:	Delaware
Primary Address:	1800 Phoenix Blvd, Ste 120 College Park, GA 30349
Tel:	770-907-7596
Fax:	770-907-7598
Local Address (if any):	N/A
Addresses of Major Offices and other facilities that may contribute to performance under this RFP/Contract:	1800 Phoenix Blvd, Suite 120 College Park, GA 30349 4832 E. McDowell Road, Ste 100, Phoenix, AZ 85008
Number of Employees:	1342
Number of Years in Business:	23
Primary Focus of Business:	Non-Emergency Transportation Brokerage
Federal Tax ID:	58-2491253
Bidder's Accounting Firm:	KPMG
If Bidder is currently registered to do business in Iowa, provide the Date of Registration:	March 12, 2010
Do you plan on using subcontractors if awarded this Contract? {If "YES," submit a Subcontractor Disclosure Form for each proposed subcontractor.}	NO (YES/NO)

Request for Confidential Treatment		
Location in Bid (Tab/Page)	Statutory Basis for Confidentiality	Description/Explanation
See Attached	See Attached	See Attached

Exceptions to RFP/Contract Language

RFP Section and Page	Language to which Bidder takes exception	Explanation and Proposed replacement language:
See Attached	**See Attached**	**See Attached**

BID PROPOSAL CERTIFICATION

By signing below, Bidder certifies that:

- Bidder will comply with all Contract Terms and Conditions as indicated in Section 6 of the RFP;
- Bidder has reviewed Attachment E to the RFP (Certifications), which are incorporated herein by reference, and by signing below represents that Bidder agrees to be bound by the obligations included in Attachment E to the RFP;
- No attempt has been made or will be made by the Bidder to induce any other person or entity to submit or not submit a proposal in response to this RFP;
- Bidder does not discriminate in its employment practices with regard to race, color, religion, age (except as provided by law), sex, marital status, political affiliation, national origin, or handicap;
- No cost or pricing information has been included in the Bidder's Technical Proposal;
- Bidder has received any amendments to this RFP issued by the Department;
- The prices proposed have been arrived at independently, without consultation, communication, or agreement, as to any matter relating to such prices with any other bidder or with any competitor for the purpose of restricting competition;
- Unless otherwise required by law, the prices quoted have not been knowingly disclosed by the Bidder prior to award, directly or indirectly, to any other Bidder or to any competitor;
- Bidder either is currently registered to do business in Iowa or agrees to register if Bidder is awarded a Contract pursuant to this RFP;
- The person signing this Proposal certifies that he/she is the person in the Bidder's organization responsible for, or authorized to make decisions regarding the prices quoted and he/she has not participated, and will not participate, in any action contrary to the anti-competitive obligations agreements outlined above;
- Bidder specifically stipulates that the bid proposal is predicated upon the acceptance of all terms and conditions stated in the RFP. If the bidder objects to any term or condition, specific reference to the RFP page and section number must be made in the Primary Bidder Detail Form and Certification. Objections or responses that materially alter the RFP shall be deemed non-responsive and disqualify the bidder. All changes to proposed contract language, including deletions, additions, and substitutions of language, must be addressed in the Bid Proposal;
- Bidder certifies that the bidder organization has sufficient personnel resources available to provide all services proposed by this Bid Proposal, and such resources will be available on and after **October 1, 2010**; and
- Bidder guarantees the availability of the services offered and that all bid proposal terms, including price, will remain firm a minimum of 120 days following the deadline for submitting proposals.

By signing below, I certify that I have the authority to bind the Bidder indicated below to the specific terms, conditions and technical specifications required in the Department's Request for Proposals (RFP) and offered in the Bidder's Proposal. I understand that by submitting this Bid Proposal, the Bidder indicated below agrees to provide services described in the Iowa Medicaid Enterprise NEMT and HCBS Waiver Transportation Brokerage RFP which meet or exceed the requirements of the Department's RFP unless noted in the Bid Proposal and at the prices quoted by the Bidder. I certify that the contents of the

Bid Proposal are true and accurate and that the Bidder has not made any knowingly false statements in the Bid Proposal.

Signature:	
Printed Name/Title:	Albert Cortina, Chief Administrative Officer
Date:	April 5, 2010

Attachment B – Additional Pages

Request for Confidential Treatment		
Location in Bid (Tab / Page)	**Statutory Basis for Confidentiality**	**Description/Explanation**
Tab 5 / Page 10	Iowa Code 1999, Section 22.7 (3)	Figure 3.2.2 – Screen print of proprietary software
Tab 5 / Page 11	Iowa Code 1999, Section 22.7 (3)	Figure 3.2.3 – Screen print of proprietary software
Tab 5 / Page 13	Iowa Code 1999, Section 22.7 (3)	Figure 3.2.4 – Report details for proprietary software
Tab 5 / Page 14	Iowa Code 1999, Section 22.7 (3)	Figure 3.2.5 – Report details for proprietary software
Tab 5 / Page 15	Iowa Code 1999, Section 22.7 (3)	Figure 3.2.6 – Report details for proprietary software
Tab 5 / Page 16	Iowa Code 1999, Section 22.7 (3)	Figure 3.2.7 – Report details for proprietary software
Tab 5 / Page 18	Iowa Code 1999, Section 22.7 (3)	Figure 3.2.8 – Screen print of proprietary software
Tab 5 / Page 26	Iowa Code 1999, Section 22.7 (3)	Figure 3.2.10 – Screen print of proprietary software
Tab 5 / Page 27	Iowa Code 1999, Section 22.7 (3)	Figure 3.2.11 – Screen print of proprietary software
Tab 5 / Page 29	Iowa Code 1999, Section 22.7 (3)	Figure 3.2.12 – Screen print of proprietary software
Tab 5 / Page 30	Iowa Code 1999, Section 22.7 (3)	Figure 3.2.13 – Screen print of proprietary software
Tab 5 / Page 32	Iowa Code 1999, Section 22.7 (3)	Figure 3.2.14 – Screen print of proprietary software
Tab 5 / Page 53	Iowa Code 1999, Section 22.7 (3)	Figure 3.3.5 – Screen print of proprietary software
Tab 5 / Page 55	Iowa Code 1999, Section 22.7 (3)	Figure 3.3.7 – Confidential client contract details
Tab 5 / Page 56	Iowa Code 1999, Section 22.7 (3)	Figure 3.3.8 – Screen print of proprietary software
Tab 5/ Page 63	Iowa Code 1999, Section 22.7 (3)	Figure 3.3.9 – Screen print of proprietary software
Tab 5 / Page 73	Iowa Code 1999, Section 22.7 (3)	Figure 3.3.11 – Confidential client contract details
Tab 5 / Page 75	Iowa Code 1999, Section 22.7 (3)	Figure 3.3.12 – Confidential client contract details
Tab 5 / Page 82	Iowa Code 1999, Section 22.7 (3)	Figure 3.3.13 – Confidential client contract details
Tab 5 / Page 84	Iowa Code 1999,	Figure 3.3.15 – Screen print of proprietary software

Request for Confidential Treatment		
Location in Bid (Tab / Page)	**Statutory Basis for Confidentiality**	**Description/Explanation**
	Section 22.7 (3)	
Tab 5 / Page 85	Iowa Code 1999, Section 22.7 (3)	Figure 3.3.17 – Confidential logic structure for proprietary software
Tab 5 / Page 86	Iowa Code 1999, Section 22.7 (3)	Figure 3.3.18 – Screen print of proprietary software
Tab 5 / Page 87	Iowa Code 1999, Section 22.7 (3)	Figure 3.3.20 – Screen print of proprietary software
Tab 5 / Page 88	Iowa Code 1999, Section 22.7 (3)	Figure 3.3.21 – Screen print of proprietary software
Tab 6 / Page 13	Iowa Code 1999, Section 22.7 (3)	Figure 4.2.6-12 – Confidential client contract details and contact information
Tab 6 / Page 21	Iowa Code 1999, Section 22.7 (3)	Figure 4.2.6-17 – Confidential staffing plan and org chart for potential Iowa contract
Exhibit #1 / Page 1-21	Iowa Code 1999, Section 22.7 (3)	Implementation Materials – Confidential project work plans
Exhibit #3 / Page 112-143	Iowa Code 1999, Section 22.7 (3)	Unaudited financial reports of LogistiCare Solutions, LLC – Confidential financial information of privately held company.
Attachment #2 / All Pages	Iowa Code 1999, Section 22.7 (3)	Policy and Procedures Manual – Confidential and Proprietary corporate training and development material.
Attachment #4 / All Pages	Iowa Code 1999, Section 22.7 (3)	LogistiCAD Annotated Screen Prints – Screen Prints of proprietary software
Attachment #5 / All Pages	Iowa Code 1999, Section 22.7 (3)	LogistiCAD Reports Detailed Description – Confidential client contract information
Attachment #7 / All Pages	Iowa Code 1999, Section 22.7 (3)	Staff Training Material – Confidential and Proprietary employee training tools and material
Attachment #13 / All Pages	Iowa Code 1999, Section 22.7 (3)	Non-Emergency Transportation Provider Manual (Mississippi) – Confidential and Proprietary operations manual
Attachment #14 / Page 1-13	Iowa Code 1999, Section 22.7 (3)	Driver/Provider Training Material – Confidential and Proprietary training material
Attachment #15 / Page 2-49	Iowa Code 1999, Section 22.7 (3)	Iowa Transportation Agreement (sample form) – Proprietary contract document
Price Proposal / Page 3	Iowa Code 1999, Section 22.7 (3)	Contract states – Utilization Charts – Proprietary and Confidential information

Attachment B – Additional Pages

Exceptions to RFP/Contract Language		
RFP Section and Page	**Language to which Bidder takes exception**	**Explanation and Proposed replacement language**
Section 3.3.2.4.2 Page 30	Entire section.	We request addition of the following language at the beginning of the section: "Transportation providers and volunteers shall be paid or reimbursed according to the terms of their contract with the Broker. In the absence of defined contractual claims payment timeliness standards the following standards shall apply:"
Section 2.1(6) Page 63	Second sentence: "…in a reduction of total contract price of up to five percent (5%) to be deducted on future payments."	As written the potential financial penalty for a one time event could far outweigh any reasonable amount of damage or injury to the Department created by the delay. We therefore request the following alternative language: "If after notice from the Department and failure to meet the targeted improvement pursuant to a corrective action plan the Contractor continues to fail to timely provided deliverables in accordance with the Scope of Services section of this RFP, the Department may deduct from the Contractor's next monthly payment up to $500 per deliverable per day that any deliverable is late, not to exceed 2% of the total payment for that month's payment."

Section 2.1(6) Page 63	Second paragraph: "…Department shall not be responsible for or liable to the Contractor or its subcontractor(s) for any increased costs or expenses…"	While all of the bidders will make reasoned assumptions regarding likely increased costs and expenses over the term of the potential contract, there are certain drivers of increased cost that are simply not predictable. Our experience has taught that fuel costs are subject to unpredictable events, such as hurricane damage to refinery and pipeline resources along the gulf cost or terrorist attacks on production resources in Nigeria or the Persian Gulf. Therefore, we request that the following language be added to this section: "The Department agrees to provide additional funding, 100% of which will be passed through to transportation providers, in the event that the cost of fuel increases by more than the CPI for any twelve month period. If the Department is unable to provide such additional funding, the Contractor shall have the right to decline any optional renewal terms by providing written notice to the Department at least 120 days prior to the end of the then current term of the contract."
N/A	N/A	We request the following clause be added to the contract: "The Department and Contractor agree to periodically review program utilization and cost data in support of any existing or future program changes to allow actuarial soundness through the term of the contact"
N/A	N/A	We request that the following clause be added to the contract: "Contractor may terminate this contract by providing 180 days advance notice to the Department."

Section 2.1(7)s.s. Page 64	Fourth line: "…within ten (10) days of mailing of the decision…"	We request that the 10 day period during which the Contract Manager's decision may be appealed begin when it is delivered to the Contractor. We request the following edit: change the word "mailing" to "delivery" and add the following sentence. "The Contract Manager's decision shall be assumed delivered to the Contractor on the second business day after the post mark if mailed by USPS mail, the next business day if sent by nationally recognized overnight delivery service, or when actually hand delivered."
Section 2.2(4) Page 66	Fourth and fifth lines: "…(1) Contractor has failed to perform any of its duties or obligations as set forth in this Contract; or (2) any Deliverable has failed to meet or conform to any applicable Specifications or contains or is experiencing a Deficiency."	Request that any withhold penalty be assessed only after notice to the Contactor of default and failure to meet targeted improvement pursuant to a corrective action plan. Alternative language: "…(1) Contractor has failed to perform any of its duties or obligations as set forth in this Contract, any Deliverable has failed to meet or conform to any applicable Specifications or contains or is experiencing a Deficiency, and (2) Department has notified Contractor of such failure to perform or Deficiency and Contractor has failed to correct such failure or Deficiency through the targeted improvements of a Corrective Action Plan."
Section 2.2(13) k Page 76	First and second sentences: "Contractor may not assign, transfer or convey in whole or in part this Contract without the prior written consent of the Department. For the purpose of construing this clause, a transfer of a controlling interest in the Contractor shall be considered an assignment."	LogistiCare is part of a publically traded company and Federal law and SEC regulations prevent prior notice of any potential transfer of controlling interest. We recommend adding the following sentence immediately following the referenced text: "The prior written consent requirement shall not apply if Contractor is a publically traded company, in which case Contractor must provide notice to the Department within 5 business days after a change in controlling interest."

ATTACHMENT C

Subcontractor Disclosure Form
(Instructions: Return this completed form behind Tab 2 of your Bid Proposal)

RFP MED-10-011: NEMT – Waiver Transportation Brokerage

Primary Bidder:	N/A
Subcontractor Contact Information (individual who can address issues re: this RFP)	
Name:	N/A
Address:	N/A
	N/A
Fax:	N/A
E-mail:	N/A

Subcontractor Detail	
Subcontractor Legal Name:	N/A
"Doing Business As" names, assumed names, or other operating names:	N/A
Form of Business Entity (i.e., corp., partnership, LLC, etc.)	N/A
State of Incorporation/organization:	N/A
Primary Address:	N/A
Tel:	N/A
Fax:	N/A
Local Address (if any):	N/A
Addresses of Major Offices and other facilities that may contribute to performance under this RFP/Contract:	N/A
Number of Employees:	N/A
Number of Years in Business:	N/A
Primary Focus of Business:	N/A
Federal Tax ID:	N/A
Subcontractor's Accounting Firm:	N/A
If Subcontractor is currently registered to do business in Iowa, provide the Date of Registration:	N/A
Percentage of Total Work to be performed by this Subcontractor pursuant to this RFP/Contract.	N/A
General Scope of Work to be performed by this Subcontractor	
N/A	
Detail the Subcontractor's qualifications for performing this scope of work	
N/A	

By signing below, Subcontractor agrees to the following:

- Subcontractor has reviewed the RFP, and Subcontractor agrees to perform the work indicated in this Bid Proposal if the Prime Bidder is selected as the winning bidder in this procurement.
- Subcontactor agrees that it will register to do business in Iowa before performing any services pursuant to this Contract, if required to do so by Iowa law.
- Subcontractor has reviewed Attachment E to the RFP (Certifications) and by signing below confirms that the Certifications are true and accurate and Subcontractor will comply with all such Certifications.
- Subcontractor does not discriminate in its employment practices with regard to race, color, religion, age (except as provided by law), sex, marital status, political affiliation, national origin, or handicap;
- The person signing this Subcontractor Disclosure Form certifies that he/she is the person in the Subcontractor's organization responsible for or authorized to make decisions regarding the prices quoted and he/she has not participated, and will not participate, in any action contrary to the anti-competitive obligations agreements outlined above.

I hereby certify that the contents of the Subcontractor Disclosure Form are true and accurate and that the Subcontractor has not made any knowingly false statements in the Form.

Signature:	Alberto Cortina
Printed Name/Title:	Albert Cortina, Chief Administrative Officer
Date:	April 12, 2010

ATTACHMENT A

Bid Proposal Mandatory Requirements Checklist

DHS has provided a template for the Bid Proposal Mandatory Requirements Checklist that is to be submitted with the Technical Proposal portion of Bid Proposals. Bidders are expected to confirm compliance by typing or printing "Yes" in the "Bidder Check" column. Upon receipt of Bid Proposals, DHS will confirm compliance by entering "Yes" in the "DHS Check" column.

Bidder	DHS	
		1. Did the Issuing Officer receive the bid proposal before 4:00 p.m. Central Time on the date specified for receipt?
		2. Was the proposal submitted with the correct number of copies, and in the correct format as specified in section 4.1 of the RFP? • Submitted in spiral, comb or similar binder (no loose leaf binders) • Divided in two parts: (1) Technical Proposal; (2) Cost Proposal. • Original, and seven (7) copies properly labeled • Two (2) electronic copies in Adobe PDF file format on CD ROM • One (1) hard copy and one (1) electronic copy of bid proposal from which confidential information has been redacted, if any claim of confidential information is made. • Bid proposal must respond to RFP requirements by restating the number and text of the requirement in sequence and writing the response immediately after the restated requirement.
		3. Does the proposal include a signed copy of Attachment D: Authorization to Release Information?
		4. Does the proposal include all declarations required to be submitted in Section 4.2.2 of the RFP?
		5. Does the proposal include three (3) letters of reference as specified in Section 4.2.6.3.2 of the RFP?
		6. Does the proposal include a bid bond or other bid security, payable to the State of Iowa, in the amount of $5,000?

Signature **Date** April 13, 2010

EXECUTIVE SUMMARY

The bidder shall submit an executive summary/introduction that provides the Evaluation Committee and state management with a clear understanding of the contents of the entire Bid Proposal. The executive summary/introduction should briefly summarize the strengths of the bidder and key features of its proposed approach to meet the requirements of this RFP. This section shall also include a summary of the bidder's project management plans for the resulting contract.

LogistiCare can ensure the Iowa Medicaid Enterprise ("the Department") an on-time implementation and long-term success for Iowa and its Members based on our extensive national experience, proven best practices, and depth of talent and resources.

INTRODUCTION

The Department is transitioning from a decentralized transportation network to a statewide, single broker system to increase accessibility for Members in all markets, including rural areas—where public transportation is limited or non-existent—and to enhance the quality and efficiency of its non-emergency medical transportation (NEMT) program for Members and the state. LogistiCare is confident our team, our qualifications, our systems, and our methods make us the right choice as the contractor for the Department. Our performance for similar clients demonstrates we can deliver the provider network, customer care, and quality that Iowa requires.

Why LogistiCare is the best choice for Iowa

We have demonstrated our ability, in numerous states and over many years, to:

- **Smoothly implement new brokerage programs and achieve early buy-in from program stakeholders**
- **Expand and enhance NEMT service statewide, especially in low access areas**
- **Maintain high service quality through comprehensive performance monitoring and continuous outreach to Members**

LogistiCare has carefully reviewed the Request for Proposal (RFP) requirements and the Iowa NEMT System Review and Options for Improvements Study developed by the University of Iowa Public Policy Center, ("the Iowa Study). We possess the technical expertise—as evidenced by our multiple statewide NEMT contracts—and resources needed to help Iowa make a successful transition to a NEMT brokerage program and minimize risk to the Department. We stand ready to assign our best-of-breed NEMT implementation team the task of resolving the following Medicaid transportation service issues as borne out by the Iowa Study:

Lack of Member education about Medicaid rules: The Iowa Study reports that 43 percent of Medicaid Members don't know that their trips can be reimbursed. The Members (especially those with disabilities) have a fairly good opinion of the Medicaid workers' ability to arrange transportation, but they are unaware of the overall process and reimbursement procedures. Case Managers (CM) and Service Workers (SW) have identified lack of Members understanding regarding how to follow the programs' rules.

Inadequate transportation services for Members across the state living in urban and rural areas, and particularly for those with disabilities: In urban areas, some Medicaid-eligible Members with access to fixed route transit struggle to keep their medical appointments. In rural areas, there are Medicaid-eligible Members who do not have access to service in rural areas because transportation providers do not provide demand-response services to these areas. These Members tend to rely heavily on family Members and friends for transportation to medical appointments.

Unavailability or limited service of transit and other transportation services after hours and during the weekends: According to the Medicaid workers, the lack of availability after regular business hours negatively impacts Medicaid Members' health and welfare.

Member eligibility verification is a time-consuming task for the Income Maintenance (IM) worker: Claim verification is one of the most burdensome tasks that a NEMT broker can remove from an IM worker. In the typical verification process the IM workers check (1) if the transportation purpose and mode is eligible for reimbursement based on the Member's plan; (2) if the trip is taken by the most appropriate and economical mode; (3) that the trip is outside the Member's community (trip distance); and (4) verifies that the trip is taken. Based on the survey results from the Iowa Study, the verification process is somewhat fragmented which suggests the potential for fraud. Removing the transportation claims processing burden from the IM workers would enable them to focus more on medical services.

LogistiCare's NEMT Solution Recommendation

Our proposal provides a description of the approach that we recommend for ensuring a successful adoption of a NEMT brokerage model. We base our proposed approach on LogistiCare's experience implementing NEMT for more than two decades, as well as on our thorough understanding of the Department's program expectations. Our solution is a comprehensive model that addresses the needs of all stakeholders including eligible Medicaid Members, the Department's IM workers, CMs and SWs, as well as community advocates, transportation providers, healthcare facilities, and volunteers.

Figure 1. Results-focused. LogistiCare has traveled the road many times and can bring the Department the critical results required for its NEMT program.

We believe the following key elements of our proposal make LogistiCare the best choice for the Department to implement and manage its NEMT program. Highlights of our solution include:

Member Education

LogistiCare will engage in an intensive and continuous outreach and education campaign to Members to increase their understanding of, and compliance with, NEMT regulations and procedures. We will produce informative bi-lingual educational materials in various formats, written at appropriate reading levels, for Members. These educational materials will also be made available on a Member website. We will counsel Members about appointment no-shows and other noncompliant behavior. LogistiCare has created a wide-ranging portfolio of easy-to-understand program materials for the benefit of NEMT-eligible riders.

In addition, we will place educational material on easily accessible websites for healthcare professionals, and case workers. We will conduct weekly webinars during the implementation phase for the benefit of healthcare facility staff. During implementation, our Healthcare Manager will visit healthcare facility partners to provide training and information about our NEMT management process. The Healthcare Manager will continue regular visits and conduct webinars to the healthcare facilities throughout the life of the contract to resolve any concerns and provide continued education about our program.

Transportation Service Expansion

All Medicaid-eligible Members deserve access to transportation—and the appropriate level of service—regardless of their geographic location. LogistiCare will develop a transportation network that provides more than adequate service to Medicaid-eligible Members residing in urban and rural areas throughout the state. We will also ensure that our providers are especially responsive to those Members with disabilities. LogistiCare has extensive experience providing NEMT services to remote rural areas in states such as Colorado, Nevada, Oklahoma, Missouri, Georgia, and Virginia. In fact, LogistiCare is the only NEMT broker with exclusive responsibility for large statewide service areas such as those involved with this contract. We have demonstrated the ability to create NEMT service in underserved rural areas through innovative pricing, technical assistance to providers, enhancing gas reimbursement, energetic recruitment of volunteer drivers through highlighting and marketing reimbursement opportunities, cooperative arrangements with tribal groups, and other effective means.

Provider relationship management is the cornerstone of our business and the basis of our successful provider networks. We invest heavily in fostering positive relationships with providers, providing unique network support and benefit programs, e.g., free access to LogistiCare's Transportation Provider Website, our web-based Provado Dispatch Manager Software, and online driver training, as well as cost savings through our bulk purchasing capacity that contributes to affordable services. Our experienced Network Development staff will work in partnership with the local management team to build a sufficient provider network for implementation. Our Provider Relations Group, which in addition to the local management, acts as an on-going liaison to providers nationwide, will also perform outreach, recruiting, and contract development in Iowa.

We have reached out to Iowa's current NEMT transportation providers and potential new providers to establish an understanding of Iowa's existing network and prepare ourselves for a statewide, effective NEMT brokerage implementation. To effectively begin our network development effort in Iowa, we sent recruitment packages to approximately 200 providers. To date, we have hosted nine meetings throughout the state to introduce providers to our company. We will work with current and new providers to meet the licensing, insurance, driver, and vehicle standards to ensure the safety and well-being of Members. It is critical that transportation providers in Iowa continue to seamlessly provide services and that new providers are able to start delivering services as needed beginning day one. We help ensure public transit agencies and small commercial providers continue to transport their current Members—without interruption. Members who rely on drivers for regular trips for dialysis, cancer treatment, or rehabilitation cannot afford to be without service. We go to great lengths to maintain network continuity so the relationships between drivers and Members are preserved.

After Hours and Weekend service

Ensuring the availability of after hours and weekend service is standard practice for LogistiCare. As part of our transportation provider development process, we work with providers and transit agencies to ensure that transportation is available to Members when they need it. LogistiCare understands the Department's concern regarding this deficiency in NEMT services, and we will devote the resources necessary to close this gap as quickly as possible. We provide live operator services for urgent care requests and ride assistance calls 24 hours a day, 7 days a week, through our toll-free phone lines. Typical after hours and weekend service includes early evening trips that are run by the original transportation provider. That is, the provider that takes a Member to a late afternoon dialysis treatment appointment (4:00 p.m.) will also run the return trip when the Member's treatment is complete (8:00 p.m.). Late night trips are 99% hospital discharges. The majority of weekend trips are on Saturday and largely servicing dialysis patients on a regular treatment schedule. The balance of the weekend trips are hospital discharges. We specifically contract with transportation providers to perform these trips and the after-hours call center is aware of the available provider options to perform late night and weekend service.

VERIFICATION SERVICES

LogistiCare will review all requests for NEMT services and authorize them in accordance with the Department's benefit rules. Whether its screening for program eligibility, covered service, medical provider enrollment, closest appropriate medical provider, alternate means of transportation, service limitations, or medically appropriate levels of service, NEMT verification rules are detailed in a Scope of Work document with sign-off requirements for both the Department and LogistiCare. Our approach to verification mitigates fraud and other abuses for the Department and reserves NEMT services for Members who truly qualify. Additionally, the Department's verification requirements will be built into our systems, operations manuals, and staff training programs, and validated continually through audits.

OUR PROJECT MANAGEMENT EXCELLENCE

Project management is the cornerstone of all LogistiCare's implementations. A successful implementation effort requires a solid, trusting, and mutually helpful relationship between the state agency and the broker, as well as careful attention to the special interests and issues of all stakeholders in the NEMT program process. We look forward to working closely with the Department during the requirements analysis process to further hone our implementation strategy for Iowa. These best practices allow us to focus the implementation on creating and sustaining value.

We have developed a detailed project schedule that includes all tasks and milestones necessary for the successful implementation and operation of the Department's NEMT program. Figure 2 below is a very high-level view of our proposed implementation work plan.

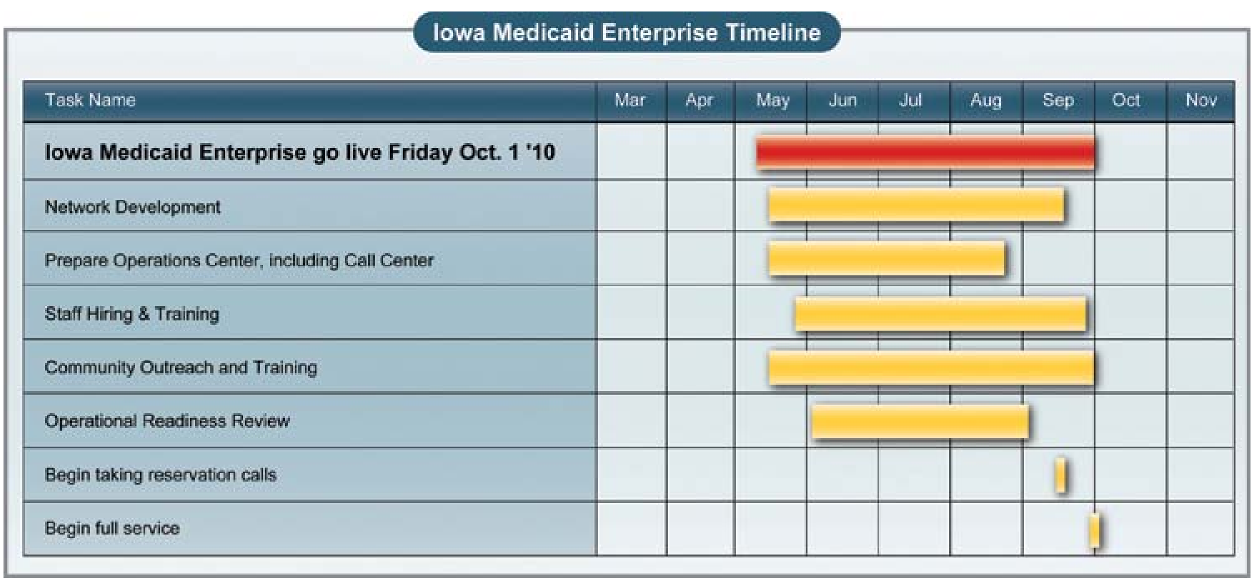


Figure 2. Proposed Timeline. Our project management approach has resulted in 100% successful on-time program implementations.

QUALITY ASSURANCE

Quality is a key component of our project management methodology. We utilize a well-developed and robust quality assurance program that has proven its effectiveness in all of our operations. We believe that quality assurance is achieved by having comprehensive policies and procedures in place to ensure that standards are maintained or bettered, designing quality goals into all of our standard operation procedures to "get it right the first time", and fostering an organizational culture that recognizes and values the benefits that quality assurance brings. As part of our quality commitment, LogistiCare has attained URAC accreditation. URAC is a nonprofit organization that promotes healthcare quality by accrediting healthcare organizations. URAC's mission is to promote continuous improvement in the quality and efficiency of healthcare management through processes of accreditation and education. In 2006, LogistiCare became the first NEMT broker to achieve URAC accreditation and was successfully re-accredited in 2009. We have been operating under URAC standards longer than any other medical transportation organization. Besides being a visible symbol of our corporate commitment to quality in every aspect of our business, the URAC accreditation of our operations ensures continued outside scrutiny and evaluation of our performance by a non-related third party.

CONCLUSION

LogistiCare has developed a strong reputation in the marketplace for transitioning, implementing, and managing NEMT programs successfully—on-time and with no disruption to service. We have the right talent, experience, and depth of capabilities to deliver that same high level of performance for the Department and Iowa's Medicaid-eligible Member population. Our people, processes, technologies, innovations, and relationships for performing every task outlined in the RFP have been developed and finely tuned over 20 years — with documented, successful results. In all of our contracts, we leverage our expertise in providing NEMT brokerage management to improve and enhance service quality, expand access, and contain costs. We are committed and prepared to deliver similar benefits to Iowa if the Department chooses to partner with us.

3.2 Scope of Work

LogistiCare's demonstrated experience developing provider networks for 14 statewide non-emergency medical transportation (NEMT) programs ensures Iowa will have a seamless transition to a new program with a comprehensive, credentialed, varied, and well-managed statewide NEMT provider network.

3.2.1 General Requirements

The Broker will be required to ensure that all eligible Medicaid Members receive transportation services that are safe, reliable, and on time by providers who are licensed, qualified, competent, and courteous. This section sets forth the duties and responsibilities of the Broker under this RFP and the resulting contract.

LogistiCare currently manages 63 transportation brokerage projects in 39 states and the District of Columbia, which gives us broad experience developing and managing provider networks, addressing the needs of geographically dispersed populations, and providing the full array of NEMT gatekeeper services. Because we have successfully addressed the challenges of statewide NEMT contracts numerous times, we have the people, processes, and tools in place to address the logistics of serving both urban and rural populations in Iowa. Our expertise will enable us to share with the Department best practices we have learned as a result of managing similar transitions, with the end goal of providing Iowa Medicaid members with high quality NEMT services that meet their individual needs.

HIGHLIGHTS

- **More than 20 years of NEMT brokerage experience nationwide**
- **Consistently cost-effective, high-quality service through systematic policies and procedures approach**
- **100% successful on-time program implementations**
- **LogistiCAD database handles millions of members and transactions 24x7 with speed and reliability**
- **Comprehensive credentialing oversight assisted by LogistiCAD data system**

We intend to impress upon the Department that LogistiCare has already *demonstrated* our capability for successfully managing large-scale NEMT brokerage programs more frequently and convincingly than any other potential bidder. Our proficiency and reputation as the country's leading brokerage management firm—which sets LogistiCare apart from all other potential bidders—speak for themselves.

LogistiCare Brokerage Management Proficiency:

- 2009 gross trips: more than 25 million
- More than 425,000 calls answered monthly
- 2.2 million reservations scheduled monthly
- 1.5 million NEMT trips made monthly
- Call center Average Call Abandonment rate : 3.6%
- Call center Average Speed to Answer (ASA): 45 seconds
- 0.023% rider complaint rating
- 80 million trips with an accident claim to trip percentage of less than .000000225%

Upon contract award, LogistiCare will apply our technical expertise and human services delivery philosophy to ensure that Medicaid members in Iowa who request NEMT services receive transportation that is safe, reliable, and on-time, by providers who are licensed, qualified, competent, and courteous. We understand and willingly embrace the duties and responsibilities associated with providing NEMT services to Iowans whose health and well-being are dependent upon transportation.

3.2.1.1 CONTRACT MANAGEMENT

State oversight of the contractor's performance and payments to the contractor are tied to meeting the performance standards in the contract awarded through this RFP.

LogistiCare understands and agrees that state oversight of the contractor's performance and payment to the contractor are tied to meeting the performance standards in the contract awarded through this RFP. Our business practices revolve around the objective of exceeding performance standards, both those set by the client, as well as those set by ourselves. Our record of consistent high performance, customer satisfaction, and timely implementation is unequaled. This is demonstrated, in part, by our extremely high client retention rate (95%) over the past 15 years.

LogistiCare has won all our contracts on the strength of our technical evaluations, and we have never had a contract terminated for default. In addition, we have met all our start-up dates, met or exceeded all our contract obligations, and established positive, lasting working relationships with our clients. In all our contracts, we have worked to reduce our clients' costs while improving service quality and access. Please refer to **Attachment 1** for sample letters of support and appreciation from our clients, providers, and health care partners around the country.

3.2.1.2 PERFORMANCE REPORTING AND QUALITY ASSURANCE

a. The contract awarded through this RFP will contain performance standards that reflect the performance requirements in this RFP.

1. The standards will include timeliness, accuracy, and completeness for performance of reporting operational functions.

2. These performance standards must be quantifiable and reported using as much automation as possible.

b. Meeting the performance standard in the selected indicators will represent average performance.

1. The Department and the contractor will finalize specific performance reporting and measurements during the first year of operation.

c. In addition the contractor is responsible for internal quality assurance activities. The scope of these activities includes the following:

1. Identify deficiencies and improvement opportunities within the contractor's area of responsibility.

2. Provide the Department with a corrective action plan within ten business days of discovery of a problem through the internal quality control reviews.

3. Agree upon time frames for corrective actions.

4. Meet all corrective action commitments within the agreed upon time frames.

LogistiCare acknowledges that the contract awarded through this RFP will contain performance standards that reflect the performance requirements of this RFP. We understand that meeting the performance standards in the selected indicators will represent average performance; however, our business model is rooted in the practice of continually striving to exceed performance standards while enhancing NEMT service delivery to our state clients and their members.

Our strong commitment to service excellence, customer satisfaction, and high levels of accountability are at the heart of our ongoing quality improvement process. From corporate-level oversight of policies and procedures, to strict quality standards, to conscientious performance monitoring, to clear feedback for providers and staff, LogistiCare will combine a broad spectrum of quality assurance (QA) initiatives and methodologies to support the Department's goals for a highly effective NEMT program.

As part of our primary business function, LogistiCare collects, manages, and analyzes data for the purposes of complying with contract requirements and monitoring performance. We will use our proprietary information management system, LogistiCAD, to maintain complete records of all NEMT activities and to document that our operations adhere to all applicable Iowa Medicaid medical transportation rules and regulations. This robust system will also serve as the source for providing the Department with timely, accurate, and complete reports on all aspects of the program, as require, within the requested time frames. LogistiCAD offers the flexibility to produce any type of operational, management, or ad hoc report that might be used to examine and strengthen our performance and procedures, as well as to provide the Department with insights into program functioning.

Based on these capabilities, LogistiCare has created standard reports that encompass a broad range of requirements specified by our NEMT contracts. These standard reports address issues such as verification, eligibility, utilization and trip details, compliance, performance, and denials and fair hearings. In addition to the standard reports we already produce, LogistiCare has the capability to produce any type of report that the Department may wish to introduce. We can also provide the Department with comprehensive electronic encounter data on a regular basis, as we do for most of our state clients.

LogistiCare is fully aware that the Department is entering new and uncharted territory by transitioning to a NEMT brokerage model. We commend the Department for being willing to implement this change for the betterment of the NEMT program and the Medicaid members utilizing it. We would like to assure the Department that they can fully rely on LogistiCare's expertise and dedicated team of professionals to add clarity to the process and thus contribute to a smooth transition across all levels of stakeholders in Iowa.

LogistiCare's Corporate Policies and Procedures and Quality Management Committee

Our Corporate Policies and Procedures and Quality Management Committee (PnP&QMC) directs our QA program. This committee consists of senior management representatives, who oversee such functions as:

- Operations
- Risk Management
- Information Technology
- Finance
- Claims
- Business Development
- Training

The function of the PnP&QMC is to assess the strengths and weaknesses of the quality monitoring and review processes used in our transportation operations, and to facilitate their improvement. The PnP&QMC is responsible for ensuring that the development and improvement of processes are coordinated across the entire organization, and that process improvements are institutionalized.

The PnP&QMC identifies industry best practices, communicates them throughout the entire organization, and maintains policies and procedures and other quality-related documentation. To meet the specific requirements of each of our state clients, local managers develop customized QA programs and quality improvement (QI) plans, which are then submitted to the PnP&QMC for approval. While our QA program was developed to maintain our corporate commitment to quality service for both our riders and our state clients, goals and standards may be supplemented or modified in response to the needs of individual client organizations. For Iowa, our program will include all the Department's quality assessment and improvement criteria stated in the RFP, including feedback from members and providers relative to customer satisfaction.

All LogistiCare Iowa employees will participate in and be held accountable for meeting our QA goals and objectives. Depending on the type of issue involved, the responsibilities for quality assurance activities will be performed by a range of managers and staff, under the overall responsibility of the Iowa Account Manager (known as the *General Manager* in LogistiCare's organizational hierarchy). LogistiCare's management staff in Iowa will act as a steering committee to review, revise, and supervise all QA activities. The next level of management, which will include supervisors and leads/specialists, will be responsible for taking the plan to the staff and monitoring the day-to-day activities.

LogistiCare will work with the Department to finalize specific performance reporting and measurements during the first year of operation. If, as a result of our internal quality assurance activities, we identify program deficiencies within our areas of responsibility, we will provide the Department with a corrective action plan within 10 days of discovery of a problem. We will also meet all corrective action commitments within the agreed upon time frames.

3.2.1.3 STATE RESPONSIBILITIES

a. The Department's Contract Administrator for the IME is the principal contact with the transportation Broker and coordinates interaction between the Department and the Broker. The Department's Contract Administrator is responsible for the following activities:

1. Monitor the contract performance and compliance with contract terms and conditions.
2. Service as a liaison between the Broker and the Department.
3. Review and approve operational procedure manual and any updates to the manual.
4. Review and approve documentation as required by the Department.
5. With participation from the Contractor, develop the report of the contractor's compliance with performance standards, negotiate reporting requirements, and measure compliance for the contractor's responsibilities.
6. Coordinate State and federal reviews and assessments.
7. Consult with the contractor on quality improvement measures and determination of areas to be reviewed.
8. Review, approve, and monitor proposed corrective action plans.
9. Direct Broker to attend transportation meetings or seminars (statewide, regional, or local).

LogistiCare looks forward to working with the Department to provide much-needed services in the form of NEMT transportation to Iowa Medicaid members. We are committed to ensuring these members receive high quality service, and we understand that establishing a close, collaborative relationship with the Department's Contract Administrator will help make this possible. LogistiCare practices an "open-door policy" with all our state clients, and we will designate an onsite office at the Iowa call center/regional office for the Department's Contract Administrator use.

LogistiCare has extensive experience developing policy and procedures manuals for state clients, and our corporate-level Policy and Procedures and Quality Management Team, discussed at length in *Section 3.2.1.2 Performance Reporting and Quality Assurance*, oversees this process. Having worked with various state clients, we understand the issues that face large-state NEMT programs, and we will meet with the Department to develop contract-specific processes for Iowa. We have included a sample of our client Operational Procedures Manual in **Attachment 2**. Our agility and adaptability make it possible for us to adjust operations to accommodate any required changes made by our state clients to their NEMT programs. LogistiCare has participated in dozens of audits and completed them successfully. For the purposes of transparency, we provide our state clients will full access to those audits. LogistiCare is very receptive to the performance review process, as one of our goals is to constantly seek ways to increase efficiencies, reduce costs, and optimize customer service.

LogistiCare has leveraged its extensive and varied NEMT management experience in working cooperatively with state clients to develop and implement protocols for every aspect of NEMT program management. The Account Manager for Iowa (known as the *General Manager* in LogistiCare's organizational hierarchy) will be the primary contact for the Department's Contract Administrator and will work with this individual to develop compliance reports, negotiate reporting requirements, and measure compliance.

The Iowa Account Manager (known as the *General Manager* in LogistiCare's organizational hierarchy) will have overall responsibility and authority to manage all operations within the state, and will be our Contract or Business/Budget Manager for the Department. This person will ensure that LogistiCare meets or exceeds all contractual standards and goals, and that our transportation network provides complete, high quality coverage throughout the state. The Iowa Account Manager will consult regularly with the Contract Administrator regarding quality improvement measures and other areas to be reviewed. He or she will host quarterly regional Health Care Facility Advisory Meetings and quarterly meetings with subcontracted transportation providers to which the Contract Administrator will be invited, and he or she will be fully accessible to the Department to participate in telephonic or face-to-face operational status conferences as requested. The Iowa Account Manager, who will report directly to LogistiCare's Vice President of Operations, will have the support of a strong Director of Operations (DOR). The DOR will be available to take full responsibility for the Iowa operation in the Account Manager's absence.

3.2.1.4 BROKER RESPONSIBILITIES

The Broker is responsible for the following contract management activities:

a. Develop an operational procedures manual for the Department's review and approval, in the format required.

b. Update the operational procedures manual when changes are made, for the Department's review and approval, and in the format required.

c. Develop and maintain a database for tracking NEMT. Reports will be developed from the database information that will include, but may not be limited to, the following:

1. Name and state identification number of Medicaid Member
2. Name of Network transportation provider or Member/individual/volunteer providing the transportation
3. Type of transportation provided (ambulance, wheelchair van, stretcher van, ambulance, air ambulance, commercial air, etc.)
4. Time/location of Member pick-up, plus on-time verification
5. Time/name of Medicaid service provider and location of Member drop-off, plus on-time verification
6. Number of miles driven/flown
7. Meals and lodging reimbursement, if any:
    a) Name and address of lodging provider
    b) Date(s) of stay
    c) Daily rate, including taxes, and total cost of lodging
    d) Cost of meals for each (Breakfast, Lunch, and Dinner)

d. Develop, maintain, and provide access to records required by the Department, State, and federal auditors/reviewers.

e. Develop an electronic billing invoice and system that will allow Members/individuals/volunteers and Transportation agencies to bill electronically through the Internet.

1. Develop and provide a paper billing invoice and system that will allow Members/individuals/volunteers and Transportation agencies to bill by paper if Internet access is not available to them.

f. Provide reports necessary to show compliance with all performance standards and other contract requirements.

g. Provide to the Department reports/updates regarding the Broker's activities.

h. Ensure that effective and efficient communication protocols and lines of communication are established and maintained both internally and with Department staff. No action shall be taken that has the appearance of or the effect of reducing open communication and association between the Department and the Broker.

i. Meet regularly with the Contract Administrator and/or other staffs/units of the IME to review account performance and resolve issues between the Broker and the State.

j. Meet all federal and state privacy and security requirements within the Broker's operation.

k. Work with the Department to implement quality improvement procedures that are based on proactive improvements rather than retroactive responses. The Broker must understand the nature of and participate in quality improvement procedures that may occur in response to critical situations and will assist in the planning and implementation of quality improvement procedures based on proactive improvement.

l. Monitor the quality and accuracy of the Broker's own work.

m. Submit quarterly reports (available electronically) of the quality assurance activities, findings, and corrective actions (if any) to the Department.

n. For any performance falling below a State-specified level, explain the problems and identify the corrective action to improve the rating.

1. Implement a State-approved corrective action plan within the time frame negotiated with the State.

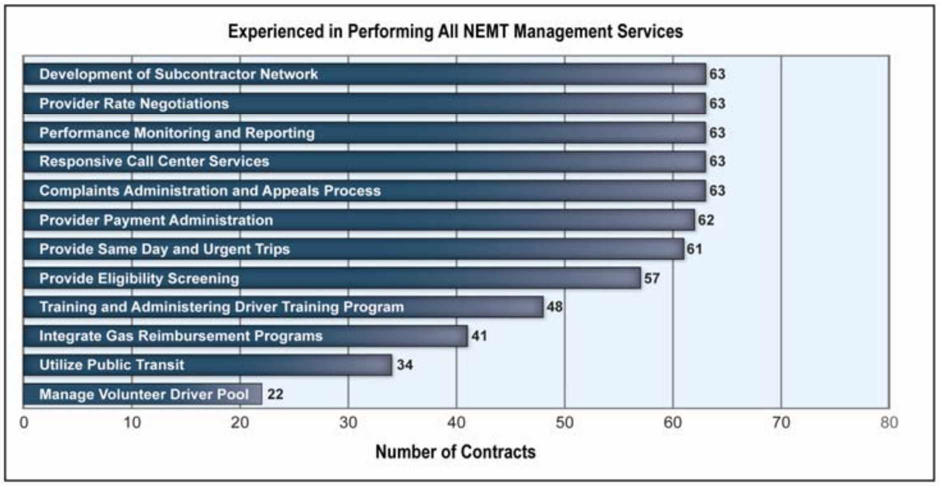
2. Provide documentation to the Department demonstrating the corrective action is complete and meets the State requirements.

3. Meet the corrective action commitments within the agreed upon time frame.

o. Maintain Department-approved documentation of the methodology used to measure and report completion of all requirements and attainment of all performance standards.

LogistiCare has accumulated years of experience performing every management task required in the scope of work of this RFP. Our Scope of Work Experience table in **Attachment 3**, *Task Experience Table* details the major management tasks and performance standards included in our other LogistiCare contracts. The following table (**Figure 3.2.1**) provides some selected details from this larger document. Each number in the table represents the number of LogistiCare contracts that include the corresponding task. For example, the graphic shows that all 63 of our current contracts require us to recruit and manage subcontractors, monitor and report on our performance, and provide responsive call center services.

Figure 3.2.1 – LogistiCare NEMT Task Experience. LogistiCare has successfully managed all aspects of NEMT service delivery for 63



Operational Procedures Manual

For each of the 63 NEMT projects LogistiCare manages, we produce a set of written policies and procedures that encompasses both contract-specific policies and procedures and those that apply to all contracts nationwide. For the Department, the contract-specific policies and procedures will address each requirement stated in the RFP, as well as any additional contractual requirements.

Currently, LogistiCare maintains more than 500 total policies and procedures across 63 comprehensive policies and procedures manuals, and more than 50 supporting process flows that address NEMT programs and operations. We will use our vast standardized documentation library as the foundation of our Iowa Operational Procedures Manual. This practice will be beneficial both to the Department and LogistiCare, because it enables us to:

- Share with the Department best practices gained through our more than 20 years of experience providing medical transportation services
- Produce the new manuals quickly, efficiently, and accurately
- Ensure a smooth project implementation by facilitating the rapid training of providers and new project staff based on the policies and procedures

LogistiCare is practiced in addressing areas that are critical for the clear understanding and effective execution of an NEMT contract. We use a statement of work (SOW) chart to ensure that each policy and procedure for a specific client operation is represented. Our implementation leadership team will work closely with the Department to define and finalize the SOW. The team will leverage our past experience and existing documentation as we identify and develop key functionalities and measurements for the Iowa NEMT program. Draft policies and procedures will be developed, shared with key stakeholders, and then amended as appropriate. This process will continue until all policies and procedures are drafted and approved by the Department in the format required at least 30 days prior to implementation. Once fully approved, a final comprehensive Iowa Operational Procedures Manual will be released to the Department and the local operation to ensure that all expectations have been consistently addressed and applied. Once the contract is underway, LogistiCare will ensure that any changes proposed for the Manual will be approved by the Department prior to their implementation.

As with all LogistiCare projects, the Iowa Operational Manual will include policies and procedures that apply universally to the management and operation of any NEMT program. These universal policies and procedures include common practices that ensure proper application of federal, state, and other relevant laws such as the Health Insurance Portability and Accountability Act (HIPAA). The manual will also include administrative guidelines that LogistiCare applies across all contracts to ensure consistent service delivery. With the same efficiency with which we deploy comprehensive policies and procedures, we will also integrate them into a custom training solution that ensures Iowa's specific business and contractual needs are met.

The LogistiCAD Database System

Program data will be managed through our data management system, LogistiCAD. LogistiCAD is the only system used in the industry that was *specifically built for integrating all the functions of the transportation broker*. Consequently, LogistiCAD has several comparative advantages over other systems, including the following demonstrated and proven ability to:

- Handle millions of members and needed transactions 24x7 with speed and reliability
- Permit maximum data integration of member, trip, and provider information for detailed analysis and reporting purposes, avoiding the complications and limitations associated with systems that rely on interfacing several different software products
- Easily and quickly modify data fields, functionality, and reporting to suit new demands
- Generate both electronic and hard copy reports in Excel format, as well as PDF and Word
- Capture all data at the level of each individual *leg* of a trip, unlike other systems that are built on whole trip data (whether coded as a round trip or one-way trip)
- Provide detailed control over billing, on-time performance analysis, driver and vehicle compliance, no-show behavior, class of service assignment, and many other aspects of utilization review and quality assurance
- Meet all HIPAA privacy requirements

The system is housed in our hardened Network Operation Centers (NOCs). System data is replicated real-time to our backup NOC to ensure that no data is ever lost and to enable our extensive disaster recovery capabilities.

The LogistiCAD Software System

Management and control over many aspects of our NEMT operations are greatly enabled by our LogistiCAD information management system. LogistiCAD is a sophisticated, multi-user, transaction-based, and scalable application suite that provides all the capabilities needed to manage the processing and delivery of transportation and logistics services. LogistiCAD is integral to LogistiCare's success; it is instrumental in capturing member data and determining member eligibility, facilitating ride authorization, managing complaints and ensuring compliance, managing transportation subcontractors, and reconciling billing. Information can be retrieved and reported by member ID, member name and date of trips, health care facility attended, transportation provider, meals and lodging expenditure details, and many other data fields.

LogistiCare will use its proprietary information management system, LogistiCAD, to maintain complete records of all NEMT activities and to document that our operations adhere to all applicable Iowa Medicaid medical transportation rules and regulations. The information captured and stored in LogistiCAD will generate comprehensive reports for the Department on all aspects of the NEMT program within the required time frames.

Virtually all functions in LogistiCAD can be completed with limited keystrokes or by using a combination of mouse movements and clicks. Limited keystrokes activate drop-down menus for most fields, which expedite trip bookings. The software automatically fills in a majority of the information needed to schedule a reservation, based on existing set-up and historical information, enabling a trip to be booked very efficiently. This "quick reservation" feature of LogistiCAD enhances the productivity of call center Customer Service Representatives and leads to higher satisfaction among members.

While we describe key functions of the LogistiCAD system in some detail, we do not attempt to provide a complete description of every LogistiCAD data field. Additional details about the definition and purpose of LogistiCAD data fields may be obtained from the annotated screen prints contained in **Attachment 4**.

LOGISTICAD RESERVATIONS EDITOR

The LogistiCAD Reservations Editor is the basic data input screen for reservation details and includes all features necessary for trip entry, editing, and auditing. The Reservations Editor shown below in **Figure 3.2.2** consists of two basic modules:

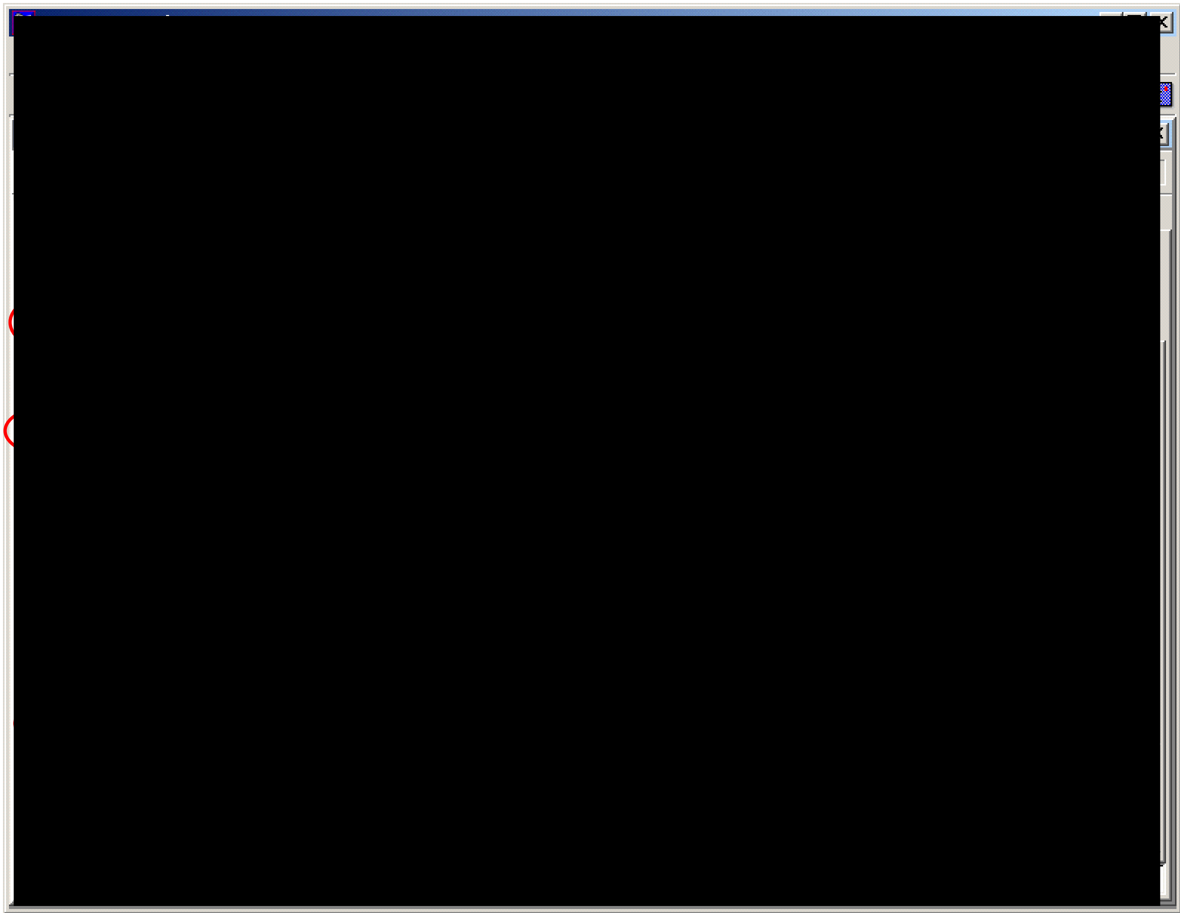
1. Trip Screen
2. Rider Screen

TRIP SCREEN FEATURES

During the call intake process, Customer Service Representatives (CSRs) greet the caller, identify themselves, and offer assistance. Once the caller has indicated the intention to schedule a trip, the CSR will display the Trip screen on their computer and begin the process of entering the trip request into the LogistiCAD system. It is on the Trip screen that the CSR handling the reservation call will capture the name and state ID number of the Medicaid member, level of service (LOS) needed, pick-up location and time, name of Medicaid service provider, drop-off location and time, and trip miles.

The first two lines of the Trip screen capture basic information about the Medicaid member for whom the trip request is being made. As is true throughout LogistiCAD, the white fields in the screen are filled in by the CSR and the gray fields are automatically filled in by LogistiCAD, based on other data contained in the member record, the facility record, the transportation provider record, or other LogistiCAD modules. The member record data can be triggered by entering either the caller's Medicaid number or name. As the CSR begins to type in either piece of information, a drop down menu will display from which the CSR can select the desired number or name without having to type the whole record. This speeds up the reservation process and eliminates data entry errors. The Trip screen has six sub-screens that a CSR can access to input specific trip details.

Figure 3.2.2 (CONFIDENTIAL) – LogistiCAD Reservations Editor. The Reservations Editor's Trip Screen captures important member data for scheduling NEMT services.



RIDER SCREEN FEATURES

The Rider screen (**Figure 3.2.3**) is used to enter, edit, and view information about a member. It includes all the fields necessary to enter new riders so that reservations can be made for them. In most of our business lines, an eligibility check must be done before entering a new rider. We describe our authorization procedures for determining caller eligibility, authorizing trip requests, and assigning the appropriate mode of service in *Section 3.2.2 NEMT: Brokerage Process.*

Figure 3.2.3 (CONFIDENTIAL) – LogistiCAD Reservations Editor. The Reservations Editor's Rider Screen employs eight sub-screens to provide CSRs with at-a-glance views of member-specific data.

[redacted]

LogistiCAD's Unique and Innovative Features

The most important feature of LogistiCAD is that it was designed and developed to be one thing: *a transportation brokerage management solution*. Instead of being designed as a routing solution or transit solution and then being "adjusted" to a broker solution, we designed all the business process flows of the system based on the fact that the broker generally does not perform the transportation.

Another innovative feature of LogistiCAD is that we keep data for all our books of business in two IBM DB2 databases on enterprise-level database clusters. Data is replicated in real-time between the two databases. To implement a new contract, we do not have to create another copy of our database or system. We simply "set up" the new contract in our existing system using the system's built-in editors. This saves implementation time and ensures we are prepared to start a new contract with minimal notice if needed. Over our history, LogistiCare has performed "emergency" go-lives for state clients within 30 days. Without our enterprise system, this would have been difficult.

Reporting

LogistiCAD offers the flexibility to produce any type of operational, management, or ad hoc report that might be used to examine and strengthen our performance and procedures, as well as to provide the Department with insights into program functioning. Information in the LogistiCAD system is tracked on a real-time basis, and is immediately accessible for a number of uses: daily operations, service authorization, trip scheduling, provider reimbursement, member monitoring, and reporting. Not only does LogistiCAD have numerous real-time monitoring screens, the system also has almost 250 standard reports that help us to manage all aspects of the program. These standard reports address issues such as verification, eligibility, utilization and trip details, compliance, performance, and denials and fair hearings. In addition to the standard reports we already produce, LogistiCare has the capability to produce any type of report that the Department may wish to introduce. We can also provide the Department with comprehensive electronic encounter data on a regular basis, as we do for most of our state clients.

Our managers use standard utilization reports to analyze patterns and create reports for our state clients. LogistiCAD also produces numerous reports useful for assessing the quality of providers' performance and their compliance with contract requirements. In addition, our *Avaya Taske ACD* reporting system and our *Cacti* digital recorder enable us to report in detail on every aspect of call center service quality. We leverage the data found in these reports to identify and correct deficiencies, as well as to determine what we are doing exceptionally well in maintaining performance standards that meet or exceed the Department's requirements.

LogistiCare management relies on the extensive reporting capabilities of our LogistiCAD system to guide our quality improvement activities. LogistiCAD stores input not only from our employees, but also from our transportation providers, field monitors, health care providers and client constituency. Summaries and analyses of this information will be made available to the Department in the time frame specified by the RFP – and at any other time as requested – for determining necessary measures that will improve the delivery of NEMT services. The following tables briefly describe some of the standards reports produced by our LogistiCAD system and used by our staff for managerial and reporting purposes. A complete listing of all LogistiCAD reports is located in **Attachment 5**, *LogistiCAD Reports*.

TRIP REPORTS

This group of reports includes various trip denials reports, on-time performance, and utilization data reports based on selected criteria.

Figure 3.2.4 (CONFIDENTIAL) – Standard Trip Reports.

[redacted]

Figure 3.2.4 (CONFIDENTIAL) – Standard Trip Reports.

[redacted]

COMPLIANCE REPORTS

Before a provider receives a trip assignment, LogistiCare requires that information be provided on each driver (criminal background, motor vehicle record, drug/alcohol screening, training) and each vehicle (vehicle identification number, registration, insurance, inspections). This information is entered into the LogistiCAD compliance module, which then allows quality assurance staff to run reports based upon the expiration date of each item. Each month, a list of upcoming driver or vehicle expirations is sent to each provider to ensure contract compliance. If the requested information is not received, the provider may receive a reduction in trips, liquidated damages, or may be removed from the network until all information is received.

Figure 3.2.5 (CONFIDENTIAL) – Standard Compliance Reports.

[redacted]

COMPLAINT REPORTS

Since LogistiCAD uses a high-performance relational database management system, complaints can be analyzed according to any field of interest. Any employee of LogistiCare can enter a complaint into the LogistiCAD system at any time. Each complaint is coded by type and then imported into the LogistiCAD system. The Quality Assurance (QA) Representative will investigate each complaint, determine its validity, make an entry for each step of the complaint investigation, and assign a complaint closing code that describes the complaint's final disposition.

Managers may access multiple types of complaint reports, including valid complaints, non-valid complaints, and complaints by region, type, member, provider, date, closing code, complainant, and health care facility. Based on the information on the complaint reports, affected providers may be required to submit a written plan of action, be assessed liquidated damages, or may be required to bar a driver from NEMT service depending on the severity of a complaint. If the complaint involves a LogistiCare employee, that employee's manager will be notified and given a time frame in which to submit a plan of action that may include written discipline, retraining, or termination.

Figure 3.2.6 (CONFIDENTIAL) – Standard Complaint Reports.

[redacted]

OTHER REPORTS

LogistiCare has also developed a variety of other analytical reports to help us manage NEMT programs. These include, for example, Matrix reports for trip trend analysis, Destination Address reports to help with more efficient trip assignments, and Facility Pre-schedule reports, which are used by our Facility Coordinators to confirm standing order attendance with health care facilities.

Figure 3.2.7 (CONFIDENTIAL) – Other Standard Reports.

[redacted]

All records related to the execution of the Iowa contract will be stored in LogistiCAD and made readily available to the Department, State, and federal auditors/reviewers. We can respond to requests for information generally in one business day.

ELECTRONIC AND PAPER BILLING SYSTEM

LogistiCare processes millions of provider payments each year, including payments to subcontracted providers, volunteer drivers, and transit companies. LogistiCAD allows us to quickly process cleans claims and provide prompt payment to transportation providers and members, individuals, and volunteers. In compliance with the requirements of the RFP, we will develop a web-based, fillable claim form for members, volunteers, individuals, and transportation providers to submit their claims to LogistiCare via a secure website. Those without Internet access will be able to submit a paper invoice for payment.

All transportation providers will submit to LogistiCare weekly invoices summarizing the number and type of trips performed and the amount to be paid. All invoices will be accompanied by detailed drivers' logs. These logs will include: the driver's full name; driver signature; vehicle ID; pick-up and drop-off times; pick-up and destination addresses; name of the member (and if applicable, escort name), the member's signature, job number (assigned by LogistiCare), and other essential information as specified in the RFP.

Providers will also have the option of submitting their completed trips through our provider website. By submitting trips via the website, providers get instantaneous feedback on potential billing issues that can be corrected up front. If providers submit trips via the website, they must still submit an invoice and their driver logs as proof of trip completion.

Figure 3.2.8 (CONFIDENTIAL) – Invoice Editor Screen. The invoices of providers, members, individuals, and volunteers are processed via LogistiCAD.

[redacted]

COMMUNICATIONS AND MEETINGS

LogistiCare will establish and maintain efficient and effective communication protocols internally for our Iowa operations, as well as with the Department. The Iowa Account Manager (known as the *General Manager* in LogistiCare's organizational hierarchy) will be the primary point of contact for the Department's Contract Manager. We will designate an office onsite at the Iowa call center/regional office for the Contract Manager's use. With all our state clients, we operate in an environment of transparency and at no time during contract execution shall LogistiCare undertake any action that has the appearance or effect of reducing open communication and association between the Department and us. We will make information readily accessible to the Department and provide updates and reports regarding our activities, communicating through the Iowa Account Manager and through technology.

For example, LogistiCare currently provides read-only access to our LogistiCAD system for a number of our state clients. Clients can access the system remotely using our enterprise Citrix Presentation Server system. The Citrix system can be accessed using any Windows computer with a browser and Internet connection. Communications with the remote user are performed using Citrix's Secure Access Gateway appliances and secured using SSL 256-bit encryption. Running applications from Citrix requires only the installation of a small browser plug-in making set-up easy. We take the privacy of Medicaid members seriously, and all LogistiCAD communication methods meet HIPAA and state privacy and security requirements.

LogistiCare will meet regularly with the Contract Administrator and/or other staff/units of the IME throughout the term of the contract as needed and upon request by the Department to discuss the NEMT program and to resolve any administrative or operational issues. We will meet with Department representatives in person, by teleconference, or by videoconference as directed by the Department.

QUALITY ASSURANCE APPROACH

At LogistiCare, defined standards and rigorous corporate oversight guide our comprehensive Quality Assurance (QA) program. Based on this foundation, we will implement a Quality Assurance Plan for the Iowa NEMT program that will include the following four categories of activity:

- **Operational Procedures -** Quality-oriented operating processes that help ensure we “get it right the first time”
- **Real-time Service Monitoring and Response -** Continuous monitoring and immediately responsive actions that enable us to correct service problems as they occur
- **QA Audit and Review -** Retrospective reports and analysis used to identify service issues and devise quality improvement plans
- **Corrective Action and Service Improvement Plans -** Plans for communication, training, and procedural change to bring about specific performance improvements

Figure 3.2.9 – LogistiCare's Quality Assessment and Improvement Approach. Primary features of each aspect of our QA approach are described below.

LOGISTICARE QA APPROACH HIGHLIGHTS	
QA COMPONENTS	**COMPONENT DESCRIPTIONS**
Quality Standards and Corporate Oversight	
Corporate QMC Management Internal QA Reporting QI Plans	We manage the QAP at the corporate level, carefully monitor local operations, and regularly enhance QAPs.
Quality-Oriented Operational Procedures	
Recruitment and Training Written Policies and Procedures Explicit Provider Contracts Data Management and Call Center Technology	We hire qualified people and contract with qualified NEMT providers, clearly communicate our expectations, and give them the tools and training to perform with excellence.
Real-time Monitoring and Response	
Call Center Performance	
Live Queue Monitoring Live Call Monitoring and Intervention Escalation of Problem Calls	We monitor all call queues and CSRs, and intervene when necessary to deliver superior customer service.
Transportation Provider Credentials Compliance	
Provider Credentials Monitoring Driver Credentials and Screening Verification Vehicle Inspections and Insurance Notifications	We carefully track licenses and insurance and notify when renewals are coming due. We ensure that vehicles are safe, comfortable, and reliable.
Transportation Provider Performance	
Field Observations Live Response to Late Trips Incident and Accident Management	We observe drivers first-hand, immediately respond to calls about late-running trips, and effectively manage critical issues using defined procedures.
Quality Audits and Reviews	
Call Center Audit Measures Transportation Service Monitoring Complaint Management Customer Satisfaction Surveys	We compare performance metrics with established standards. We track and resolve all complaints. We survey NEMT stakeholders for additional feedback.
Quality Enforcement and Corrective Actions	
Call Center and Provider Network Improvements	
Call Center Corrective Actions Provider Credentials Enforcement Provider Performance Improvements	When the need for improvement has been identified, we create educational and other action plans to ensure future improved performance.

URAC ACCREDITATION

In May 2006, LogistiCare was certified by the Utilization Review Accreditation Commission (URAC), a primary utilization review and quality assurance accreditation agency for managed care organizations of all types. LogistiCare was eligible for the accreditation because our business model comprises many of the same operational practices used by HMOs, such as customer/member services, compliance, fraud and abuse monitoring, data analysis, network development, and credentialing. This accreditation makes us the first non-emergency transportation management company to earn the Core Standards accreditation from URAC. Additional information about URAC and the certification process is included in **Attachment 6**.

Core Standards are basic standards with which all URAC-accredited entities must comply. These standards address several key organizational management functions that are important for any health care organization. The Core Standards provide the basic structures and processes any organization must have to maintain a level of quality expected in a URAC-accredited organization.

URAC uses the Core Standards in two distinct ways. First, the Core Standards serve as a common foundation for all of URAC's accreditation programs. This means that all URAC-accredited companies will need to meet the basic requirements of the Core Standards, as well as the function-specific requirements for a particular accreditation program. For example, a UM-accredited company will need to meet Core Standards and UM Standards.

Second, URAC offers stand-alone accreditation under the Core Standards for any health care organization that does not otherwise qualify for a URAC accreditation program. The health care marketplace is very diverse, and many types of health care organizations have not had an opportunity to demonstrate a commitment to quality by seeking accreditation simply because there was no accreditation program appropriate for them. URAC Core Accreditation provides a general set of quality requirements that can be applied in any health care organization setting.

LogistiCare will work closely with the Department to implement quality improvement procedures that are based on proactive improvements rather than retroactive responses. In our more than 20 years of NEMT brokerage experience, we have faced and overcome a vast array of challenges in managing 63 programs. This expertise places us in the unique position of being able to anticipate potential critical problems and implement procedures that circumvent them.

We have previously discussed our LogistiCAD database system's capacity for generating a broad range of utilization, compliance, and performance reports. LogistiCare will leverage the powerful reporting capabilities of LogistiCAD to produce reports for the Department. As required by the RFP, we will submit quarterly reports, which will also be available electronically, to the Department about our quality assurance activities, findings, and any corrective actions taken.

LogistiCAD will play a key role in our performance monitoring activities. We will analyze data stored in LogistiCAD to ensure that we remain compliant with performance standards throughout contract duration. In the event a deficiency or deficiencies become apparent, we will explain the problem and identify the corrective action to the Department. We will implement a State-approved corrective action plan within a time frame negotiated with the State. Appropriate documentation demonstrating that the plan is complete and compliant with State requirements will be made available to the Department, and all corrective action time frames will be met. LogistiCare will maintain Department-approved documentation of our methodology used to measure and report compliance, as well as attainment of all performance standards.

As clearly indicated by our discussion above, LogistiCAD is the linchpin of our brokerage business. It allows us to capture and store member data, exchange information with state clients, analyze data with a view to identifying and correcting any performance-related issues, and generate reports that assist us in determining our strengths and any weaknesses in our brokerage system. This unique and powerful database system allows LogistiCare to focus on the most important aspect of NEMT service delivery—the members we transport to and from their medical appointments.

3.2.1.5 Performance Standards

The following performance standards apply:

a. Reporting Deadline

1. Provide the required reports within ten business days of the end of the reporting period.

b. Documentation

1. Develop operational procedure manuals in the state-prescribed format for Department review and approval at least 20 business days prior to the start of operations.

2. Update operational procedure manuals in the state-prescribed format within ten business days of the implementation of a change.

3. Develop and maintain a database for tracking NEMT. The database will be updated monthly.

4. Identify deficiencies and provide the Department with a corrective action plan within ten business days of discovery of a problem found through the internal quality control reviews.

c. Annual Performance Reporting:

The Broker will provide annual performance reporting no later than October 15 of each contract year for the state fiscal year that ended in the prior month of June. (The first Annual Performance Report is due October 15, 2011, for the start of operations through June 30, 2011). The Broker will present the required data in Department-approved format and content for the annually reported performance standards. DHS may publish the annual measurements or make them available online through the IME website.

LogistiCare will provide the required reports to the Department within 10 days of the end of the reporting period. A discussion about the full range of LogistiCAD's reporting capabilities is located in *Section 3.2.1.4 Broker Responsibilities*. We will develop operational procedure manuals in the state-prescribed format for Department review and approval at least 20 business days prior to the start of operations and make any updates to operational procedure manuals in the state-prescribed format within 10 days of the implementation of change. For a discussion of our policy and procedures methodology, please refer to *Section 3.2.1.4 Broker Responsibilities*. We will also identify deficiencies and provide the Department with a corrective action plan within 10 business days of discovery of a problem found through internal quality control reviews.

As with all our projects, Iowa NEMT data tracking will be managed through our data management system, LogistiCAD. Member data from Iowa will be incorporated into our LogistiCAD database and updated monthly. Trip outcome, complaint, compliance, and billing/payment data will also be captured and reported by this one database system. The capabilities of our LogistiCAD database is discussed at length in *Section 3.2.1.4 Broker Responsibilities.*

In compliance with the requirements of the RFP, LogistiCare will provide annual performance reports to the Department no later than October 15 of each contract year for the state fiscal year that ended in the prior month of June. We currently generate similar reports for our 63 existing contracts, which should assure the Department that we can accommodate its reporting needs. We will present the required data in Department-approved format and content for the annually reported performance standards. LogistiCare also acknowledges that the Department may publish the annual measurements or make them available online through the IME website.

3.2.2 NEMT: Brokerage Process

The basic steps the Broker will follow in arranging advance notice transportation (i.e. advance notice is defined as three (3) or more business days or more than 72 hours. Urgent care is defined as any transportation less than 72 hours.), verifying eligibility, and, if applicable, reimbursing transportation providers for services, are as follows:

a. The Broker is contacted by the Member or the Member's representative, either through a telephone call or electronic mail, requesting NEMT transportation services. The Broker obtains and tracks the request and trip information, including the date and time of the request, the date, time and place of the appointment, and whether it is a recurring or one-time trip.

b. The Broker reviews the trip request and verifies the Member's Medicaid eligibility for the requested date of service.

c. The Broker assesses the Member's eligibility for transportation services in accordance with current NEMT transportation policy. This includes a determination that the Member has also met program requirements as defined in 441 IAC 78.13.

d. Any special needs of the Member are noted that may affect the mode of transportation, and the Broker selects the appropriate mode of transportation.

e. Upon completion of the screening of a Member and determination of trip eligibility, the Broker authorizes the transportation service and informs the Member or his or her representative of the scheduled pick-up time.

f. The Broker assigns the trip to the most appropriate cost-effective transportation provider available, consistent with the transportation needs of the Member. The transportation provider is notified of the assignment in sufficient time to accept the trip or reject it, in which case there must be sufficient time to assign the trip to another provider.

g. The Broker will have an established method of effectively identifying, scheduling, and coordinating standing orders, or recurring trips, especially as it applies to those Members who are disabled or have special needs.

h. The Broker informs the Member or his or her representative of the transportation arrangements.

i. After the trip occurs, the Broker makes payment to the transportation provider. The Broker may contact the service provider to verify that the Member received the authorized transportation service.

These procedures are generally applicable when network transportation providers are used. The procedures may vary when fixed-route public transportation (bus passes and tickets), mileage reimbursement, or other appropriate transportation services are used.

LogistiCare recognizes that not all individuals receiving medical assistance are eligible for NEMT services. We have already developed a proven gatekeeping system that will allow us to determine whether a member is eligible for the transportation requested, based on eligibility information provided by the Department, as well as the program requirements defined in 441 IAC 78.13. The Iowa Study indicated that because of their workload, IM workers simply don't have the bandwidth to manage all aspects of NEMT eligibility screening. LogistiCare's capable oversight of the NEMT screening, verification, scheduling, authorization, and reimbursement process will ensure that each trip is valid under current Medicaid rules, as well as relieve IM workers from the burden of performing these tasks. We will utilize LogistiCAD, our proprietary data management system, to capture data required for screening, assigning, dispatching, and monitoring Iowa NEMT services for this contract. A team of well-trained, knowledgeable, and compassionate Customer Services Representatives will guide Medicaid members through the reservation process.

As reservation calls or emails come into the Iowa call center, the Customer Service Representative (CSR) will enter the member's name or Medicaid state identification number (ID) into our LogistiCAD reservations intake screen. Typically, when an NEMT trip request is made, information about the member will already be contained in our database as a result of regular data file downloads from the Department, which will include member eligibility data. A critical aspect of LogistiCare's quality assurance monitoring is ensuring that our CSRs are in compliance with contractual and internal performance standards. LogistiCare develops a unique call script for each contract, based on our existing templates, which CSRs are required to follow during the call intake process. We have included a sample of our CSR Call Center Script in **Attachment 7**, *Staff*

Training Materials. The call script, coupled with our QA process, validates that CSRs follow the script on *every call* so that *every t*rip request is processed properly and efficiently. We have also included a sample CSR Quality Evaluation Form in **Attachment 7**.

Based on data stored in our system, the member's specific eligibility information will automatically display on the reservation screen, enabling the CSR to quickly verify that the member is eligible for transportation services. Upon verification of eligibility, basic member data will automatically populate the relevant reservation data fields. Details on our call intake screens that will be used by CSRs are provided later in this section. If the member is a first-time requestor of transportation services or the member's name or identification number is not in our LogistiCAD database, the CSR will attempt to verify eligibility through alternative data sources provided by the Department. When eligibility is confirmed, the CSR will continue with the authorization process. If we are unable to determine eligibility, we will contact the Department for verification.

The CSR will obtain and/or verify details of the member's request, including the time and date of the request; trip date and time; the name, address, and phone number of the medical appointment; the member's name, phone number and Medicaid number; whether it is a routine or standing order trip; and any special needs which may affect the type of transportation needed. All of our procedures, including eligibility determination, are fully documented (with process flow) in our Policies and Procedures, in which our CSRs will be well-versed.

The CSR will also verify and log that the trip is covered under the Iowa NEMT benefit rules, determining whether:

- The medical service being performed is a Medicaid-covered service
- Transportation to the designated medical service is a covered service
- The member has alternative means of transport
- The distance to the designated medical practitioner's location is appropriate
- Any trip limitation rules render an otherwise eligible trip ineligible

LogistiCare will screen each trip request for Medicaid member eligibility and for compliance with the Department's NEMT covered services definitions. The mode of service we assign to the trip will be determined by medical necessity and will represent the least costly, medically appropriate mode of service. Trips will be assigned to transportation providers to ensure efficiency in routing, overall cost effectiveness, and continuity for both member and transportation provider. Iowa geobase information will be incorporated into our system to validate addresses and to calculate trip miles automatically. Member data from Iowa will be incorporated into our LogistiCAD database. Trip outcome, complaint, compliance, and billing/payment data will also be captured and reported by this one database system. Upon contract award, LogistiCare will ensure that the LogistiCAD system is fully operational for Iowa prior to the execution date of the contract.

Documenting Authorization Decisions

Covered service authorization starts with determining whether the requested trip is Medicaid compensable for the caller's medical condition. Utilizing a script designed to obtain pertinent member information in the most efficient and direct manner, our CSRs will ask the caller for a description both of the basic service to be rendered by the medical provider and the medical condition of the rider. If the caller is unable to provide the necessary information, the CSR will request the information from the medical provider.

LogistiCare is well aware of and highly sensitive to the fact that the health and well-being of Iowa's Medicaid members are dependent upon their ability to access medical care via NEMT services. For this reason, we will never allow the physician verification process to interfere with a member receiving the needed transportation. If requested authorization from the medical practitioner is delayed, we will give the benefit of the doubt to the member and provide the requested transportation as we work with the medical practitioner to receive the requested information. If documentation problems persist, we will consult with the Department about how best to resolve the issue.

In determining NEMT service eligibility, the health care provider's Medicaid certification status and licensing credentials are important factors. For contracts that require proof of licensing and certification of the individual medical service provider as a component of the authorization process, LogistiCAD stores the required certification information in a separate Medical Persons Editor screen.

Level of Service Eligibility

The final step in the NEMT authorization process is determining the least costly, medically appropriate mode of service for the requested trip. This involves selecting the appropriate type of vehicle, provider, and level of assistance. By level of assistance we mean the level of assistance required of the driver (curb-to-curb, door-to-door, hand-to-hand), possible use of escorts, attendants, or child car seats, or ancillary services such as meals.

LogistiCAD has specific fields in which this data can be entered, where it can be readily viewed by both the CSR and the transportation provider. The Trip Detail screen of LogistiCAD's Reservations Editor (see **Figure 3.2.2**) has fields for Level of Service, Escort, and Car Seat, as well as a Directions field which can contain text notes for the transportation provider. The Medical Info, Notes, and Restrictions sub-screens of the Rider screen can also be used to record medical and other information that helps inform the level-of-service authorization decision.

Advanced Reservations

LogistiCare has special authorization procedures for standing order and urgent care trips. We will describe how the LogistiCAD system facilitates data entry and recordkeeping in support of these special authorization procedures using the Preschedule Editor.

Subscription (Standing Order) Reservations

LogistiCare's Facility Coordinators are responsible for entering subscription (or standing order) trips, such as for dialysis treatments, in the LogistiCAD system. Typically, these types of reservations are faxed to us by case workers from the medical facility. The Facility Coordinators initially enter the standing order request data into the Trip Details screen to create the first trip for the member, and then copy this first trip enough times to create at least two weeks worth of standing order trips for the caller. A sample standing order from is included in **Attachment 8**, *Sample Authorization Forms*.

The Facility Coordinator also uses a special Preschedule Editor screen to (1) capture additional information about the standing order reservation, (2) initiate the automatic propagation (self-renewal) process for the standing order, and (3) insert a termination date for the standing order. Even if the standing order has not been given an end date by the authorizing physician, a termination date will be inserted in order to trigger a mandatory reauthorization at some time in the future.

Figure 3.2.10 (CONFIDENTIAL) – Special Screen for Recording Standing Order Trips. The Preschedule Editor has sub-screens for trip details and notes.

[redacted]

URGENT AND SAME-DAY RESERVATIONS

As indicated in *Section 3.2.1.4 Broker Responsibilities* in our discussion of the Trip Details screen, the amount of advance notice given for a reservation results in the reservation being prioritized according to the following categories: "Urgent," "Same Day," "One Day," "Two Days," "3+ Days," or "Prescheduled." All urgent and same day trips are immediately flagged on the Trip Assignment screens of the transportation staff, who immediately work to place the trip with a provider ("dispatch"). Urgent trips must be responded to within three hours of the request for service.

CONFIRMING AND SAVING THE RESERVATION

Once all necessary information is entered, the CSR verifies accuracy with the caller and saves the reservation in the LogistiCAD database. LogistiCAD automatically assigns a Reference Number to the reservation, which the CSR provides to the Medicaid member or the individual making the reservation on behalf of the member. LogistiCare will confirm all details of the scheduled trip at the time the reservation is made. If for any reason the initially assigned provider has to be changed, we will make every effort to notify the member in advance.

FINDING AND MODIFYING THE RESERVATION

If it is ever necessary to review and/or modify a reservation, the LogistiCAD Find function makes it easy to retrieve a reservation from the LogistiCAD database in a number of ways, including by:

- Reference number
- Member name
- Medicaid ID number
- Pick-up facility
- Destination facility
- Date
- Transportation provider

Reservation Audit Trail Dialog

It is important for quality control and accountability purposes to be able to track all changes made to a reservation, whether these involve notes, changed pick-up times, changed provider assignments, or any other modification. The LogistiCAD Reservation Audit Trail screen shows all the changes that have been made to a reservation or completed trip record, the users who completed those changes, and the date and time of changes. If a reservation has multiple trip legs, changes for each leg can also be viewed.

Denying a Reservation Request

If a reservation request for service must be denied, the CSR enters the complete reservation request data and then activates the denial Reason Dialog screen. When this process has been completed, the reservation acquires a "denied" status and the denial reason appears in the Denial Reason field of the Additional Information screen under the Trip Details screen. This, in turn, triggers the denial and appeals communication process more fully described in *Section 3.3.2.1.2 Broker Responsibilities: General*. The CSR will inform the caller that the trip request is denied and the member will be sent a letter of explanation. **Figure 3.2.11** below illustrates how denial-related form letters can be stored in LogistiCAD and easily produced by the CSR.

Figure 3.2.11 (CONFIDENTIAL) – Denial Letter Activation Screen.

[redacted]

The Trip Assignment Process

LogistiCare assigns trips to providers in ways that promote the most efficient use of multi-loaded vehicles, while complying with strict standards for trip durations. The process of trip assignment is greatly assisted by the LogistiCAD Automated Trip Assignment Editor, but our trained Transportation Coordinators will review and adjust final trip assignments to ensure the fairest and most efficient outcomes.

The Automated Trip Assignment Editor

LogistiCAD provides the CSR and transportation staff with a powerful tool for automatically assigning trips to providers based upon a set of assignment rules. LogistiCAD works through a hierarchy of trip assignment criteria until it finds a provider that matches one of the criteria or until all possibilities are exhausted. If LogistiCAD does not select a provider for a particular trip, the transportation department makes the assignment manually. As with all trip assignments, LogistiCAD-generated trip assignments are reviewed by the transportation department before being transmitted to providers.

While trip assignment criteria are configurable, the hierarchy of criteria typically used by LogistiCAD is the following:

- Standing order trip with transportation provider assigned
- Rider-preferred transportation provider
- Facility-preferred transportation provider
- Preferred transportation provider by Zip Code
- Preferred transportation provider by City
- Preferred transportation provider by County
- Lowest cost transportation provider

Multiple providers can be linked to each of these criteria, in accordance with adjustable volume percentages for each provider. For example, 20% of trips to a particular health care facility could be automatically assigned to one provider, with 30% going to a second provider, and 50% to a third provider.

There are several benefits that result from using this automated trip assignment system:

- It greatly reduces the number of trip assignment errors and re-routes.
- It reduces average call time, allowing more calls to be taken with fewer staff.
- It improves the productivity of our transportation providers by facilitating more efficient vehicle routing, which in turn lowers their per-trip costs.

The figure immediately below shows the Auto Assignment Editor screen, which is used to customize trip parameters. In this example, the "County" tab is being used to link particular counties with particular providers. Multiple providers can be linked with a county, and each can be assigned a particular percentage of county trips. In this example, each of the two providers selected for automatic linking to Muscogee County is automatically allocated 50% of the ambulatory trips for that county.

Figure 3.2.12 (CONFIDENTIAL) – Automated Trip Assignment Screen.

[redacted]

FINALIZING TRIP ASSIGNMENTS

Trip assignment coordinators use the LogistiCAD Trip Assignment Editor to review the status of trip assignments and finalize assignments for the following service day. As displayed below, the Trip Assignment Editor contains five data review and entry screens.

Figure 3.2.13 (CONFIDENTIAL) – Trip Assignment Review and Edit Screen.

[redacted]

The *1.Trips* screen is an area used to view and modify trip assignments. On the left is the Original Source list, which shows a list of potential trips to assign or reassign based on their current status.

Unassigned trips: These are trips that do not yet have a transportation provider selected for them. Unassigned trips include recovery and reroute trips.

Recovery trips: This is a special filter that shows only recovery (late running) trips, which are high priority trips assigned to a specific transportation coordinator (or "dispatcher").

Re-Route trips: These are trips that were originally assigned to a provider, but which the provider cannot accommodate.

Original provider: This is a list of transportation providers. The coordinator can see the trips assigned to a specific provider on the display date by selecting one of the provider names in the list.

The center section of the Trips screen is a grid that shows trips included under the source category selected in the Original Source window. The grid displays one trip per row, including detailed information in the bottom section of the Trip screen. The user can re-sort the grid by clicking on the heading of a column. Columns can also be re-ordered by clicking on a column heading and moving it to the right and left.

The window on the far right of the Trip screen displays "pending" trips that have been re-assigned but not yet stored in the database. Trips in this window are associated with the provider to whom they have been assigned. Pending work can be marked to fax or receive a cost or miles override when saved to the database.

The *2. Summary of Trip*s screen shows a list of transportation providers with summaries of trips for each provider, broken down by level of service. The left window gives a level-of-service summary for all trips assigned to each provider. The right window displays each trip, one row at a time, with the associated trip detail in the bottom half of the Summary of Trips screen. This screen allows the transportation coordinator to quickly review trip assignments against the known level-of-service capacity of each provider.

The *3. Trip Notes* screen displays the notes previously entered by the CSR (or anyone else) for any trip. New notes can also be entered, such as those explaining the reason for a reassignment.

The *4. Rider Notes* screen also displays any notes for the rider that may have been made previously, and also can be used to make additional notes.

The *5. Filter/Sort Information* screen shows the Filter/Sort settings currently being used by the transportation coordinator to filter and organize all the trips being viewed. For example, the transportation coordinator can choose just to deal with trips originating in certain zip codes, organized by pick-up time.

LogistiCare CSRs use these LogistiCAD tools to finalize trip lists for providers on a daily basis. Before trip lists are distributed, LogistiCare's routing staff review the lists to ensure that appropriate volumes and trip types have been assigned. If necessary, trips will be adjusted among providers to optimize fairness and routing efficiency. In addition, we review each day's trip mix to ensure that trips are appropriately distributed throughout the day and appropriately located geographically, to allow the provider to route most efficiently. We also monitor provider performance to ensure that the provider is only sent the number of trips it can handle effectively.

The trip lists contain all the information needed by the provider to select the most appropriate vehicle, driver, and additional assistance for the rider. See below for a screen print of a portion of a sample trip list. Note how any notes from the Directions (Dir) fields in the Trip Details screen display on the trip list.

Figure 3.2.14 (CONFIDENTIAL) – Sample Provider Trip List.

[redacted]

The finalized trip lists are then transmitted to providers via fax or the provider can download them over the Internet using our secure provider website. Trip lists can be sorted by time or region to facilitate driver assignment and routing by the transportation provider. Providers review their trip assignments in the evenings and create vehicle routes for the following days. Any trips that cannot be accommodated by the provider's fleet are re-routed to the LogistiCare transportation coordinators, who then find an alternative provider to perform the trip. LogistiCare generally allows providers to see their assignments at least three days in advance. This ensures any re-routes can be handled and re-assigned in time.

Information about trip refusals is collected for each provider and regularly monitored to determine if a provider is refusing more trips than usual. LogistiCare will then investigate whether the provider's capacity has diminished or whether the provider is "cherry picking" among the assigned trips. In either case, appropriate corrective action will be taken.

Tracking the Transmission of Trips

It is critically important, for quality assurance and accountability, to be able to track the transmission of faxed trip lists and individual trip assignments. This is especially true for time-sensitive trip requests, such as hospital discharges and other urgent care requests. The LogistiCAD Reservation History function, which is activated by clicking on the Xmit History button on the Trip Assignment screen tool bar, provides LogistiCare managers with a list of faxes, downloads, and other transmissions associated with any given trip. Details displayed include when the trip was scheduled, the member current status (whether the trip was completed), sender, method, and more for each leg of a trip.

Transportation Provider Reimbursement

After the trip occurs, LogistiCare will make payment to the transportation provider after the trips have been verified. Our trip verification process for claims processing is discussed in *Section 3.3.2.4 NEMT: Reimbursement*. LogistiCare acknowledges that the procedures for arranging transportation, verifying eligibility, and reimbursing transportation providers as cited in *Section 3.2.2 NEMT: Brokerage Process* will apply when the transportation network is utilized. We also acknowledge that these procedures may vary when fixed route, mileage reimbursement, or other appropriate transportation services are used.

3.3 CONTRACT PHASES

We are proposing a 105-day implementation timeline, which will enable the Department to begin reaping the benefits of a LogistiCare-managed NEMT program more quickly than with the 143-day timeline specified in the RFP.

3.3.1 IMPLEMENTATION

The transition to a Brokerage system will begin the first business day following contract execution and extend until midnight of the day identified as the first business day of operations. This will be known as implementation.

In our implementation activities, LogistiCare leaves nothing to chance and pays as much attention to the "soft" tasks of training and outreach as we do to the technical tasks of creating a call center and contracting with providers.

We ensure that local hires are fully trained both at the local site and at other LogistiCare operations in order to be ready to "hit the ground running" by the first business day of operations. LogistiCare will fully test all telephone and computer connections well in advance to ensure smooth functioning on the service start date.

In addition, we work to ensure continuity and minimize disruption. In recruiting and credentialing a network of transportation providers, we reach out to all current providers first. We even offer technical assistance to some providers who might not otherwise qualify. To assist members with the transition, we make every effort to match them with the providers they are accustomed to using.

HIGHLIGHTS

- **Experienced onsite leadership and project team to ensure a smooth start-up**
- **Detailed 105-day implementation plan**
- **Successful track record of quickly implementing numerous projects**
- **Proven project management procedures ensure status monitoring and facilitate communication with the Department**
- **More than 1,500 transportation providers currently under contract nationwide**
- **Significant advance work already done on network development**

Figure 3.3.1 – Implementation Experience. LogistiCare has broad experience with all of the critical components of implementing a new transportation brokerage system.

IMPLEMENTATION REQUIREMENTS	NUMBER LOGISTICARE CONTRACTS
Startup schedule of 90 days or less	58
New call center creation and build out	14
Transition to client's first brokerage system	53
Creation of a new provider network	33

As Iowa moves to the efficiency of a centrally managed and coordinated statewide network, the contractor will initially operate without the benefit of detailed historic call volume and trip volume statistics. This means that the initial demands on the call center and provider network may vary greatly from that initially anticipated based on available RFP information. A new brokerage system can also produce an unanticipated spike in volume for a variety of reasons, including an increase in awareness of the services offered caused by promotion of the new program procedures. This unpredictability makes it even more important for the Department to select a contractor with demonstrated success in new statewide implementations, backed by the resources (e.g., management, training, and staffing) and capacity (e.g., equipment, data management system) to ensure the timely, ongoing delivery of high-quality services.

Our implementation plan is included as the Gantt chart located in **Exhibit 1**, *Implementation Materials*. This implementation Gantt chart is a graphic and tabular presentation of the key task areas and the task completion schedule associated with the implementation of this program. This implementation plan shows start and end dates for each task and subtask and shows the logistical dependency between subtasks. It contains specific due dates for deliverables and identifies key events. The chart has been created with Microsoft Project, a standard project scheduling software package. The work plan narrative task descriptions provide an overview of each major task within the work plan.

3.3.1.1 STATE RESPONSIBILITIES

a. Approve the Broker's candidate for Account Manager.

b. Approve the Broker's call center and central business office location.

c. Review and approve the Broker's Network plan.

d. Provide computer equipment (Desktop computers and printers).

e. Provide access to the appropriate State systems for verifying Member eligibility.

f. Review and approve the Broker-developed electronic claim form.

g. Review and approve information that will assist in the education of Members regarding NEMT changes resulting from the brokerage system.

LogistiCare acknowledges the State's responsibilities cited in *Section 3.3.1.1a-g*. As the current manager of 63 NEMT brokerage programs in 39 states and the District of Columbia, LogistiCare possesses the breadth of experienced and technical know-how required to implement a successful NEMT program in Iowa. From hiring Account Managers (known as *General Managers* in the LogistiCare organizational hierarchy) to establishing call centers and regional business offices to developing and maintaining a transportation network to creating NEMT program educational materials for members, LogistiCare can provide the Department with the benefit of our insight gained from a track record of successful NEMT implementations. Our LogistiCAD architecture is designed to interface seamlessly with other systems for the exchange of data. In meeting its responsibilities, the Department can look to LogistiCare for guidance in the form of best practices and real-world case studies.

3.3.1.2 BROKER RESPONSIBILITIES

The Broker will:

a. Identify and hire an Account Manager to supervise and manage the day-to-day operations of the brokerage and the contract. The Account Manager will be the Department's point of contact through whom the parties will communicate, resolve issues, and negotiate with regarding the contract responsibilities.

b. Establish a central business office within five miles of the Iowa Medicaid Enterprise facility, which is located at 100 Army Post Road, Des Moines, Iowa. The location must meet the wiring specs for connectivity with DHS systems. The Broker will bear the expenses of connecting to DHS systems and will provide first-level computer/technical support for those systems.

c. Develop a Network plan for the Department's review and approval. The plan must include an alternative access plan for rural areas or where services may not be readily available.

d. Establish a call center.

e. Develop an electronic claim form.

f. Develop and provide information to the Department to assist in educating Members regarding:

1. The availability of non-emergency medical transportation,
2. The process for single trips and standing orders,
3. How to access and use these services properly, and
4. Billing procedures in order to receive reimbursement for NEMT.

These materials should be developed prior to the initiation of the brokerage system and ongoing, as updates are needed. The materials must be available in English and Spanish.

LogistiCare will appoint an Account Manager (known as the *General Manager* in LogistiCare's organizational hierarchy) for the Iowa contract. Once approved by the Department, the Account Manager will have overall responsibility and authority to manage all operations within the state. This person will ensure that LogistiCare meets or exceeds all contractual standards and goals, and that our transportation network provides complete, high quality coverage throughout the state. The Account Manager will be the point of contact through whom the parties will communicate, resolve issues, and negotiate regarding contract responsibilities. He or she will be fully available to the Department to participate in telephone or face-to-face operational status conferences as requested. This person will also have authority to designate other individuals to respond to the Department when he or she is not available. We will designate an onsite office at the Iowa call center/regional office for the Contract Administrator's use, which will give this person direct access to our Account Manager.

ESTABLISH A CALL CENTER AND CENTRAL BUSINESS OFFICE

LogistiCare has extensive experience scouting appropriate business sites, and we will establish and maintain a call center/central business office in the Des Moines area. Our key criteria for choosing the centrally located Iowa operations center will include the building being within five (5) miles of the Iowa Medicaid Enterprise facility located at 100 Army Post Road. The office space that we are currently evaluating is the Capitol Center facility located in the East Village area, on Court Avenue, just four (4) miles from the Department's facility. We will need to occupy approximately 3,500 to 4,000 square feet of the Capitol Center facility. Additional information about this facility can be viewed in **Exhibit 1**, *Implementation Materials*.

We will identify potential office locations that meet all of our key selection criteria and confirm with local telecom vendors that voice and data T1s can be installed and activated within 30 days of order at each of these locations. In compliance with the RFP, we acknowledge that the location must meet the wiring specs for connectivity with DHS systems. LogistiCare also acknowledges that we will bear the expenses of connecting to DHS systems and will provide first-level computer/technical support for those systems.

LogistiCare's call center for the Iowa contract will provide toll-free service for all reservations, ride assistance, informational, complaint, and other calls and emails. Members will be able to make routine advance reservations, standing order reservations, and urgent care requests by calling the toll-free number or sending an email request. Program eligibility, covered service, and medical necessity rules will be carefully administered with both sensitivity and common sense. Specialized utilization review staff will perform constant internal audits to ensure that our authorization procedures are working properly. In addition:

- Our call center staff will include bilingual customer service resources, complete interpreter services for all language groups, and special accommodations for the hearing impaired.
- We will enforce call center responsiveness standards that exceed the requirements of this RFP. LogistiCare's data management system, LogistiCAD, will capture all reservation and trip assignment data electronically and store historical data for prompt recall.

- We will provide written explanations to any member whose service request has been denied and inform the individual of all their appeal rights.

Develop a Network Plan

As clearly elucidated by the Iowa Study, LogistiCare understands that the lack of extended and weekend transportation service availability, as well as inadequate coverage in rural areas, represent key pain points for the Department's current NEMT program. Under the current system, it has been reported that communication and coordination of transportation providers among themselves and with transit and government agencies has hampered the efforts to provide sufficient NEMT services that are responsive to the specific transportation needs of Iowa's Medicaid members. Our equitable, systematic management of a statewide transportation program will mitigate the factors that contribute to a lack of adequate, compliant NEMT services in Iowa. Coordinating services centrally will enable us to build on the current network while raising compliance and performance standards. Managing the program as a whole, we will optimize existing resources and add capacity and stability.

LogistiCare has developed a truly unique, partnership-based approach to developing and maintaining provider networks nationwide that increases members' access to transportation services—when and where they need them. In Iowa, our challenge will be to leverage the current supply of transportation providers in Iowa in a way that will allow us to extend service hours and expand coverage in rural areas. We will identify the best providers and offer them a stable volume of trips carefully selected to enable efficient routing, thereby helping them to expand their businesses. We will also enhance their operating efficiency by providing them productivity-improving software at no cost. We will supply training, technology, and other technical assistance to help providers meet higher standards for drivers, vehicles, trip reporting, and service delivery. We will also help providers develop new procedures that promote efficiency in their operations. Our online training resources and extensive support system will ensure the success of companies that commit themselves to improvement.

LogistiCare has developed and follows a proven and successful process for establishing and maintaining adequate provider networks in large, statewide NEMT programs. In preparation for this proposal, LogistiCare has already begun meeting with transportation providers in Iowa. The relationships that have been initiated through this process will provide a good foundation for creating and retaining our network for Iowa. **Figure 3.3.2** outlines our approach to creating a provider network for the NEMT Program.

Figure 3.3.2 – Creating and Maintaining an Adequate Network. LogistiCare will apply our proven methodology for network development to create a NEMT network in Iowa.

Establishing and Maintaining Provider Network Functions
• Actively reach out to the state's commercial, nonprofit, and transit agencies, and establish volunteer (individual) transportation providers, including all current Medicaid NEMT providers, for potential inclusion in our transportation network
• Evaluate all potential network providers through site visits, data gathering, and reviews of records, credentials, vehicles, operating procedures, and quality standards
• Enter into contractual agreements with providers who satisfy LogistiCare's recruitment criteria and who are able to furnish the amount, types, and location of services needed to cover all needs of the Iowa program

Establishing and Maintaining Provider Network Functions
• Ensure that the network can provide adequate service to rural, suburban, and urban areas
• Communicate LogistiCare's expectations of providers and drivers
• Provide proper training to providers before transportation services begin and provide refresher training at specified intervals and when program changes are enacted, to ensure ongoing compliance with program expectations
• Train drivers in LogistiCare operating standards, IME requirements, and performance standards
• Furnish transportation providers with training curricula which they will deliver to drivers to ensure compliance with program requirements
• Continually assess the adequacy and performance of the provider network through careful monitoring that covers driver/vehicle credentialing, vehicle inspections, driver behavior, and more
• Make adjustments and additions to the transportation network as necessary to ensure optimum coverage of member needs, and communicate any program and network changes to providers as specified in the RFP
• Examine service complaints and monitor provider indicators for early warning of potential service problems • Offer ongoing feedback to providers through the monthly Provider Report Card process and quarterly review meetings
• Ensure network stability by adhering to principles of fairness and integrity; maintaining consistency in all network operations; engaging in proper communications; and providing group purchasing opportunities, financial assistance, technology, and other benefits to support the success of our network members

RURAL ACCESS PLAN

LogistiCare will develop a rural access plan to ensure that these areas of Iowa receive adequate coverage from our NEMT network. Bringing adequate transportation services to remote and sparsely populated regions is challenging, but doable. LogistiCare is highly experienced in expanding NEMT service to include sparsely populated areas. In addition to our recruitment of commercial providers in all areas of Iowa, our approach to providing NEMT service in Iowa's rural areas will include the development of:

- Public Transit Programs – Coordinate with local transit agencies to develop a strategy for ensuring members maximize these services during normal hours of operations.
- Private Volunteer Programs – Volunteer drivers using private vehicles are contracted to make long trips from rural areas into urban medical centers.
- Gas Reimbursement Programs – Mileage reimbursement is provided to members with access to private vehicles for cost-effective transportation service.

These well-executed programs provide lower-cost transportation options and ensure that NEMT members have additional dependable choices for travel to their medical appointments. LogistiCare continues to expand these alternative access programs for NEMT state clients around the country, and the Iowa NEMT program will reap the benefits of our experience in this area. Under LogistiCare's watchful eye, none of Iowa's Medicaid-eligible members living in rural communities will miss an appointment as a result of inadequate NEMT coverage where they live.

LogistiCare will constantly monitor the resources we need to provide optimum service to all Medicaid members in Iowa. Our network development staff will continuously compare trip demand information received from state clients, health care facilities, and NEMT providers with the vehicle capacity information provided in the RFI responses. Any gaps in geographic coverage will be identified and prioritized for intensified recruitment efforts. When our monitoring efforts indicate that additional providers need to be added to our network, or that a current provider needs to be replaced, we will provide the Department with a plan outlining the steps we will take to further develop the network in that low access area.

Experience Providing Service to Rural Locations

LogistiCare has had extensive experience bringing transportation resources to underserved rural areas. In Georgia, for example, LogistiCare brought new service to 29 rural counties that had previously received no medical transportation services at all. In the mountainous rural areas of western Virginia, there were numerous pockets of inadequate service before LogistiCare took charge of the program. For our programs in Nevada, Oklahoma, and Mississippi, we have created statewide transportation networks that adequately cover large and sparsely populated rural regions and Native American reservations as discussed below in **Figure 3.3.3**, which summarizes our experience expanding rural service in some larger states.

LogistiCare has used a variety of solutions to ensure reliable transportation services to members in rural locations throughout the country. As a broker, we frequently have tools not readily available to state governments, such as providing new technology to providers to help them increase efficiency and lower administrative costs. We use these tools to help encourage commercial providers to expand their services into these areas. Often, by providing overall trip volume guarantees, we can encourage providers to agree to cover a certain amount of otherwise non-economical rural runs. We have also been able to use pricing flexibility, such as purchasing vehicle capacity on a weekly basis as opposed to paying per trip, to give providers the financial assurance needed to invest in new vehicles and expand their services.

Figure 3.3.3 – LogistiCare's Experience Providing Service to Rural Locations.

Establishing and Maintaining Provider Network Functions
• Before LogistiCare began providing services in Nevada, commercial taxi providers were the sole source of transportation for Medicaid NEMT members. Many times it was impossible for the state-run NEMT program to persuade taxi companies to make long trips to remote rural areas. We also reached out to faith-based and other nonprofit organizations that had resources and interest in transporting members. Additionally, our Nevada operation promoted a gas reimbursement program as a new part of the rural solution. Currently, 5% of the service delivery in Nevada comes from volunteer and gas reimbursement trips in previously under-served rural areas, and we are pleased to say that now no NEMT service requests are denied for lack of transportation resources.
• In Nevada, we also made a special effort to reach out to the Native American tribal reservations to ensure that reservation residents under the federal Indian Health Services were also receiving the Medicaid NEMT transportation benefits for which they were eligible. By helping them to develop their own transportation resources, we provided both new employment and new transportation opportunities.
• Oklahoma is fortunate in having a large number of Section 5310 and 5311 transportation providers in rural areas, most of which contracted with LogistiCare when we began managing the program. We have since added two more private, nonprofit transportation providers to our network.
• Increasing the volunteer driver program in Mississippi was an imperative when we began operation there two years ago. At that time, about 30 volunteer drivers participated in the NEMT program. LogistiCare has now more than tripled that number, to a total of 108 drivers. We followed the same recruitment procedures as in Oklahoma: posting fliers in senior centers, nursing homes, VFW posts, Elks Club lodges, hospital lobbies, and even Laundromats, among other locations. The Mississippi operation also depends on word-of-mouth to promote the need for NEMT drivers, and many of the volunteers seek out LogistiCare to volunteer their services.
• In rural, mountainous, western Virginia, we created an innovative partnership relationship with a local nonprofit social service agency to extend NEMT services in the area. By subcontracting with the

Establishing and Maintaining Provider Network Functions
agency for certain management functions such as vehicle inspection, driver training, volunteer management, and network development, we were able to create enough financial incentives for the agency to guarantee us complete service coverage in a remote multi-county area. Upon contract award, LogistiCare immediately began creating a network of volunteer drivers using private vehicles. We created flyers to publicize the need for drivers and posted them in libraries, supermarkets, senior citizen centers, and other places where potential to expand the network existed.

By selecting LogistiCare to manage its NEMT program, the State of Iowa is assured that its statewide provider network will operate according to all contractual requirements and be continuously maintained and administered according to the established policies and procedures. The program will run efficiently and cost-effectively, while providing high quality service to Iowa's Medicaid members. Additionally, Iowa will gain an involved, informed, and proactive partner to support its human and public services transportation coordination efforts.

Develop an Electronic Claim Form

In compliance with the requirements of the RFP, LogistiCare will develop an electronic claim form to allow transportation providers, members, individuals, and volunteers to submit their invoices electronically via a secure website.

Develop Member Educational Materials

LogistiCare understands that a lack of understanding by members about Medicaid rules and how to appropriately access NEMT services is of great concern to the Department. In coordination with the Department, LogistiCare will develop educational materials for distribution to Medicaid members that will include a general information brochure, a "Where's My Ride" card, and a "Welcome Letter" in both English and Spanish. These materials will discuss the availability of NEMT services, the reservation process for single trips and standing orders, how to properly access NEMT services, and invoicing procedures for reimbursement. Our member educational portfolio will be developed prior to the start of the NEMT program, and it will be provided to the Department for review and approval. We will review and revise these documents as updates are needed. Any required changes will be made and the documents resubmitted to the Department. We have included samples of these materials in **Attachment 9**, *Outreach Education*.

We will also provide an informational brochure for all Medicaid medical providers whose patients need transportation. This brochure will describe the program and discuss what the medical provider should do to arrange for a ride for one of their patients. We have found this type brochure to be very valuable in helping the medical provider community understand the NEMT program and its requirements.

3.3.1.3 Performance Standards

a. The Broker will develop a Network Plan, including alternative access information, and present it to the IME for approval 20 business days prior to the start of operations.

b. The Broker will provide information that will assist in the education of Members regarding NEMT changes resulting from the brokerage system to the IME for approval 45 business days prior to the start of operations.

The State of Iowa seeks a contractor experienced in managing a transportation provider network that provides safe, reliable, and on-time services to Medicaid members. This contractor should be able to optimize and expand the existing network in Iowa while raising compliance and performance standards. With more than 1,500 transportation providers currently under contract nationwide, LogistiCare is the country's most experienced transportation company managing NEMT networks. We have established a reputation among our state clients as a collaborative partner that manages transportation providers for excellence. LogistiCare's online training resources, effective trip assignment practices, and other productivity-enhancing technology will promote efficiency and enhanced quality among both large and small transportation providers in Iowa. We will present our Network Plan, which will also include our alternative access strategy, to the IME for approval 20 business days prior to the start of operations. For an in-depth discussion of our Network Plan, please refer to *Section 3.3.2.1.3 Broker Responsibilities: Network Transportation Providers.*

LogistiCare will provide Department-approved information that will assist in the education of Iowa's Medicaid-eligible members regarding NEMT changes as a result of LogistiCare assuming management of the brokerage program at least 45 days prior to the provision of services (as determined by the effective date of the contract). We will also prepare special purpose materials to inform members of new rules and transportation alternatives. For example, in Connecticut we greatly increased use of transit services through a comprehensive communications outreach to Medicaid members and health care facilities. LogistiCare's member marketing plan will ensure that all Iowa Medicaid members are aware of the NEMT program and know how to access and use its services. Our marketing materials will be available to anyone who requests the materials in Iowa. The Iowa Study indicated that the great majority of the Medicaid-eligible population in Iowa lacks understanding of how the NEMT program works and how they can access services and receive reimbursement. We will produce a body of member education materials that clearly and simply explain how Iowa's NEMT program works and what steps members need to follow to use it. As program changes are made, we will distribute mailings to all members to advise them of such. If approved by the Department, LogistiCare will also create an informational website for members that will publish all member information and program forms online.

3.3.2 OPERATIONS

Operations begin when the State has authorized the contractor (Broker) to begin operation. The operational responsibilities will involve meeting performance standards set by the Department for the functions performed by the Broker. All NEMT claims with dates of service on or after the first day of operations will be the responsibility of the Broker for reimbursement.

LogistiCare acknowledges that operations will commence when the State has authorized the contractor to begin operation, at which time the operational responsibilities will involve meeting performance standards set by the Department. We will take responsibility for all NEMT claims with dates of service on or after the first day of operations.

3.3.2.1 NEMT: NETWORK PROVIDERS AND INDIVIDUALS

3.3.2.1.1 STATE RESPONSIBILITIES

a. Review and approval of Member (NEMT services) denial letter form.

b. Review and approval and ongoing monitoring of the Broker's Network Plan, and changes to it.

LogistiCare acknowledges the State's responsibilities as cited in *Section 3.3.2.1.1.a-b*. Our robust and scalable database system, LogistiCAD, has built-in capabilities for generating various member letters, including service denials. LogistiCare will submit all member letters to the Department for approval prior to use. Developing and maintaining networks is a core competency of LogistiCare, and we will work closely with the Department in continuously monitoring the adequacy of our network in Iowa. Please refer to *Section 3.3.2.1.3 Broker Responsibilities: Network Transportation Providers* for a discussion of our Iowa Network Plan.

3.3.2.1.2 BROKER RESPONSIBILITIES: GENERAL

a. The Broker will make the transportation arrangements for all Medicaid Members who qualify for NEMT services. All NEMT transportation for eligible Members will be coordinated through the successful Broker. The Broker may deny requests for transportation if:

1. The Member doesn't qualify for transportation services, based on his/her Medicaid eligibility category (see Section 3.3.2.2.2 for eligibility guidelines).

2. If the conditions for allowing transportation, as defined in 441 Iowa Admin. Code § 78.13 are not met.

2. The Broker will send a Notice of Decision (NOD) letter to all Members who have been denied NEMT services. When the Broker has denied any Member's request, the NOD letter must be postmarked within 72 hours of the request.

1. The Broker will develop a NOD letter template denying NEMT services. In a letter of denial, the Broker must cite the applicable administrative code section. The letter will also identify the Member's appeal rights as provided in 441 Iowa Admin. Code chapter 7. Please see 3.3.2.1.2.1 Notice of Adverse Action for Service Authorizations.

2. The Broker will provide information for and represent the Department in appeal hearings.

We will authorize the most appropriate and cost-effective mode of transportation for Medicaid-eligible members requesting transportation services, consistent with the transportation needs of the member. However, LogistiCare will also deny or discontinue trips (if multiple trips have been authorized) for any member who is determined to be or becomes Medicaid-ineligible, or the conditions for allowing transportation as defined in 441 Iowa Admin. Code § 78.13 are not met.

When a denial of service occurs during the call-taking process, the CSR will inform the member of the denial and record the reason(s) for the denial in our LogistiCAD system, which will automatically generate a denial letter explaining both the decision to deny service and the formal Departmental process for member appeals (see **Figure 3.2.11**). Our Utilization Review Representative will also run a daily denial report to ensure that our denial decisions and denial coding are appropriate.

NOTICE OF DECISION

LogistiCare will send Notice of Decision (NOD) letters to all members who have been denied service within 72 hours of the member's request. This letter will also cite the applicable administrative code section and provide an explanation of the member's appeal rights as provided in 441 Iowa Admin. Code chapter 7 and how that appeal can be requested.

LogistiCare has a well-developed system for recording denials and communicating denial decisions to members. If a reservation request for service must be denied, the CSR fully enters the reservation request data. When this process has been completed, the reservation acquires a "denied" status and the denial reason appears in the denial reason field of the Additional Information screen under the Trip Details screen in LogistiCAD's Reservation Editor (**Figure 3.2.2**). This, in turn, triggers the denial and appeals communication process. Proper management of the denial process will be carefully described in our Iowa Operations Procedures manual, and will constitute an important part of our customer service training curriculum.

APPEALS AND HEARINGS

LogistiCare acknowledges that we will provide information for and represent the Department in appeal hearings conducted on behalf of any Iowa Medicaid-eligible member. We will make appropriate personnel from our local office available for testimony in administrative hearings or judicial hearings that result from work or decisions made by LogistiCare in the performance of our contract.

We will make available to the Department copies of all records pertaining to the denial decisions we have made when requested. Where necessary, we will compile a case summary and provide the summary to the Department. Following the decision of the Fair Hearing Officer, LogistiCare will implement and be bound by the decision.

3.3.2.1.2.1 NOTICE OF ADVERSE ACTION FOR SERVICE AUTHORIZATIONS

The Broker will provide appropriate and timely written notice to the Member/Provider of any decision to deny a service authorization request, or to authorize a service in an amount, duration, or scope that is less than requested or agreed upon, or any action, as "action" is defined in section 3.3.2.6.2.1 Notice is not required to the Member when an action is due to the Network provider's failure to adhere to contractual requirements and there is no adverse action against the Member.

LogistiCare will provide appropriate and timely written notice to the member/provider of any decision to deny a service authorization, or to authorize a service in an amount, duration, or scope that is less than requested or agreed upon, or any action, as "action" is defined in *Section 3.3.2.6.2.1*. Please refer to *Section 3.3.2.1.2* for a discussion of our denial process.

We also acknowledge that notice will not be required to the member when an action is due to the network providers' failure to adhere to contractual requirements, and there is no adverse action against the member.

3.3.2.1.2.1.1 THE NOD MUST EXPLAIN:

a. the action the Broker has taken or intends to take and the reason(s) for the action;

b. the Member's or Provider's right to grieve, complain, or request a State Fair Hearing as specified in Section 3.3.2.6

c. circumstances under which expedited resolution is available and how to request it;

d. that during the state fair hearing, the Member/Provider may represent him(her)self or use legal counsel, a relative, a friend, or a spokesperson;

e. the specific regulations that support, or the change in federal or state law that requires, the action, and

In compliance with the requirements of the RFP, LogistiCare will send a Notice of Decision (NOD) letter to the member that explains the action we have taken and the reason for the action, as well as the member's or provider's right to grieve, complain, or request a State Fair Hearing. The letter will also include the circumstances in which an expedited resolution is warranted and how a member can request an expedited solution. LogistiCare will ensure that the member understands that he or she may represent himself or herself during the State Fair Hearing or use legal counsel, a relative, a friend or spokesperson. The NOD letter will also explain the specific regulations that support the action. A sample NOD letter is located in **Attachment 10**.

3.3.2.1.2.1.2 THE NOTICE MUST BE IN WRITING AND MUST MEET THE LANGUAGE REQUIREMENTS:

a. the Broker in conjunction with DHS shall identify the non-English languages prevalent (i.e., spoken by a significant number or percentage of the Member's and potential population);

b. the Broker must make available written information in each prevalent non-English language;

c. the Broker must make oral interpretation services available for all languages free of charge, and

d. the Broker must notify Members that oral interpretation is available for any language and written information is available in prevalent languages, and how to access those services.

LogistiCare will work with the Department to identify the non-English languages prevalent and make available information available in each non-English prevalent language. For callers who are non-English speaking, we will offer oral interpretive services through our call center operations by hiring Spanish-speaking and other bilingual CSRs in our Des Moines call center.

We will also make oral interpretive services available free of charge to all language groups using our Language Line Over the Phone Interpretation (OPI) services. Language Line OPI is an excellent telephonic interpretation service available 24x7 to members calling LogistiCare call centers from any location. Language Line interpreters are able to translate more than 150 different languages. Members who need translation services are quickly connected, on an average of 10-20 seconds, to an experienced translator who listens to the caller, analyzes the message, and accurately conveys the meaning to LogistiCare's CSR.

Language Line interpreters are held to the highest standards. These standards include maintaining patient confidentiality, ensuring accurate and complete translations, remaining impartial and unbiased during the conversation, interpreting for only the language(s) which he or she is authorized to interpret, providing excellent customer service, and continuing to improve his or her language skills. LogistiCare has chosen Language Line OPI as its interpreter partner because of its commitment to quality and customer care. For a brochure on Language Line services, please refer to **Attachment 11**, *Call Center Technology*.

LogistiCare CSRs will work with Language Line OPI interpreters to communicate with the caller and ensure all information is clear, accurate, and most importantly, understood by the Medicaid member or other caller. When necessary, CSRs will communicate with a family member or other acquaintance as requested by the member.

In Iowa, we will promote our oral interpretive services to members and potential members in all written marketing materials, including brochures, information packets, and correspondence sent to members and providers. The call center's voice automated message, which initially greets callers, will allow members to select an option to continue their call in Spanish, thereby forwarding the call to a Spanish-speaking CSR.

3.3.2.1.2.1.3 THE NOTICE MUST MEET FORMAT REQUIREMENTS

a. Written material must use an easily understood format, and be available in alternative formats that take into consideration those with special needs.

b. Members must be informed of the availability of alternative formats and how to access those formats.

LogistiCare has considerable experience producing informative brochures for NEMT members that are written at appropriate reading levels and in multiple languages. We understand that informing members about NEMT service availability and procedures helps members access needed services. Such education efforts also enhance program efficiency and customer satisfaction by reducing problems related to behavioral expectations and member misunderstanding of rules. We will work closely with the Department to develop such materials for the Iowa program.

Additionally, we provide other options to communicate with members who may have special needs, as enhancements to written communication:

- For non-English speaking callers, LogistiCare offers oral interpretive services through our call center operations by hiring Spanish-speaking and other bilingual CSRs who can answer questions.
- We provide free oral interpretive services in more than 150 languages 24 x7 using our Language Line services. Members who need translation services will be connected on average within 10-20 seconds to an experienced translator who listens to the caller, analyzes the message, and accurately conveys the meaning to LogistiCare's CSR.
- When necessary, CSRs will communicate with a family member or other acquaintance as requested by the member.

- Our call centers servicing Iowa will use telecommunications relay services that provide full telephone accessibility to people who are hearing or speech impaired. Trained communication assistants will complete the calls and stay on the line to relay messages either electronically over a Text Telephone (TT/TTY) or verbally to LogistiCare's CSRs. This service will be available 24 hours a day, 365 days a year, with no restrictions on the length or number of calls placed.
- Our member website will be available 24x7 for self-service options and information.

In compliance with the requirements of the RFP, LogistiCare will inform members of the availability of alternative formats and how to access these.

3.3.2.1.3 BROKER RESPONSIBILITIES: NETWORK TRANSPORTATION PROVIDERS

The Broker will assume responsibility for all applicable transportation of each eligible Member as of the start date of operations. The Broker will ensure the provision of necessary NEMT services by establishing a network panel. This provider panel will be referred to in this RFP as "Network providers."

The Broker will develop a provider panel with Public Transit agencies, private transportation agencies and individuals to develop a statewide network of providers that will meet the needs of Iowa's Medicaid members.

The Broker will make use of public transportation when appropriate. The Broker will use fixed route public transit service whenever possible and appropriate to the need and ability of the Member. The Broker will develop and implement procedures to determine whether fixed-route public transportation is accessible to and appropriate for the Member requesting transportation services. Such procedures will take into account the distance from scheduled stops at facilities or service providers, the age and disability of the Member, any physical or cognitive impairment, inclement weather conditions and other pertinent factors. If public transit is appropriate, the Broker will allow the public transit provider first choice in compliance with Iowa Code chapter 324A, as to whether they will accept the trip or deny it, as long as the referral otherwise complies with obligations of 42 C.F.R. § 440.170(a).

This network of providers may also include, but is not limited to, the services of volunteers, taxis, wheelchair vans, stretcher vans, ambulances, and air ambulances (fixed wing and rotary). All transportation is to be provided with an occupant protection system that addresses the safety needs of the disabled or special needs individuals.

Note: The Department will review and reimburse for air ambulance service.

The Broker's network will be such that the services are sufficient in amount, duration, or scope to reasonably be expected to achieve the purpose for which the services are furnished. NEMT is available to Members only when 441 IAC 78.13 rules are met. See http://www.dhs.state.ia.us/policyanalysis/PolicyManualPages/Manual_Documents/Rules/441-78.pdf.

The Broker will not arbitrarily deny or reduce the amount, duration, or scope of a required service solely because of cost savings, bias, or self-motivated reasons. The Broker may place appropriate limits on a service on the basis of criteria such as need related to the ability to ambulate or utilization control, provided the services furnished can reasonably be expected to achieve their purpose.

The Broker will negotiate fair and reasonable rates with the network providers and will be responsible for reimbursing the NEMT transportation claims. The Broker will be prohibited from providing transportation services directly or making referrals to transportation providers if the relationship would constitute a conflict of interest. See 42 C.F.R. § 440.170(a)(4)(ii)(B) for narrow exceptions to this prohibition. The Broker's provider panel must meet the following requirements:

Developing and maintaining a robust transportation provider network requires well-defined policies and procedures, effective recruitment and retention methods, and comprehensive training and monitoring practices. LogistiCare has developed a methodology that includes each of these important features. We have already sent recruitment packages to approximately 200 NEMT providers in Iowa. LogistiCare will present our Network Plan to IME for approval 20 business days prior to the start of operations.

We offer an unprecedented collection of benefits to transportation providers in our network. By partnering in a collaborative way to foster successful provider enterprises, we establish and maintain strong networks on behalf of our clients. Our provider partners have incentives to remain within the LogistiCare-managed network, including:

- Free access to LogistiCare's Transportation Provider Website – provides trip management, online billing, and reporting capabilities
- Free access to our web-based Provado Dispatch Manager (PDM) software – assists with routing, live dispatch, vehicle/driver management, and billing
- Free online driver training – covers cultural and disability sensitivity training, assistive devices, wheelchair securement, defensive driving, disabilities awareness, lift operation, paperwork, legal issues, and more
- Cost savings through LogistiCare's bulk purchasing capacity – provides reduced costs for affordable services such as:
  - Business and vehicle insurance
  - Health care insurance
  - Surety bonds
  - Vehicle purchase and leasing
  - Drug testing
  - Motor vehicle record checks
  - Criminal background checks

LogistiCare employs business practices that promote predictable business volume and provide a reliable additional revenue source for transportation providers. Providers who adhere to performance standards can expect to retain a stable work volume. Those for whom NEMT is not the primary business can supplement their incomes and fill empty seats with revenue-producing trips. We do not require providers to dedicate vehicles exclusively to NEMT service. Possibly most important from a provider's perspective, LogistiCare network providers can rely on prompt payment twice monthly.

Proactive Outreach

LogistiCare recognizes the diversity of Iowa's geographic regions, and we have begun the process of communicating with existing Iowa NEMT providers, as well as reaching out to other providers in the state that are not currently providing transportation services. Outreach efforts have included mailing approximately 200 providers in Iowa recruitment packages, as well as travel by LogistiCare staff to cities throughout the state to meet face-to-face with commercial and agency providers. Our recruitment package contains the following materials:

- Letter of introduction, briefly explaining LogistiCare's role in the new NEMT program model and asking for the provider's interest, consideration and feedback
- A letter of intent to be completed by the provider, indicating his/her interest in joining the network, but not representing any binding commitment
- A general questionnaire asking for basic information about the provider's organization and services
- Rate sheet explanation (with definitions and information to help prospective network members understand program terms)
- Rate proposal sheet that asks for providers to indicate their proposed rates for the NEMT program
- A DMBE questionnaire
- Summary of transportation provider benefits and answers to frequently asked questions

> **"By signing on with LogistiCare, we are able to give the clients quality, on time service. LogistiCare personnel are great to work with and any questions that need to be answered, they will, with no problems. Same day appointments, we try to do 98% of the time. LogistiCare has helped us to provide more service and I'm sure for other providers as well. I'm looking forward to working with LogistiCare in years to come and we can all grow together."**
>
> ***B-N-T Transportation Service LLC***
> ***South Carolina***

In March 2010, our network development team held meetings with transportation providers in Davenport, Dubuque, and Waterloo to introduce ourselves and discuss our model of brokerage operation. During these meetings, we shared information about our collaborative approach to managing the provider network. We also developed an understanding of the needs, issues, and challenges of providers in each region. Providers had the opportunity to meet our team, ask questions, and view demonstrations of the software tools that would become available to them upon award of a contract to LogistiCare. The providers we have met with have been receptive to the State's decision to convert to a NEMT brokerage program. Three more meetings will be held in April in the cities of Des Moines, Cedar Rapids, and Sioux City, and others may be added as needed.

Based on our successful record of network development for large-state NEMT program implementations, the Department can be assured that all necessary providers will be enrolled with active provider agreements with the Department and transitioned, trained, and ready to provide service upon execution of the Iowa contract.

By selecting LogistiCare to manage its NEMT program, the State of Iowa can be confident that its statewide provider network will operate according to all contractual requirements and will continuously maintain and administer policies and procedures. The program will run efficiently and cost-effectively, providing top-quality service to members.

Ensuring Network Adequacy

When LogistiCare develops our networks, we consider a comprehensive range of factors: the expected utilization of services by Medicaid-eligible members; the numbers and types of non-emergency transportation providers and vehicles required to furnish the contracted services; and the geographic distribution of providers and members, among other factors. For example, we will create a network that ensures adequate coverage to Medicaid NEMT members in rural areas of Iowa.

LogistiCare has extensive experience bringing transportation resources to rural areas in states such as Georgia, Nevada, Virginia, Mississippi, and Oklahoma. When we first began providing NEMT services in these states, commercial NEMT transportation was either nonexistent or inadequate in certain rural areas. We used various incentives such as trip volume guarantees, flexible pricing, and technical assistance to encourage commercial providers to expand services into these areas. We also created networks of volunteer drivers using private vehicles to make long trips from rural areas into urban medical centers.

LogistiCare will continually assess the adequacy of our provider network in Iowa by monitoring detailed data and quality information. We will anticipate network coverage problems by closely tracking trends (such as declining service quality indicators) that might indicate a future need for additional provider recruitment in a specific area. By carefully examining any service complaints, re-routing trends, and provider management issues, our experienced staff will know when it may be time to shift trips to another provider or, if necessary, stop using a provider altogether. If the need arises to recruit additional providers in order to maintain a robust network, we will follow our three-phase credentialing policy for network development, as described below.

PHASE ONE: RECRUITMENT

The first phase of the recruitment process is the identification of existing transportation providers and initial data collection. LogistiCare reviews state program databases, published notices in local media outlets, telephone listings, and other sources for potential transportation providers, including commercial transportation providers, governmental agencies wishing to perform transportation, rural transit agencies, and non-profit transportation providers. We have reached out to current transportation providers in Iowa, sending them our Request for Information (RFI) package. Our provider recruitment package for Iowa is located in **Attachment 12**.

PHASE TWO: CREDENTIALING

Once the information has been reviewed and a new provider has been initially qualified (based on criteria such as capacity, location, vehicle types, experience, references, and others), LogistiCare staff will initiate the second phase of the process, which involves on-site visits to inspect records, vehicles, and operating procedures, and to meet key transportation provider managers. The transportation provider must produce records such as an operational manual, certificate of insurance, criminal background checks for drivers, recent maintenance schedules, drivers' licenses, and required business licensing. LogistiCare then inspects the transportation providers' vehicles and engages in extended operations process discussions with the transportation provider management staff.

LogistiCare ensures that transportation providers understand our service standards and are financially and organizationally able to meet these standards. An ounce of prevention in recruitment is worth a pound of cure in transportation provider oversight, re-pricing, technical assistance, and possible replacement. Additionally, LogistiCare will monitor NEMT provider credentials to ensure continued compliance with organizational, driver, and vehicle standards.

PHASE THREE: CONTRACTING AND ORIENTATION

If all such reviews are satisfactory, the third phase begins, which involves training the NEMT provider and its drivers and finalizing the contractual relationship. The transportation provider is given a thorough orientation that involves a walk-through of our transportation contract and the NEMT Provider Manual (see **Attachment 13**, *Provider Manual*). These two important documents contain all the performance standards of the contract, as well as key forms and procedures. LogistiCare then schedules individual driver training sessions and invites the transportation providers to visit the LogistiCare facility to meet with the whole management team and with the particular billing staff assigned to each transportation provider.

DRIVING TRAINING FOR TRANSPORTATION PROVIDERS

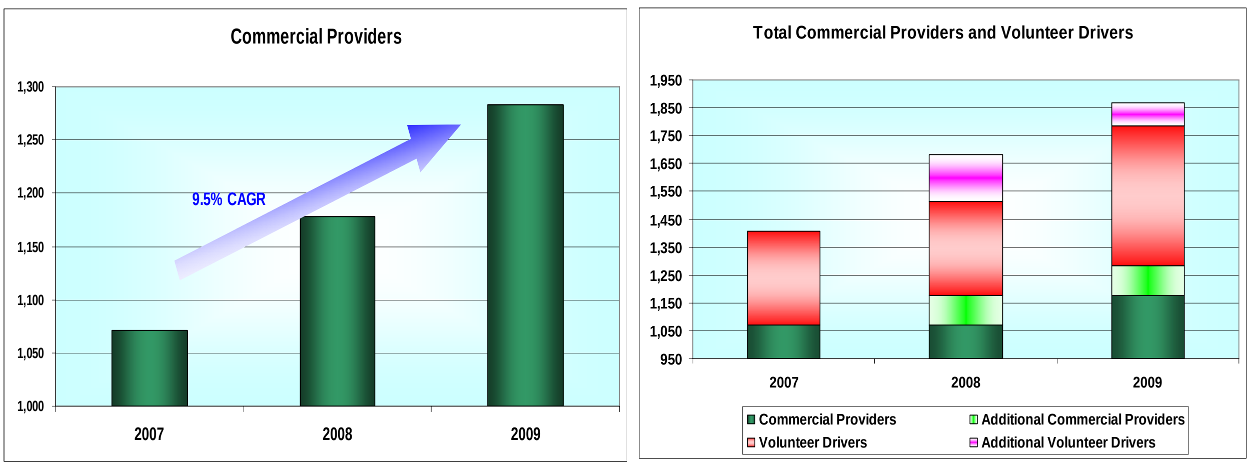
In order to ensure compliance with safe driving, customer sensitivity, wheelchair safety, and other standards for conduct and performance, LogistiCare has developed an extensive curriculum of driver training for transportation providers in our network. Our training is developed around the Defensive Driving curriculum of the National Safety Council and the Passenger Service and Safety (PASS) program developed by the Community Transportation Association of America (CTAA). In addition, our PASS trainers are certified by CTAA to provide this course material. Copies of these two key curricula are located in **Attachment 14**, *Driver/Provider Training*.

Maintaining Network Stability

LogistiCare places a high priority on maintaining a stable provider network. This is important for several reasons. Most important, many members become accustomed to riding with the same providers and come to trust and rely on their familiar drivers. Good relationships between drivers and members increase rider security and satisfaction and reduce member no-show rates. Also, experienced companies develop good communications with health care facilities and make fewer logistical mistakes, thus increasing service quality. In addition, low provider turnover helps contain administrative costs. Our track record of growing and maintaining transportation provider networks in programs nationwide is illustrated in **Figure 3.3.4.**

Network provider retention starts with responsible provider recruitment and credentialing. We ensure that providers understand our service standards and are able, financially and organizationally, to meet these standards. After selecting our network providers, we work hard to create long-term, stable business relationships with them, and look for ways to help them succeed by lowering operating costs through group purchasing benefits, technology sharing, and other means.

Figure 3.3.4 – Provider Growth and Retention.



Our ability to retain transportation providers is based on our commitment to fairness, consistency, communication, and investment. LogistiCare understands how important these issues are to the smaller companies that make up the bulk of the NEMT provider system. For example, a network provider in the LogistiCare system is assured of a regular, negotiated volume of work as long as performance meets requirements. Any needed changes are made only after mutual discussion and sufficient advance notice to allow the provider to make preparations and adjustments. LogistiCare pays all accurately submitted provider invoices promptly. Our payment rate averages less than 20 days from receipt of the invoice. This consistently prompt payment provides financial stability for providers in the network.

> **"LCI (LogistiCare) respects the needs of transportation companies like mine…LCI has been there to help us: they pay on time; they have provided technical assistance with our computer technology; since gas costs hit the roof, they have issued gas surcharge checks to assist us;... their Performance Incentive Program provides financial rewards to providers with the best on-time performance and fewest service complaints; they have been willing to advance my company funding, interest free, when we've needed to expand the fleet or make an insurance payment."**
>
> ***TF & S Transport***
> ***Hinesville, GA***

FAIRNESS/INTEGRITY

Key fairness principles that LogistiCare emphasizes include honesty, keeping our agreements, treating providers equally, and allowing providers due process on any enforcement or sanction issues. For example, we do not make inflated promises to induce providers to contract with us. We are scrupulous about fulfilling our contractual obligations. Although there may be some pricing variation among providers based on different market realities, we strive to minimize these variations. We neither get drawn into inter-company rivalries, nor do we assist providers in any regulatory or business conflicts they may have with each other. In investigating complaints or performance problems, we give the providers full and fair hearings.

CONSISTENCY

LogistiCare understands how important it is for smaller businesses to have consistent cash flow. For that reason, we strive to be consistent with network providers in all aspects of operations, including, but not limited to, daily ride volumes, payment schedules, and enforcement activities.

For example, we do not subscribe to the trip-by-trip price bidding methodology for assigning trips to transportation providers, as we do not believe this gives providers enough security to manage their hiring and investment decisions efficiently and economically. Instead, we carefully track assignment volumes with each provider to ensure that each gets the volume of work anticipated at the time of contracting. If we plan to cut back on a provider's trip volume, or to phase the provider out of the system entirely for performance reasons, we discuss this in advance and give the provider time to adjust without being forced into an economic crisis.

In our enforcement activities, we are not arbitrary and inconsistent. We give due notice of any funds withholdings or contractual penalty assessments, and we enforce the same rules on all providers.

COMMUNICATION

Most network relations problems stem from poor communication. We strive from the credentialing phase onward to be clear in the communication of our expectations, rules, and processes. This objective is demonstrated by the detailed provider manuals we give network members, by the amount of written materials and meetings associated with our recruitment process, and by the provider newsletters we have produced. In addition, we solicit provider ideas for service and process improvements, and act on them whenever feasible. Our managers, supervisors, and quality assurance specialists meet with our providers' staffs in order to facilitate optimum working relationships in frequent high-pressure situations. Such personal relationship building at all levels of the organization helps to ensure trust and quality service.

INVESTMENT

LogistiCare invests time and money to help its providers succeed. In some instances, this involves creating relationships with insurers, vehicle vendors, and others, who will then offer vital services to providers at discounted group rates. In other instances, LogistiCare's efforts involve pioneering new technology and bringing it to smaller providers to help them increase efficiency and lower administrative costs. LogistiCare has also supported legislative and tax law changes that have lowered costs for network providers. By making these investments, particularly in smaller companies, LogistiCare has helped numerous companies grow and solidify their businesses.

LOGISTICARE VEHICLE INSURANCE PROGRAM

LogistiCare has developed an affordable insurance program for our network providers, which allows them to save 10-30 percent off prevailing market rates. LogistiCare developed this successful program because research indicated that our providers were not being classified appropriately by other insurers. We found that insurance losses for our providers were significantly lower than for other companies in the medical transportation industry. Because of

LogistiCare's stringent credentialing standards for drivers and vehicles, our providers have significantly fewer accidents, and, therefore, lower claim totals.

Working with our insurance advisors and partners, we created a program that captured the value of this loss differential and passed the benefits on to our providers, while providing the same insurance coverage. We have now invested more than $4 million in this well-received program, which now operates in 23 states. We will offer our insurance program, as desired, to all of our Iowa NEMT providers. This program is delivered through a multi-party partnership between LogistiCare and leaders in the insurance industry including:

- National Insurance Services, an Atlanta-based firm that specializes in serving the non-emergency transportation industry
- Discover Re, the leading specialized risk management firm in the country, a wholly owned subsidiary of St. Paul Travelers
- Crawford, the world's largest independent provider of claims management services, with a global network of more than 700 offices in 63 countries

DRIVER SCREENING PROGRAM

LogistiCare has contracted with Occuscreen, a national employee screening services firm, to offer cost-effective driver screening for providers in the network. Screening includes criminal background checks, motor vehicle record (MVR) checks, and drug testing. Iowa providers should realize a 50 percent savings over what they currently pay for screening.

DRIVER TRAINING PROGRAM

LogistiCare has developed an extensive driver training process based on curricula from the National Safety Council (NSC), the Community Transportation Association of America (CTAA), and other nationally recognized driver training organizations. This training program is made available to all our network providers free of charge. The training includes instruction in defensive driving techniques, wheelchair securement and lift operation, passenger assistance techniques, and general customer service.

AFFORDABLE MANAGEMENT SOFTWARE

LogistiCare provides our transportation providers with free access to a web-based transportation management software tool, the Provado Dispatch Manager (PDM) system. Providers can use this software system for managing routing, billing, and vehicle and driver recordkeeping tasks. No other broker in the country makes such a versatile and powerful software application available to its network providers at no cost.

In addition to the PDM tool, transportation providers in the network have no-cost access to the LogistiCare Transportation Provider Website. From this easy-to-use portal, transportation providers can retrieve and manage information about trips they have been assigned, download training material, and access reports and documents necessary to support their relationship with LogistiCare.

The PDM software is web-based and accessible from any PC with an Internet connection. Modifications and enhancements are easily distributed to users, and the database is easy to maintain and secure. Security is achieved through secure SSL 128-bit encryption for all web communications, as well as log-in and password procedures that ensure that each provider will only have access to its own trip information.

Transportation providers can import their LogistiCare trips into the PDM website and also manually enter non-LogistiCare trips. Automated trip assignment features and drag-and-drop technology make it easy for providers to build and change vehicle routes. The system allows providers to store and organize information about drivers and vehicles on a secure website. It also gives them the ability to produce various business management reports, which allows them quicker and more detailed access to their key operational statistics.

Key PDM features enable users to:

- Manage vehicles
- Manage drivers
- Manage riders ("members")
- Import trips
- Enter one-time and recurring trips
- Build daily routes
- Automate routing in one click
- Print driver manifests and trip logs
- View revenue per vehicle

Figure 3.3.5 (CONFIDENTIAL) – Provado Dispatch Manager. PDM software allows transportation providers to easily schedule and manage their trips online.

[redacted]

Recruitment Considerations

In a transition situation such as in Iowa, LogistiCare places great emphasis on continuity of service relationships for all members. For this reason, LogistiCare will initially rely as much as possible on current Medicaid transportation providers. In recruiting and certifying existing Iowa providers, we will follow the process described previously in this section.

LogistiCare believes it is crucial in implementing a new NEMT brokerage program to specifically target recruitment efforts to match the expected geographic distribution of trips. Dealing only with overall recruitment targets may mask important gaps in particular areas. For that reason, we try to predict likely trip volumes on a local level using the best available information. At this point, our best information is based on the projected number of covered lives in Iowa and public transit data. After contract award, we will be able to refine our recruitment targets with specific information obtained from health care facilities and providers.

We based our estimate of initial vehicle capacity requirements on trip estimates derived from Department data on county NEMT populations and from our national database on NEMT utilization rates and level of service distribution across multiple NEMT programs. We then projected the number of daily trips for each county and the vehicle capacity needed to accommodate those trips, taking into account the population density of each county (load factors are slightly higher in more populated areas). Using an estimated utilization rate (total trips divided by total eligible population) of 18 percent, we estimate an overall need for 97 ambulatory vehicles, 18 wheelchair vehicles, and 19 stretcher vehicles, for a total of 134 vehicles, to adequately provide NEMT services to Iowa's 99 counties.

Ongoing Network Development

To ensure ongoing capacity to serve all members, LogistiCare will continuously monitor data on complaints, on-time performance, missed trips, re-routes, and other network operations information. This body of information provides the best indication of any shortage of network capacity that might exist. If deficits are uncovered, LogistiCare acts prudently and efficiently to optimize the network. In Iowa, as in all of our NEMT contracts, any commercial and agency providers added to the network will undergo the same orientation, inspection, credentialing, evaluation, testing, and contracting procedures previously described, in accordance with RFP requirements. Please refer to **Attachment 15**, *Provider Contract* for a draft copy of the Iowa transportation provider contract.

In all of our state Medicaid NEMT programs, LogistiCare maintains close working relationships with agencies that provide transportation services. Since organizations such as transit agencies, community service boards, government agencies, and many ambulance providers are so highly regulated by other state agencies, we have created a special contract addendum for these organizations to avoid unnecessary duplication of effort in credentialing and monitoring. A sample addendum for highly regulated providers is located in **Attachment 15**, *Provider Contract*. Agency providers will receive the same orientations and be subject to the same performance standards and billing procedures as other providers.

LogistiCare will also enter into written contracts with qualified individual providers who perform NEMT trips. Those individuals who have been evaluated and are able to perform required driving services are provided with a copy of the same contract as used by commercial providers. The language in the contract is written conditionally so that the different applicability of some provisions to commercial entities or individuals is clear. The contract will contain all requirements specified in the RFP. Among other provisions, the contract will specify the activities and responsibilities of the providers, and state that the individuals must:

- Provide proof that they continuously maintain at least the minimum automobile liability insurance required by Iowa law
- Obtain and maintain all licenses and certifications required to operate the types of vehicles used to transport NEMT members
- Adhere to all laws, rules, and regulations regarding drivers and their vehicle types used to transport NEMT members
- Document each trip provided, including pick-up and drop-off points, trip mileage according to odometer readings, date of transport, signatures, and any other information required by LogistiCare and the Department
- Be courteous, patient, and helpful to all passengers; refrain from smoking in the presence of any member; and abstain from the use of alcohol, narcotics, or drugs that impair performance while providing NEMT services

PUBLIC TRANSIT

The Iowa Study made clear that the Department expects the broker awarded this contract to coordinate with local transit agencies to ensure Medicaid members have access to the most appropriate, least costly mode of transportation. LogistiCare prioritizes the use of public transit systems in all our Medicaid contracts to control costs and maximize member independence. The Iowa Study also pointed out that some Medicaid-eligible members with disabilities living in urban areas struggle to keep their appointments when relying on public transit. LogistiCare will work closely with transit agencies throughout Iowa to ensure that all members with disabilities, regardless of their geographic location, will have adequate access to transportation services that accommodate their special needs.

For Iowa, we will follow the same procedures we have used successfully in Connecticut, Delaware, Philadelphia, and other states to establish a comprehensive public transit program for Iowa Medicaid members. LogistiCare has scheduled meetings with top transit officials in Iowa cities and regions to discuss cooperative ways to provide services to members. Based on past experiences in other states, LogistiCare anticipates transit officials in Iowa will be enthusiastic about helping to create an effective fixed-route pass program, as this will increase income and ridership for the transit group. LogistiCare will also explore which Medicaid members can be certified for and transported by any of the ADA paratransit programs.

LogistiCare is experienced in making determinations about the appropriateness of fixed-route transit for NEMT member trips, and in managing public transit programs for Medicaid agencies. Our use of public transit passes in Connecticut and Delaware has attracted national attention and is featured in two federal publications on the issue. In several of LogistiCare's more urban service areas, fixed-route transit trips comprise a significant percentage of overall NEMT trips (see right, **Figure 3.3.7**).

Figure 3.3.7 (CONFIDENTIAL) – LogistiCare Transit -Intensive NET Programs

[redacted]

In managing the transit program in Iowa, LogistiCare staff will establish liaison relationships with transit customer service staff to ensure that we receive updated information on available routes and timely trip planning advice for individual NEMT trips. We will map out their fixed-route data for all public transit systems to enable our CSRs to determine the most efficient and cost-effective trip options. Where possible, we will upload actual mass transit stops and routes into LogistiCAD to help us plan trips.

=LogistiCAD provides an optional module built into the Reservations and Preschedule Editors that is designed to help identify mass transit eligible trips. This module is controlled on a broker/state client basis to allow a wide range of diversity depending on contract requirements. The goal is to identify trips where the member's pick-up and drop-off locations are within acceptable distances to mass transit stops.

The Mass Transit screen (**Figure 3.3.8** below) provides all relevant mass transit information for each reservation trip leg. Information displayed on the screen includes such items as potential stops, stop location details, routes to which each stop belongs, the mode of mass transit that services the stop, and the transit organization that services the stops. The Transportation Coordinator can use this data to provide information to the member regarding the most convenient stops for the trip. All transit stops initially are given a status of "acceptable" until changed to either “default” or “unacceptable” depending on the judgment of the Transportation Coordinator.

Figure 3.3.8 (CONFIDENTIAL) – Sample Mass Transit Screen in LogistiCAD.

[redacted]

An important function of the mass transit module is the ability to edit information regarding stops and routes. (To prevent duplicate changes, we have limited the editing access function to Call Center Managers and Transportation Managers.) If necessary, for example, when one of the stops is found to be inactive, the major fields concerning that stop can be edited. The Call Center Manager or Transportation Manager would open the Mass Transit Stop Editor, highlight the stop that needed editing, and unclick the Active box, which would then change the status of the stop to “inactive.”

A route can be edited following similar steps. For example, if wishing to add a new route, the Call Center Manager or Transportation Manager would open the Mass Transit Stop Editor, click the Routes Tab, and click the Add button. The person performing the editing function could then enter in the relevant information such as the route number and whether it is inbound or outbound.

LogistiCare will arrange to purchase passes, tokens, and train tickets on a bulk basis. An eligible Medicaid member will be sent the appropriate type and amount of passes or tokens to cover the requested itinerary. Members requesting standing order service are often given a transit pass that allows them the additional benefit of taking unlimited non-medical trips at no expense. This “perk” makes the transit program very popular with many members. In some cases, we have found it useful to allow appropriate health care facilities to distribute the transit passes and tokens for us, under our oversight.

In determining the appropriateness of fixed-route services for a member, our CSRs are trained to consider a number of factors:

- Is there any transit service running between the pick-up and drop-off locations?
- Is there service at the times of day being requested?
- Is the service reasonably timely? Service may involve transfers, but the wait for transfers must be reasonably brief. Also, the rider must not be delivered to the medical facility too early, nor be required to wait for too long after the appointment.
- Are the transit stops reasonably close to the pick-up and drop-off locations? We generally consider 1/2 mile to be a reasonable distance to expect the member to walk, but this could be modified depending on factors such as the member's medical condition, the nature of the surrounding neighborhoods, and the weather.
- Does the member have any medical condition that prevents him/her from riding on transit vehicles or accessing transit stops?
- If either the pick-up or drop-off location is too far from a transit stop for walking, would it be cost effective to provide a short ride to either of the closest transit stops?

If the member has a medical condition that prevents use of public transit, LogistiCare will fax a confirmation form to his/her physician for review and signed verification. A copy of a sample physician's transportation restriction form used in one of our current NEMT contracts is included in **Attachment 8**, *Sample Authorization Forms*. Unless public transit stations and vehicles are fully wheelchair accessible, fixed-route transit services are generally considered inappropriate for persons in wheelchairs.

Conditions such as the following may also render public transportation inappropriate for some ambulatory members:

- The member has a disabling physical condition that requires the use of a walker, cane, crutches, or brace and renders them unable to comfortably and safely use public transit vehicles.
- The member requires radiation therapy, chemotherapy, dialysis, or other such disabling treatment that prevents the member from using public transportation.
- The member is mentally disoriented, fearful of crowds, or otherwise psychologically or mentally incapable of accessing transit locations and using transit services.

LogistiCare will give the public transit provider first choice in compliance with Iowa Code chapter 324A, as to whether they will accept the trip or deny it, as long as the referral otherwise complies with the obligations of 42 C.F.R. § 440.170(a).

SERVICE DENIALS AND REASONABLE RATE NEGOTIATION

LogistiCare acknowledges that only Medicaid members meeting the requirements cited in 441 IAC 78.13 are eligible for NEMT services. We will not ever arbitrarily deny or reduce the amount, duration, or scope of NEMT services from an eligible Medicaid member based on cost savings, bias, or self-motivated reasons. We understand that we may place appropriate limits on services as long as the furnished services achieve their purpose.

LogistiCare is committed to a pure brokerage service model for the NEMT program, as we feel that the separation of management functions from direct service is important. By staying out of direct service, we prove to our providers that we do not intend to compete with them or threaten their business. This demonstration of good faith goes a long way toward developing and maintaining trust within the network, which is essential for obtaining the best possible service and cooperation from them. LogistiCare will not make referrals to transportation providers if the relationship would constitute a conflict of interest.

In compliance with the requirements of the RFP, LogistiCare will only subcontract with providers that are approved by the IME and meet the requirements cited in *Section 3.3.2.1.3.1 Standard Driver Guidelines*.

We will negotiate fair and reasonable rates with transportation providers and be responsible for reimbursing NEMT transportation claims. For a discussion of our claims payment process, please refer to *Section 3.3.2.4 NEMT Reimbursement*.

3.3.2.1.3.1 STANDARD DRIVER GUIDELINES

All drivers:

a. Must Possess a current valid driver's license with no restrictions other than corrective lenses.

b. Must have no limitation or restrictions that would interfere with safe driving. This includes, but not limited to, medical conditions, ignition interlock restriction, or prescribed medication that would interfere with the safe, lawful operation of a motor vehicle.

c. Must pass a pre-employment drug screening.

d. Must pass a Department of Criminal Investigation (DCI) background check prior to the start of employment, if required to do so by the Network transportation provider.

e. Must pass a child and dependent adult abuse background check, if required to do so by the Network transportation provider.

f. Any provider (both individual and entity) identified on the Office of Inspector General (OIG) Excluded Parties List System (EPLS) is not eligible.

g. Must be trained in the use of ADA access equipment, if vehicle is so equipped.

h. Must use passenger restraint devices as required by law.

i. Must provide assistance to passengers, as needed or requested, particularly for passengers with mobility impairments requiring assistance in boarding, deboarding, or securing a mobility device.

j. Must not smoke while transporting Members.

k. Must not transport Members while under the influence of alcohol or any drug that impairs the ability to drive safely.

l. Must not provide transportation if they have an illness that could pose a threat to the health and well being of the Member.

m. Must submit to random drug and alcohol screenings, if required to do so by the Network transportation provider.

Adherence to driver and provider requirements is essential to the provision of safe, reliable NEMT services that meet all contractual and regulatory specifications. Our proven approach to meeting these imperative requirements centers on the policies and procedures that will be agreed to by the Department and documented in the NEMT Provider Manual, which will be provided to each contracted provider.

Our LogistiCAD system will be used to ensure that vehicle and driver requirements as established by the Department are met. Information will be captured on driver identification, license status, training, screenings, and driving violations. Requirements such as licensing, training, screening, and violations will have an associated comment field in which corrective action and other notes, up to 200 words in length, can be recorded for each incident or item.

LogistiCare will ensure that all its drivers are in compliance with the driver performance requirements of this RFP. LogistiCAD compliance reports will flag drivers who have not undergone appropriate customer service training. In addition, driver behavior of all kinds is tracked through the complaints process (see *Section 3.2.2.6 Grievance, Complaints, and State Fair Hearings System)* and through field investigations. LogistiCare field staff will conduct unannounced visits to provider facilities and to common pick-up and drop-off spots. Often undetected, the field inspectors observe and record driver compliance with operational and customer service standards. They also review provider files for required qualification documents. LogistiCAD also has functionality built into its billing screens to link trips submitted for payment to the driver and vehicle compliance information. If a trip is submitted for payment using a vehicle or driver that is not currently in compliance, the system will flag the trip so that payment may be denied. LogistiCare also insists that providers have a meaningful system of monitoring in place, and that we have access to these monitoring files at any time.

Driver Credentialing Standards

LogistiCare will require that our driver credentials meet or exceed those required by the Department. The following driver credentials, and others, will be enforced for all commercial, agency, and individual drivers under the Iowa NEMT program.

License Requirements

All drivers will be required to provide a driver's license prior to operating a vehicle in our network. In compliance with the requirements of the RFP, the driver will have no license restrictions other than corrective lenses. Drivers will have no limitations or restrictions that would interfere with safe driving, including, but not limited to medical conditions, ignition interlock restriction, or prescribed medication that would interfere with the safe, lawful operation of a motor vehicle. Drivers will not be permitted to provide transportation if they have an illness that could pose a threat to the health and well-being of a member.

Alcohol/Drug Policy

All drivers must pass an eight-panel drug test prior to being permitted to enroll in a LogistiCare driver-training course. Like the criminal background check, this must be renewed annually. LogistiCare will fax the provider a letter indicating that a driver's credentials are about to expire and that they must be renewed or the driver will be declared inactive. LogistiCare providers are required to immediately remove from service any driver suspected of violated drug and alcohol policy requirements. Each driver and attendant must have no prior indictments for a substance abuse crime, and be willing to submit to random drug and alcohol screenings as required.

Criminal Records Checks

Drivers will be required to have a federal criminal background check with a seven-year check period and a state or county background check, also with a seven-year period, from each state of residence during the past seven years, as identified by the federal background check. The federal check includes a review of the federal sex offender list, federal offenses, and an identity check that confirms the applicant's name, Social Security number, and address for the past seven years, as well as comparison to a national fingerprinting database. These background checks must be renewed annually. Each driver and attendant must have no prior indictments for substance abuse, sex crimes, or crimes of violence. In compliance with the RFP, any provider (both individual and entity) identified on the Office of Inspector General (OIG) Excluded Parties List System (EPLS) will not be eligible to provide transportation services.

ADDITIONAL DRIVER REQUIREMENTS

All drivers will be trained in the use of ADA access equipment and will use passenger restraint devices as required by law. Drivers will provide assistance to passengers, as needed or requested, and particularly to passengers with mobility impairments requiring assistance, in boarding, deboarding, and securing a mobility device. Drivers will not be able to smoke while transporting members, nor operate a vehicle while under the influence of alcohol or any drug that impairs the ability to drive safely.

Driver Compliance Enforcement and Removal from Service

LogistiCare actively enforces driver compliance with credentialing standards. Any driver found to be out of compliance with RFP and contract requirements, as well as state or federal regulations, will be immediately removed from service until LogistiCare verifies that such deficiencies have been corrected. For example, if a driver fails to maintain appropriate licensing, we require the driver's immediate removal from the program. If there are alleged drug violations, we investigate in accordance with our drug testing policy. LogistiCare providers are required to immediately remove from service any driver who violates drug and alcohol policy requirements. Any driver who exceeds the moving violation or chargeable accident terms specified in the RFP will no longer be allowed to provide service.

Ensuring that all accountability standards for vehicle, driver, and provider requirements are attained protects the safety of NEMT riders and produces a compliant, high-quality program. LogistiCare's comprehensive approach to defining, maintaining, deploying, and putting into effect the accountability standards defined in the Iowa RFP has proven successful in numerous NEMT contracts across the nation.

3.3.2.1.3.2 Standard Vehicle Guidelines

All vehicles:

a. Must currently be licensed and registered as required by law.

b. Must have proof of financial responsibility maintained on any vehicle used to transport Iowa Medicaid Members as required by law. The Broker shall confirm compliance with applicable financial responsibility and/or insurance requirements, which may include Iowa Code chapter 321A, and 761 IAC 910.5(1).

c. Must be kept at all times in proper physical and mechanical condition.

d. Must be equipped with operable passenger restraint devices, turn signals, lights, horn, brakes, a front windshield, windows, and mirrors.

e. Must pass a safety inspection, if required to do so by state or federal law.

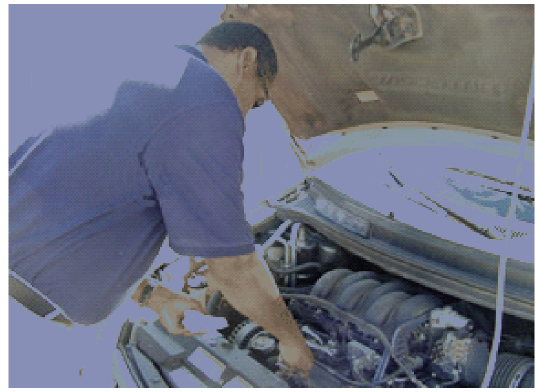
f. Must carry equipment for two-way emergency communication (two-way radio or cell phone acceptable).

LogistiCare will ensure that all vehicles in our transportation network comply with all regulatory requirements for vehicle safety and maintenance. Before providing NEMT service, all members of our transportation network will be in compliance with applicable city, county, state, and federal requirements regarding licensing and insurance of all vehicles used to transport Iowa Medicaid members, which may include Iowa Code chapter 321A and 761 IAC 910.5(1). All transportation providers' vehicles will be kept at all times in proper physical and mechanical condition. Please refer to *Annual Vehicle Inspections* below for a discussion about LogistiCare's vehicle inspection process.

In compliance with the requirements of the RFP, LogistiCare will ensure that NEMT providers maintain vehicles in proper physical and mechanical condition. All vehicles will be equipped with operable passenger restraint devices, turn signals, lights, horn, brakes, a front windshield, windows, and mirrors, in addition to equipment for two-way emergency communication. LogistiCare acknowledges that two-way radios or cell phones constitute Department-accepted communication equipment.

Annual Vehicle Inspections

LogistiCare provides vehicle inspection services for most of our NEMT contracts. We will use this process to inspect 100 percent of Iowa commercial and agency vehicles in our network each year. Inspections will be conducted according to appropriate levels of the Federal Motor Carrier Safety Administration's North American Standard Inspection requirements. All provider vehicles will be inspected prior to beginning service under this contract, and vehicle inspection records will be retained according to the records maintenance provisions stated in the RFP.



LogistiCare's field monitors will conduct on-site inspections to ensure that operator fleets remain in compliance with specified vehicle requirements. The inspector outlines any deficiencies that need to be corrected, with a re-inspection scheduled within two weeks of the original inspection date. LogistiCare's vehicle inspection checklist (included in **Attachment 16**, *Provider Monitoring Tools*) outlines every required inspection element.

Vehicles that do not pass inspection, but do not have violations that pose an immediate threat to the safety and comfort of riders, will be passed on a probationary status and given a dated yellow sticker. Examples of conditions that might warrant probationary status include:

- Damaged upholstery
- Missing insurance card
- Missing first aid kit items

The provider will be given 10 days to bring the vehicle into compliance, and the inspector will schedule a re-inspection to confirm the required improvements have been made. Failure to pass the second inspection will result in the vehicle being removed from service. Any deficiencies and actions taken will be documented and become part of the vehicle's permanent record. If the vehicle fails inspection due to a health, safety, or serious comfort issue, it will be given a red sticker to indicate it is out of service. Examples of these types of violations include no seatbelts, no fire extinguisher, malfunctioning brake lights, and similar problems.

Database Management System for Monitoring Provider Compliance

To help LogistiCare managers monitor and manage the ongoing process of provider credentialing, we rely on our LogistiCAD data management system. LogistiCAD captures all the information needed to identify the contracted provider, its capabilities and capacities, and its compliance with basic organizational and credentialing requirements (**Figure 3.3.9**).

LogistiCAD records information such as insurance details, coverage area, the dates during which the provider was on active duty, and the reasons for any termination or suspension of service, as well as extensive details, including renewal dates, for the various kinds of insurance we require of the providers. Our system captures specific data about individual vehicles and drivers, including information on driver identification, license status, training, screenings, and driving violations. LogistiCAD's highly integrated logic *prevents a provider from being reimbursed for any trip provided by a driver or vehicle not fully compliant and on active status.*

Identification and compliance data that LogistiCAD tracks for each vehicle in the program includes:

- Vehicle identification number
- Manufacturer's vehicle identification number

- Make, type, and model year
- Vehicle’s current transportation status
- Inspection histories on each vehicle, including:
    - Inspection date
    - Inspector
    - Results of inspection
    - Odometer reading at time of inspection
    - Inspector’s comments

Figure 3.3.9 (CONFIDENTIAL) – LogistiCAD Vehicle Compliance Screen.
LogistiCAD captures all the information needed ensure vehicles in LogistiCare's network are compliant.

[redacted]

LogistiCare occasionally furnishes providers with small items to keep their vehicles in compliance, thereby keeping vehicles that are truly safe from becoming inactive and potentially disrupting service in the area. For example, a LogistiCare inspector might provide a transportation company with a missing item from a first-aid kit or a seat belt extender.

A "red-lined" vehicle is immediately removed from service. LogistiCare must verify that deficiencies have been corrected before a red-lined vehicle may return to service. Transports that occur in a red-lined vehicle will not be reimbursed and may result in removal of the provider from the NEMT system.

LogistiCare inspectors also perform unannounced vehicle inspections, and immediately remove deficient vehicles from service in accordance with our service contract. These unannounced inspections are made as needed in response to member comments or other operational issues.

3.3.2.1.4 BROKER RESPONSIBILITIES: MEMBERS/INDIVIDUALS/VOLUNTEERS

Medicaid Members, who are eligible for NEMT, may request that someone, other than a Network provider, transport them. The Member may be able to drive him or herself, request that a family member or other acquaintance provide the transportation, or make arrangements with a volunteer for transportation. In any case, the Broker will coordinate the request and make the decision on who provides the transportation. The Broker will ensure the provision of necessary NEMT services by either approving the transportation by someone other than a Network provider, or by making other arrangements for the transportation through a Network provider.

LogistiCare recognizes that Medicaid members eligible for NEMT services may request that someone other than a network transportation provider transport them to a covered service appointment. In compliance with the requirements of the RFP, we will coordinate this request and make the decision about who will provide the NEMT transportation by either approving the transportation by someone other than a network provider or by making other arrangements for transportation through a network provider.

LogistiCare will have an affidavit or statement on the claim forms that the person driving will have to sign attesting to the fact that they meet the standard driver and vehicle guidelines.

3.3.2.1.4.1 STANDARD DRIVER GUIDELINES

All drivers:

a. Must possess a current valid driver's license with no restrictions other than corrective lenses.

b. Must have no limitation or restrictions that would interfere with safe driving. This includes, but not limited to, medical conditions, ignition interlock restriction, or prescribed medication that would interfere with the safe, lawful operation of a motor vehicle.

c. Identified on the Office of Inspector General (OIG) Excluded Provider List are not eligible.

d. Must be trained in the use of ADA access equipment, if vehicle is so equipped.

e. Must use passenger restraint devices as required by law.

f. Must provide assistance to passengers, as needed or requested, particularly for passengers with mobility impairments requiring assistance in boarding, deboarding, or securing a mobility device.

g. Must not smoke while transporting Members.

h. Must not transport Members while under the influence of alcohol or any drug that impairs the ability to drive safely.

As is the case for drivers in our transportation network, LogistiCare will ensure all drivers (members/individuals/volunteers) are in compliance with the standard driver guidelines listed above in *Section 3.3.2.1.4.1.a-h Standard Driver Guidelines*.

3.3.2.1.4.2 STANDARD VEHICLE GUIDELINES

All vehicles:

a. Must currently be licensed and registered as required by law.

b. Must have proof of financial responsibility maintained on any vehicle used to transport Iowa Medicaid Members as required by law. The Broker shall confirm compliance with applicable financial responsibility and/or insurance requirements, which may include Iowa Code chapter 321A, and 761 IAC 910.5(1).

c. Must be kept at all times in proper physical and mechanical condition.

d. Must be equipped with operable passenger restraint devices, turn signals, lights, horn, brakes, a front windshield, windows, and mirrors.

e. Must pass a safety inspection, if required to do so by state or federal law.

If NEMT transportation is provided by someone other than a Network provider, the Broker is also responsible for reimbursement of these claims.

LogistiCare will ensure that the vehicles used by drivers (members/individuals/volunteers) to provide NEMT transportation comply with all regulatory requirements for vehicle safety and maintenance. Before providing NEMT service, all drivers will provide proof of financial responsibility and/or insurance for all vehicles used to transport Iowa Medicaid members, which may include Iowa Code chapter 321A and 761 IAC 910.5(1). In compliance with the requirements of the RFP, LogistiCare will ensure that driver vehicles are kept in all times in proper physical and mechanical condition. All vehicles will be equipped with operable passenger restraint devices, turn signals, lights, horn, brakes, a front windshield, windows, and mirrors.

LogistiCare acknowledges that if NEMT transportation is provided by someone other than a network provider, we will also be responsible for reimbursement of those claims. We are experienced in the management of NEMT member mileage reimbursement programs. Forty-one of our 63 contracts include mileage reimbursement programs. We will provide mileage reimbursement for the members, individuals, and volunteers specified in this section of the RFP. The member will contact LogistiCare to schedule the trip, allowing LogistiCare to verify eligibility, appointment time, and need for the visit. The member will must complete a mileage reimbursement form, which will be signed by the medical provider, to document the trip. Please see **Attachment 17**, *Mileage Reimbursement Materials* for a sample mileage reimbursement trip log and invoice form used in one of our other state NEMT programs. All trip mileage is accurately calculated using geobase technology in LogistiCare's database system. Distances and trip confirmations are reviewed by LogistiCare billing staff before any payments are made.

3.3.2.1.5 PERFORMANCE STANDARDS

a. The Broker must provide a monthly updated Network Plan by the tenth business day of the month following the last day of each month.

b. The Broker will verify annually and have documentation to support, that each network provider is following the "Standard Driver Guidelines" identified in Section 3.3.2.1.3.1 and 3.3.2.1.41.

c. The Broker will ensure annually and have documentation to support, that each network provider is following the "Standard Vehicle Guidelines" identified in Section 3.3.2.1.3.2 and 3.3.2.1.4.2.

In compliance with the requirements of the RFP, LogistiCare will provide the Department with an updated Network Plan by the tenth business day of the month following the last day of each month. We will verify annually and have documentation to support that each network provider is following the "Standard Driver Guidelines" identified in *Sections 3.3.2.1.3.1* and *3.3.2.1.4.1*. We will also ensure annually and have documentation to support that each network provider is following "Standard Vehicle Guidelines" identified in *Sections 3.3.2.1.3.2* and *3.3.2.1.4.2*. For a discussion of our network monitoring and reporting program, please refer to *Section 3.3.2.1.5 Performance Standards*. For a discussion of our Network Plan, please refer to *Section 3.3.2.1.3 Broker Responsibilities: Network Transportation Providers*.

PROVIDER REPORT CARD

LogistiCare uses a process of written monthly feedback to our providers to further ensure compliance with credentialing and performance standards. Our Provider Report Card includes information on each provider's performance regarding seven key measures. These include timeliness, safety, customer service, and ongoing compliance with credentialing standards. Each criterion is separately scored, with the highest possible score being 100. Providers must receive at least a score of 80 on their report cards to retain their active status in the network. (Please see **Attachment 16**, *Provider Monitoring Materials* for a sample copy of our Provider Report Card.) Our Iowa Transportation Supervisor will meet with each provider to review report cards at least quarterly.

Some of these performance criteria are traditional service quality measures. Others represent performance norms which, if violated, may or may not indicate a problem, but which will trigger closer investigation and discussion. Scoring criteria for the report card include the following:

Violation Percentage: This measures the number of valid provider complaints expressed as a percentage of trips completed in the quarter. LogistiCare has set a standard of no more than 1% for the aggregate percentage for all these violations.

Complaint Ratio: This compares each provider's share of total complaints to the provider's share of trips. Any score over (one) 1 indicates that the provider is incurring a disproportionate share of complaints.

Provider Cancellation: LogistiCare has set a standard of no less than 15% for our providers. Providers with less than 15% cancellations are likely to be failing to report all their cancellations properly, which could lead to billing problems later.

On-time Performance: LogistiCare has set a standard of 98% for on-time deliveries to medical appointments, but will expect drivers are compliant with the RFP requirement.

Trips Rerouted: LogistiCare has set a standard of 2% or less for our providers. Anything higher indicates either "cherry picking" by the provider, or a lack of capacity to handle the volume of trips expected.

Percent of Gross Trips Upgraded: LogistiCare has set a standard of .7% (seven per 1,000) for our providers. Anything higher indicates a lack of provider capacity in the service area or some ongoing confusion about the proper level of service for certain riders.

Provider, **Driver, Vehicle, and Insurance Compliance:** LogistiCare has set a standard that each provider achieves a score of 100% with all compliance issues to remain active.

The Iowa Transportation Supervisor will be responsible for reviewing transportation quality data, issuing report cards, and devising corrective actions with providers. LogistiCare informs the provider of deficiencies, meets to discuss possible corrective actions, and outlines the consequences of failure to improve. If sufficient improvements are not voluntarily made, LogistiCare will apply a full range of sanctions, including liquidated damages, withholding of trip assignments, and termination, as outlined in our subcontractor agreement, to enforce performance standards.

3.3.2.2 VERIFICATION OF MEMBER ELIGIBILITY

3.3.2.2.1 STATE RESPONSIBILITIES

a. Provide information on eligibility updates for NEMT services.

LogistiCare acknowledges that the State will provide information on eligibility updates for NEMT services to us.

3.3.2.2.2 BROKER RESPONSIBILITIES

For each Member requesting non-emergency transportation services, the Broker will verify the Member's Medicaid eligibility through the Medicaid Management Information System (MMIS). Eligible NEMT Medicaid Members, as defined in this RFP, are any Medicaid member (adult or child) except:

a. Members who are determined program eligible as a QMB, SLMB, E-SLMB, or QDWP (i.e., Members not eligible for full Medicaid benefits);

b. Individuals participating in the Family Planning Waiver;

c. Individuals receiving benefits under IowaCare, or

d. Individuals who are Medically Needy and who have not met spend down requirements. The Broker will track claims submitted for the spend down until and reimburse Medically Needy Members when they have met spend down requirements.

In compliance with the requirements of the RFP, LogistiCare acknowledges that we will verify the member's Medicaid eligibility through the Medicaid Management Information System (MMIS). If possible, LogistiCare prefers to receive a recurring member eligibility file that we can import into our system to speed up eligibility verification. Eligible NEMT Medicaid members are defined as any Medicaid member (adult or child) as defined in this RFP except those individuals meeting the conditions cited in *Section 3.3.2.2.2.a-d*. For members falling under *Section 3.3.2.2.2.d*, in compliance with the requirements of the RFP, LogistiCare will track claims submitted for the spend-down and reimburse medically needy members when they have met their spend-down requirements.

3.3.2.2.3 PERFORMANCE STANDARDS

a. The Broker will verify eligibility for transportation services within one hour of transportation arrangement requests from Members or their representatives during normal business hours (8am – 5pm).

b. When requests for transportation occur after hours or on weekends/holidays, the Broker will verify eligibility for transportation services within the first two hours of the next business day.

During the prescribed nine-hour business day, LogistiCare's Iowa call center/central business office will be staffed with customer service representatives to take reservation calls and numerous other staff who will be trained to function as back-up or replacement operators if ever needed. Our experience running 14 large-scale NEMT call centers throughout the country provides us with a sound basis for determining the number of phone lines and staff needed to accommodate maximum call volumes on projects of this size. LogistiCare call center services operate 24x7, 365 days a year, exceeding the hours of operation required by the RFP. Normal reservations and administrative calls will be received Monday through Friday from 8:00 a.m. to 5:00 p.m., Central Standard Time. If possible, LogistiCare will verify eligibility for transportation services *during* the call, utilizing data imported from the Department stored in LogistiCAD. In the event we are unable to verify member eligibility during the initial call, we will do so within one hour of the request from members or their representatives. Live staff will also be available after hours to handle calls for urgent care reservations, "Where's My Ride" assistance requests, NEMT provider trip re-routes, and other immediate transportation issues. For a detailed discussion of our member verification process using LogistiCAD, please refer to *Section 3.2.2 NEMT: Brokerage Process.*

LogistiCare will observe the declared holidays of the State of Iowa, which are New Year's Day, Martin Luther King, Jr. Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Because we operate a 365x24x7 call center in Arizona, reservations will be accepted even on these days. LogistiCare will give the Department 30 days' written notice in the unlikely event that we would ever need to be closed on any other date.

3.3.2.3 OFFICE/TELEPHONE CALL CENTER AND APPOINTMENT STANDARDS

3.3.2.3.1 STATE RESPONSIBILITIES

a. Determine policies regarding appointment standards.

LogistiCare acknowledges the State's responsibilities regarding *Section 3.3.2.3* for determining policies regarding appointment standards.

3.3.2.3.2 BROKER RESPONSIBILITIES: CALL CENTER

a. The call center will provide professional, prompt and courteous customer service. The Broker will establish and maintain an adequately staffed call center and ensure that the staff treats all callers with dignity and respect, including making sure the caller's right to privacy and confidentiality are maintained. Telephone and administrative personnel must be familiar with NEMT services.

b. The Broker will process all incoming telephone inquiries for NEMT in a timely, responsive, and courteous manner.

c. The telephone numbers must be listed in the name of the Iowa Department of Human Services. The Broker will relinquish ownership of the toll-free numbers to DHS upon contract termination.

d. The Broker will ensure that the communication and language needs of all Members are addressed, including those of all non-English speaking Members. The Member cannot be charged for translator or interpreter services.

e. The Broker will ensure that Members with emergency requests are referred or transferred immediately to 911 or an appropriate local emergency ambulance service. The Broker will not make arrangements for emergency transportation under its contract.

f. At a minimum, the call center will be staffed to receive reservation requests and inquiries from Members or their representatives during the hours of 8:00 AM to 5:00 PM (local time) Monday through Friday.

g. Relative to after hours, including after 5:00 PM to 8:00 AM, Monday through Friday and on weekends and holidays, a 24-hour telephone service is required to accommodate scheduling advance notice and urgent care appointments. (Holiday schedules are to be identical to the declared holidays of the State of Iowa.) ‘

h. The Broker must provide 24-hour, 7 days per week access by telephone to a live voice (an employee of the Broker or an answering service) that will immediately page an on-call employee of the Broker to address transportation problems during non-office hours.

i. The Broker will have a sufficient number of properly functioning toll-free and V/TTY telephone numbers for Members and other responsible parties to request transportation services and to obtain information about transportation services. Members shall not incur a charge for placing a call, other than those applicable for local calls.

LogistiCare prides itself on the consistent delivery of high quality customer service in all of our nationwide call centers. During CSR training, special emphasis is placed on interaction with callers to ensure CSRs identify themselves by name to each caller, treat all callers with dignity and respect, and process requests in a timely, responsive, and courteous manner. Our training program also educates CSRs about pertinent HIPAA rules and stresses the importance of respecting each caller’s right to privacy and confidentiality.

All staff involved in the NEMT program will receive comprehensive training. CSRs, supervisors, managers, and any other staff with responsibility for the program will be trained to understand the Iowa Medicaid Program and the Medicaid Transportation service requirements, as well as our LogistiCAD system. Additional training will be provided as policies and/or procedures change, and as individual staff members are found to need refresher training through performance monitoring and formal annual performance appraisals. Additionally, LogistiCare provides ongoing scheduled refresher training whenever program’s procedures or contract requirements change. Details of LogistiCare’s training program can be found in **Attachment 7**, *Staff Training Materials.*

ESTABLISH TOLL-FREE NUMBERS

LogistiCare will establish and maintain toll-free numbers, available for members making calls for reservations, complaints and other service-related issues, and “*Where’s My Ride*?” assistance requests. Additional toll-free numbers will be available for health care facilities and transportation providers, as well as an administrative line for IME staff and program stakeholders to reach LogistiCare management without going through the call center staff. In compliance with the requirements of the RFP, these toll-free numbers will be listed in the name of the Iowa Department of Human Services. For a description of each type of phone line, please refer to **Figure 3.3.10** below. In addition, we will provide a facsimile number and e-mail address for our call center in Des Moines and our call center in Arizona.

Figure 3.3.10 –Types of Toll-Free Phone Lines. All these toll-free lines will be provided at service commencement, with all member calls being taken by live operators.

TYPE OF TOLL-FREE LINE	PURPOSE
Reservation line	• Iowa Medicaid members call this number to make reservation requests, follow-up calls regarding trip orders, cancellations, and inquiries, reservation changes, to confirm that a reservation has been made, and to file transportation complaints. • Oral interpretive services provided by our Spanish-speaking and other bilingual CSRs in our Des Moines and Arizona call centers; and free oral interpretive services in more than 150 languages 24 x 7 using our Language Line Over the Phone Interpretation (OPI) services.
"Where's My Ride?" line	• Used by members to learn the status of transportation that may be running late. This line may also be used to file a transportation complaint.
Facility line	• A dedicated line for health care facility staff, which will be answered by trained Facility Coordinators who specialize in the management of standing order trips.
Transportation Provider line	• Reserved for network provider communications.
Administrative line	• Reserved for the client may want to address administrative issues with LogistiCare management staff.

At the end of the contract term, LogistiCare will release and transfer the toll-free numbers used for the Iowa Medicaid NEMT program to the Department.

NON-ENGLISH SPEAKING CALLERS

For callers who are non-English speaking, LogistiCare will offer oral interpretive services through our call center operations by hiring Spanish-speaking and other bilingual CSRs in our Des Moines. We will also make oral interpretive services available free of charge to all language groups using our Language Line Over the Phone Interpretation (OPI) services. Language Line OPI is an excellent telephonic interpretation service available 24x7 to members calling LogistiCare call centers from any location. Language Line interpreters are able to translate more than 150 different languages. Members who need translation services are quickly connected, on an average of 10-20 seconds, to an experienced translator who listens to the caller, analyzes the message, and accurately conveys the meaning to LogistiCare's CSR.

Language Line interpreters are held to the highest standards. These standards include maintaining patient confidentiality, ensuring accurate and complete translations, remaining impartial and unbiased during the conversation, interpreting for only the language(s) which he or she is authorized to interpret, providing excellent customer service, and continuing to improve his or her language skills. LogistiCare has chosen Language Line OPI as its interpreter partner because of its commitment to quality and customer care. For a brochure on Language Line services, please refer to **Attachment 11**, *Call Center Technology*.

LogistiCare CSRs work with Language Line OPI interpreters to communicate with the caller and ensure all information is clear, accurate, and most importantly, understood by the Medicaid member or other caller. When necessary, CSRs communicate with a family member or other acquaintance as requested by the member.

EMERGENCY REQUESTS

LogistiCare's CSRs working in the Iowa call center will be trained to recognize and refer 911 calls to the appropriate emergency service. LogistiCare will not make arrangements for emergency transportation under its contract. Since we will provide 365x24x7 live customer service for receiving reservation requests and inquiries from Iowa Medicaid members or their representatives, our call center operators will always be accessible.

TTY SERVICES

LogistiCare call centers use telecommunications relay services that provide full telephone accessibility to people who are deaf, hearing impaired, or speech impaired, and the Iowa call center will be no exception. With relay services, specially trained communication assistants complete all calls and stay on-line to relay messages either electronically over a Text Telephone (TT/TTY) or verbally to LogistiCare's CSRs. This service is available 24 hours a day, 365 days a year, with no restrictions on the length or number of calls that can be placed. All LogistiCare employees who receive these calls are trained in the use of relay services for the hearing impaired. (Please refer to **Attachment 7**, *Staff Training Materials,* for relay training curriculum materials.)

3.3.2.3.3 BROKER RESPONSIBILITIES: APPOINTMENTS

The Broker is responsible for scheduling all NEMT travel, including lodging, if required, for all eligible Medicaid Members. The Broker must also meet the minimum federal requirements, as defined in 42C.F.R. § 440.170, for provision of transportation services, as well as applicable Department rules.

a. The Broker is responsible at the time of scheduling for determining whether the Member is eligible for ambulatory or non-ambulatory non-emergency medical transportation. Emergency ambulance services are not provided through the NEMT program.

b. If a Member requires same day or next day service, the Broker must make every effort to schedule the trip as requested. Denial of NEMT service due to short notice is not acceptable.

c. If a Member requires out-of-state travel for NEMT, the Broker will respond to requests by scheduling these within 24 hours of the request.

d. The Broker is expected to accommodate passengers who have disabilities or special health care needs. Members with developmental or intellectual disabilities who have recurring trips must, to the extent possible, be scheduled continuously with the same providers and drivers. Similar accommodations should be provided to Members who are physically frail, receiving dialysis or are dealing with other significant mobility or healthcare issues. The Member and/or their legal representative should be notified by the Broker, or the transportation provider on the Broker's behalf, at least 48 hours in advance of any known changes in drivers or providers. The Broker and transportation provider should strive to maintain consistent routes and pick-up and drop off times, once efficient routes have been established.

e. Pick up and drop off requirements

1.The Broker will ensure that a Member's wait time for a Network provider is no more than 30 minutes prior to or 30 minutes after the scheduled arrival time.

2. The Broker will ensure that a Member is not delayed in arriving at a medical appointment due to a delay caused by a Network provider.

3. In the event of an emergency or unforeseen circumstance that prevents the Network provider from meeting the approved window of time for pick up or delivery, the Network provider must contact the Broker and/or the Member to notify them of the occurrence and coordinate resolution. It is ultimately the responsibility of the Broker to ensure the transportation request is fulfilled to the satisfaction of the Member.

a) In the event a delay renders the Member late for their appointment or causes them to miss the appointment, details of the occurrence and resolution must be recorded and provided to the IME.

b) In the event the Member is delayed due to a time overage for a medical appointment or service, and the Network provider has waited at least 10 minutes past the time of scheduled pick-up:

1) The Network provider must notify the Broker of their intention to leave the pickup location, prior to leaving.

2) Upon notification that the Member is available for their return trip, the Broker must make arrangements to have a vehicle available to return to pick up the Member within 45 minutes of the notification.

f. The Broker and a Network provider may work together to group trips to reduce the Members' travel time and to promote efficiency and cost effectiveness. Increased travel time for a group trip cannot exceed by more than 45 minutes when compared to the time that would normally be taken by the Member first picked up to complete the trip without stops.
g. The furthest distance a Member is expected to walk to a bus stop is one-half (1/2) of a mile.

LogistiCare acknowledges that upon contract award, we will be responsible for scheduling all NEMT travel, including lodging if required, for all Medicaid-eligible members. We will meet the minimum federal requirements as defined in42 C.F.R. § 440.170 for provision of transportation services, as well as applicable Department rules.

Utilizing our LogistiCAD database system, which is discussed in *Section 3.2.2 NEMT: Brokerage Process*, LogistiCare will screen each trip request for Medicaid member eligibility and for compliance with the Department's NEMT covered services definitions. The mode of service (ambulatory, stretcher van, wheelchair, etc.) we assign to the trip will be determined by medical necessity and will represent the least costly, most medically appropriate mode of service. When public transit is determined to be the most appropriate mode of service, ambulatory members will walk no more than ½ mile to a bus stop. We also understand that emergency ambulance services will not be provided through the NEMT program.

SAME DAY REQUESTS

Same day requests from members will be transferred directly to our fully trained Transportation Coordinators who will immediately begin the scheduling process to ensure the member's transportation request is fully met. We will follow our standard process for managing special requests for urgent services. Reservations of an urgent nature can be scheduled 24x7 and will be responded to within three hours.

LogistiCare will verify the urgency of the urgent trip request by contacting the facility or doctor to confirm the appointment and the need for transportation. In addition, LogistiCare will respond to requests for scheduling out-of-state NEMT travel within 24 hours. We acknowledge that denial of NEMT service due to short notice will be unacceptable to the Department.

OUT-OF- STATE TRAVEL

LogistiCare is quite experienced making out-of-state arrangements for our NEMT members. We will authorize, arrange, and pay for the most cost-effective, out-of-state transportation, plus any travel-related expenses, for eligible Medicaid members and, in compliance with the RFP, schedule these requests within 24 hours of receipt.

MEMBERS WITH SPECIAL NEEDS

CSRs will receive ongoing training on assigning appropriate service levels via our CSR online training program. Transportation mode information will become a part of the member's personal history file in LogistiCAD and will automatically display to assist CSRs when the member or the member's representative makes subsequent reservations. Members with developmental or intellectual disabilities or who are physically frail, on dialysis, or have other significant mobility and health care issues with recurring trips will be scheduled continuously, to the extent possible, with the same providers and drivers. The member and/or legal representative will be notified, either by LogistiCare or the transportation provider, within 48 hours in advance of any known changes in drivers or providers. Once efficient routes have been determined by the LogistiCAD database, LogistiCare will ensure that providers strive to maintain consistent routes and pick-up and drop-off times.

Pick-up and drop-off requirements

Timeliness is a crucial aspect of NEMT service quality, and LogistiCare will ensure that our timeliness standards for transportation providers meet or exceed the requirements for timeliness as cited in *Section 3.3.2.3.3.e.1-3 Pick-up and drop-off requirements* as it relates to wait times for the following: pick-up trips, return trips, and multi-loaded trips. We have specific reports in LogistiCAD, including our *On-time Performance* report that will help us to monitor these requirements.

Real-Time Response to Late- Running Trips

LogistiCare will provide a toll-free ride assistance number for riders and health care facilities to use whenever scheduled pick-ups (or deliveries) are running more than 15 minutes late. These calls will be taken by LogistiCare Transportation Coordinators (TCs), who will immediately contact provider dispatchers to attempt to solve the problem. If the response from the provider is inadequate, the LogistiCare TC will immediately attempt to make alternative arrangements for the rider. Our LogistiCAD software has a special "recovery" mode that is used to track these trips until the rider is successfully transported. All such assistance requests, and their resolutions, will be recorded in the rider's trip history, where they can then be accessed when quality monitoring reports are run. LogistiCare's provider contract also requires NEMT providers to inform us if any of their vehicles are running late. All "Where's My Ride" calls are entered by the TC into our software system as a complaint, where they are investigated, resolved, and reported like any other complaint. Please refer to our discussion of LogistiCare's complaint management process in *Section 3.3.2.6.2.3 Broker Grievance or Complaint Process: General Requirements.*

When a meaningful service delay is discovered, LogistiCare staff will call affected riders to convey information regarding the nature of the issue, the remedial action being taken, and the expected vehicle arrival time. This awareness of overall system status and performance will allow LogistiCare to take a proactive approach to service and quality issues. The important goal of this communication is to keep all parties informed. In the event a provider causes a member to be late or miss their appointment, LogistiCare will document the details and resolution of the occurrence and provide them to IME.

The NEMT Provider Manual will instruct providers that if they have had to wait at least 15 minutes past the time of the scheduled pick-up of a member due to a time overage of the medical appointment, they are to notify us of their intention to leave the pick-up location prior to leaving. We will then contact the member and schedule a return trip for that individual. Once the new pick-up time is scheduled, we will dispatch a provider to the member's location within 15 minutes of the new pick-up time.

Ongoing Monitoring and Enforcement of Provider Timeliness

Ensuring timeliness begins with conveying specific timeliness performance goals to our providers, which are included in their contracts and monitored in a variety of ways. Timeliness involves ensuring that riders are picked up and delivered on time and that that they do not spend excess time in transit. On-time delivery is defined as members arriving at their appointments within the appropriate time frame window. Our fundamental timeliness standards for our providers will be in compliance with the requirements of the RFP.

LogistiCare's computer system captures all the data required for monitoring each of these aspects of timeliness. Crystal Reports software is used to produce regular and ad hoc monitoring reports on transportation performance metrics. These are then compared with contract standards and with the performance of other providers to identify potentially troubling trends and subpar providers. Each provider is given a monthly "report card" that includes monitoring on key performance measures including timeliness, safety, customer service, and ongoing compliance with credentialing standards.

The Iowa Account Manager (known as the *General Manager* in LogistiCare's organizational hierarchy) will be responsible for reviewing transportation quality data and devising corrective actions for providers. LogistiCare will inform the provider of deficiencies, meet to discuss possible corrective actions, and outline the consequences of failure to improve. If sufficient improvements are not voluntarily made, LogistiCare will apply a full range of sanctions including liquidated damages, withholding of trip assignments, and termination, as outlined in our subcontractor agreement, to enforce performance standards.

Figure 3.3.11 (CONFIDENTIAL) – Average Drop-Off Times

[redacted]

It is apparent from **Figure 3.3.11** that LogistiCare will be able to meet the Department's timeliness standard for pick-ups and deliveries for the Iowa NEMT contract. This data represents actual timeliness performance from several of our NEMT contracts in large western states.

Provider Management Procedures

By only contracting with capable, responsible providers, we greatly increase the likelihood of timely performance. Also, by enforcing vehicle credentialing standards we reduce the likelihood of timeliness problems caused by vehicle breakdowns. By requiring strict driver credentialing and training, we reduce the likelihood of timeliness problems caused by accidents and driving violation citations. By requiring providers to have adequate vehicle communication systems, we reduce timeliness problems caused by communication problems with the driver.

Call Center Contributions to Timeliness

LogistiCare call center staff help ensure timeliness by correctly entering all information related to the trip reservation. We ensure that no delays are caused by bad addresses, vague directions, incorrect level of service specification, or other mistakes. We will inform members of their pick-up times and remind them when to be ready. We will investigate continued no-show or late cancellations by members, as these practices damage the entire system's on-time performance.

CSRs are also trained to schedule pick-up times carefully to allow enough time for each trip to be made safely, while also allowing for efficient multi-loading. The LogistiCAD system assists this process by recommending pick-up times for trips based on calculated distance and level of service. We will assign trips to promote the most efficient use of multi-loaded vehicles. We carefully track the assignment volume of each provider against performance measures to ensure that no provider is receiving more trips than can be managed. Also, our LogistiCAD reservation system contributes to timeliness through its many error-reduction functions such as drop-down menus, address verification, mileage calculation, trip history recall, and extensive note capture.

Other Key Procedures Important for Ensuring Timeliness

While the bulk of our QA program involves the monitoring of quality indicators and the creation of effective quality improvement responses, nothing is as important to performance quality as getting it right the first time. By this we mean structuring operations processes and using technology that inherently tend to produce high quality performance. It is important that we keep this in mind and continue to think of ways to improve our general management processes to prevent quality problems from arising in the first place. While every aspect of LogistiCare operations procedure and technology is designed to promote quality service delivery, there are certain features of our operating model that have a particularly close link to quality assurance.

The most important of these features are:

- Our staff recruitment, training, and retention polices
- Our data management and data security systems
- Our facility outreach and case management procedures
- Our provider recruitment, training, monitoring, and assistance procedures

Monitor Provider Performance

Adherence to driver and provider requirements is essential to the provision of safe, reliable NEMT services that meet all contractual and regulatory specifications. LogistiCare will investigate all instances of provider deficiencies and, upon request by the Department, respond in writing in a timely manner to issues involving NEMT providers. Our proven approach to meeting these imperative requirements centers on the policies and procedures that will be agreed to by the Department and documented in the Provider Manual.

3.3.2.3.4 Performance Standards

a. Call abandon rate must be 5% or less. Calls are considered abandoned if the Member does not talk with a customer service representative.

b. Average wait time of calls will be less than three minutes 90% of the time, measured on a monthly basis.

c. The Broker will schedule and make transportation arrangements for same day or next day transportation services 100% of the time.

d. The average waiting time for all pickups prior to a Member's medical appointment will not exceed thirty (30) minutes 95% of the time.

e. Members will arrive on time for their appointments 100% of the time.

In our Iowa call center, as in all our other call centers, LogistiCare will use Avaya Communications Manager as its telephone system management software. Having used these Avaya products since 2001, we are fully conversant with them, which will allow us to rapidly install them for the Iowa NEMT program while also meeting the Department's goals and requirements for customer service.

Automated Call Distribution features that maximize customer service performance include:

- Separate ACD queues = Faster service as staff matched to specific calls, prioritization of callers.
- Skill profiles = Maximizing utilization of staff skills shortens call time.
- Call/queue data analysis = Optimizing employee schedules for cost-effective staffing.

To leverage the above feature set, we will use the Avaya Call Center Elite ACD product for our Iowa operation. This ACD system is a state-of-the-art telephone switching system with wide-ranging capabilities that will match the monitoring and response requirements of the Department. Please see **Attachment 11** for Avaya Call Center System brochures that describe our system.

LogistiCare has consistently demonstrated the ability to manage call centers within the key performance standards of our state clients, as illustrated by **Figure 3.3.12**, which shows the 2009 year-to-date average speed of answer (ASA) and abandonment rate data for a selection of our state NEMT contracts.

Figure 3.3.12 (CONFIDENTIAL) – LogistiCare Call Center Performance.

[redacted]

With our ACD system, each call type will be directed into a separate waiting group (or queue). Separate ACD groups are created for reservations, customer service calls, administrative calls, Spanish language calls, and other special skill groups. In each group, incoming calls will be queued for the next available operator. Should multiple operators be available, a rotating system will be used so that all operators have an even distribution of calls. Calls coming in from the toll-free ride assistance number will be forwarded to the top of the transportation queue and will, therefore, be answered by the first available and most appropriate operators.

The use of separate phone queues will allow LogistiCare to allocate specially trained staff to specific types of calls. Highly trained employees, dedicated to specific tasks, improve customer service and shorten the average call time. The Iowa Call Center Manager will determine the skill area profile and skills proficiency ratings of each call taker and enter this information into the system. The ACD software will then automatically direct calls to the most skilled persons available in each skill area.

Data regarding peak call demand gathered by the Avaya ACD system and queue utilization will automatically be fed into our *Taske* call management software. Along with real-time call visualization and other monitoring features, *Taske* also provides a staffing tool. The staffing option performs calculations with custom input parameters, and produces reports and a Data Table panel that includes the probability of queuing, probability of delay, average delay time, and average queue depth. These tools assist management in the development of optimized employee schedules. These schedules are then fed into the employee scheduler built into our LogistiCAD software.

We will also use the Avaya *Site Administration* program to run Avaya *Alarm Monitoring*, *Trunk Monitoring*, and *Trunk Analyzer* reports for monitoring the percent utilization of all our voice T1 lines. We will be able to immediately detect whether our telephone capacity is ever, even momentarily, unable to receive an incoming call. All incoming calls to our call centers go through our nationwide carrier-level queuing system set-up by Level 3. However, if a call cannot be delivered to a call center for any reason, the call will be queued at the carrier-level and sent to the local call center when a voice line becomes available.

LogistiCare has established clear, quantifiable performance goals both for our providers and for our call center services. These standards will incorporate all quality goals and measures included in this RFP, as well as other standards that LogistiCare uses across all our programs to ensure a consistent level of quality services.

Call Center Accessibility

This goal is intended to ensure that persons calling the Iowa call center can easily and conveniently reach a CSR and accomplish the goals of their calls, as measured by the following:

- No calls go unanswered
- No busy signal for any caller
- Access to a live CSR who is available 24x7
- Automated voice response system to answer all calls within three rings
- Wait time for all callers to reach a live CSR within 90 seconds or less
- Wait time for hearing-impaired callers to be within 90 seconds or less
- All incoming calls answered within three minutes, 90% of days in a month

Call Center Customer Service

This goal is intended to ensure that callers receive courteous, caring, accurate, and helpful information and assistance, as measured by the following:

- 100% of requests for same day or next-day transportation services will be scheduled
- 99.90% of monitored calls must be error-free and responsive to the caller's needs
- 99.95% of calls taken and reservations completed by a CSR must be free of complaints
- CSRs must score 90 percent or better on weekly evaluations of customer service, accuracy, and thoroughness

Transportation Availability

This goal is intended to ensure that the provider network is complete and that every eligible request for service is accommodated, as measured by the following:

- Denial/reschedule for lack of available service to be less than one per 2,000 requests (.05%)

Transportation Timeliness

This goal is intended to ensure that riders are picked up and delivered on time, without spending undue time in the vehicle, as measured by the following:

- 100% of riders delivered on time to their medical appointments
- Arrival time at appointment to be within 30 minutes of appointment time
- Average wait time for initial pick-ups to be 15 minutes or less
- Average wait time for a scheduled return trip after an appointment to be no more than 20 minutes
- Wait time not to exceed 45 minutes for unscheduled pick-up times
- Multi-loaded trip durations no more than 45 minutes longer than average direct trip time

- Average wait time of no more than 15 minutes for transportation pick-up after a dialysis or chemotherapy treatment
- Fewer than two transportation timeliness complaints for every 1,000 completed trips

Transportation Safety

This goal is intended to ensure that all riders receive a safe and comfortable trip, as measured by the following:

- Fewer than three accidents per 10,000 completed trips
- Fewer than one safety complaint per 1,000 completed trips
- Zero days in which ineligible drivers provide service
- Zero days in which ineligible vehicles provide service

ACD Reporting System

LogistiCare will also employ the Avaya *Taske* reporting system, based on client-server architecture, to provide a complete reporting suite that utilizes all the data from the *Communications Manager/Call Center System*. The reporting system will track the average time callers spend in queue between the automated call pick-up and interaction with a CSR, as well as the unduplicated number of calls placed on hold after the initial call response. Detailed information about abandoned calls, including the daily percentage of lost calls and the number of calls abandoned while on hold or during the wait for interaction with a CSR, will also be collected.

Management will be able to examine and export data, and print detailed reports, on a quarterly-hour, half-hourly, hourly, daily, weekly, monthly, quarterly basis, and annual basis. These statistics will be available both in real-time and retroactively, and will provide all the data for the Department's monthly call center reports. A sample *Taske* brochure is located in **Attachment 11.**

Digital Call Recording

To help maintain the highest levels of service and customer satisfaction, a *Cacti FocusRecord Digital Voice Recording* system (**Attachment 10**) will be used in the Iowa call center to record all calls coming through the ACD system. All calls will be recorded and stored for up to 12 months to facilitate review and evaluation. CSRs will inform all callers that the call is being recorded.

Weekly monitoring of call takers and taping of all reservation calls will allow management to measure and monitor the overall accuracy, courtesy, and helpfulness of call-taking services. Supervisors and corporate quality assurance auditors will have the ability to audit calls from the Iowa call center location, archive the audit, and email a copy to the CSR, management, or the Department. The monitoring form that we use to record CSR performance on their weekly monitored calls is located in **Attachment 7.**

3.3.2.4 NEMT Reimbursement

3.3.2.4.1 State Responsibilities

a. Review and approve monthly Broker contract payments.

LogistiCare acknowledges that the State has the responsibility to review and approve monthly Broker contract payments.

3.3.2.4.2 BROKER RESPONSIBILITIES

The Broker is responsible for reimbursing all NEMT claims to Network providers and Members/individuals/volunteers, including claims for mileage, meals, and lodging. As a part of this responsibility, the Broker must comply with all state and federal tax reporting laws.

Transportation agencies currently bill by mile or by trip. Transportation agencies are reimbursed their usual and customary charge, not to exceed the charge that would be the most economical available source, with a cap of $1.40 per mile for ground transportation. Medicaid Members/individuals/volunteers are currently reimbursed at 30 cents per mile. The Department intends to change the Iowa Administrative Code at 441--78.13 to remove these reimbursement requirements, and revise the rules to allow a broker system, effective with the first date of operations of the brokerage.

The Department currently uses the Department of Administrative Services (DAS), State Accounting Enterprise (SAE) rates and procedures for meal and lodging reimbursement. The DAS rates for meals and lodging are considered to be maximums.

a. DAS has established reasonable maximum meal reimbursements through the authority of 11 Iowa Admin. Code § 41.6(2).

b. For a complete listing of DAS – SAE rules affecting reimbursement for meals and lodging, please refer to their website at: http://das.sae.iowa.gov/internal_services/210_travel.html. Receipts are required to be submitted for all meal and lodging reimbursements.

LogistiCare has very detailed provider payment processes that have been honed by nearly two decades of experience paying subcontracted providers. We process millions of provider payments each year, including payments to subcontracted providers, volunteer drivers, and transit companies. LogistiCare's verification process for all billed trips is discussed below.

We acknowledge the Department currently uses the Department of Administrative Services (DAS), State Accounting Enterprise (SAE) rate and procedures for meal and lodging reimbursements, and that these rates are considered maximums. LogistiCare will become familiarized with the DAS-SAE rules affecting reimbursement found at the above-referenced website. In compliance with the RFP requirements, we will require members to submit receipts for all meal and lodging reimbursement requests. We also acknowledge that the Department intends to change the Iowa Administrative Code at 441--78.13 to remove these reimbursement requirements, and will revise the rules to allow a broker system, effective with the first date of operations of the brokerage.

PROVIDER PAYMENT PROCESS

If the scheduling information in LogistiCAD agrees with the trip information submitted by the transportation provider, the trip will be validated and authorized for payment. The value of each trip will be automatically calculated using mileage, class of service, and rate table information for each provider incorporated into the LogistiCAD system. If there is a disparity between a submitted invoice and the authorized trip record in LogistiCAD, the trip will be denied for payment and sent back to the transportation provider, along with a Payment Detail report. The Payment Detail report lists the amounts paid for each trip and the reasons for any trip denials.

The transportation provider will then correct and resubmit any denied trips. The vast majority of denied claims result from incomplete documentation on the part of providers. If a provider continues to appeal a trip denial, it will be resolved by LogistiCare's Claims Manager or, in some instances, the Iowa Account Manager. Clean claims will be processed, on average, within 20 days of submission.

All providers will be given a disbursement schedule that shows them when payments will be made for clean claims submitted during each two-week period. This schedule will be provided in the Provider Manuals and also online in our web interface.

MONITORING THE CLAIMS PAYMENT PROCESS

The claims payment process is monitored electronically through the LogistiCAD data management system. As invoices are submitted to the LogistiCare office, the information is entered into LogistiCAD and tracked electronically from that point. The system calculates the payment amount, processes claims for payment, and provides data for various reports. LogistiCAD has a direct interface to our corporate Epicor accounting system. Invoices approved for payment are uploaded into Epicor, which generates the check payments and accounts payable aging reports. As for claims payment, LogistiCare is able to remit payments electronically via wire transfers to those transportation providers capable of accepting electronic payments; otherwise, manual checks are issued.

LogistiCare's finance and accounting department is responsible for overseeing the claims payment process. According to LogistiCare's standard operating procedures, payments are disbursed twice each month, either through a manual check or electronically through a wire transfer. Our transportation provider contracts usually stipulate that all invoices received during one two-week payment period will be paid at the end of the second following payment period.

After all trips in an invoice batch have been verified, a report is generated by the LogistiCAD system, which is used to track and monitor the claims payment process. This report can indicate by transportation provider the number of billed trips for each date of service, when the invoice (claim) was received by LogistiCare, when the invoice was submitted to accounts payable for payment, when it was paid, and the amounts billed and paid. The report also indicates the number of days required by LogistiCare to process and pay the claim.

Each provider is given a detailed Billing Procedures Manual during the initial contracting and orientation process and introduced to his/her company's specific billing representative. If a transportation provider calls to inquire about a claim, the call is automatically routed to the assigned billing representative, who retrieves the relevant Payment Detail report and explains the payment process.

Should any dispute arise regarding provider payment claims, it is resolved following the Dispute Resolution and Arbitration procedure found in our Provider Contract.

3.3.2.4.3 PERFORMANCE STANDARDS

a. 90% of all Network provider or Member/individual/volunteer claims will be processed and paid or denied within ten (10) business days of a complete and valid claim form.

b. 95% of all Network provider or Member/individual/volunteer claims will be processed and paid or denied within fifteen (15) business days of a complete and valid claim form

c. 100% of all Network provider or Member/individual/volunteer claims will be processed and paid or denied within twenty (20) business days of a complete and valid claim form.

LogistiCare strives to be consistent with transportation providers in all aspects of operations, including, but not limited to, payment schedules. Our timely and reliable payment of provider invoices addresses transportation providers' primary concern—getting paid on time.

LogistiCare pays 100% of clean claims within 20 days of invoice receipt, which meets the requirements of this RFP. In compliance with the requirements of the RFP, 95% of claims will be paid or denied to network providers and members/individuals/volunteers within 15 days of invoice receipt, and 90% of clean claims from network providers and members/ individuals/volunteers will be paid or denied within 10 days of invoice receipt.

3.3.2.5 Member Education

3.3.2.5.1 STATE RESPONSIBILITIES

a. Provide information on NEMT program or policy changes to the Broker.

b. Review and approve all written materials.

c. Distribute brokerage system information to Members.

LogistiCare acknowledges the State's responsibilities for member education cited in *Section 3.3.2.5.1*.

3.3.2.5.2 BROKER RESPONSIBILITIES

a. The Broker will issue updates to the information provided to Members on an as-needed basis, when there are mate-rial
changes that will affect access to services. This includes additions and changes to the provider network.

LogistiCare acknowledges that it will be our responsibility to update all member education materials on an as-needed basis when there are material changes that will affect access to services. This includes additions and changes made to the transportation provider network.

3.3.2.5.3 PERFORMANCE STANDARDS

a. The Broker will update all written materials within 15 business days after an NEMT program or policy change.

LogistiCare acknowledges that all written materials will be updated within 15 business days after an NEMT program or policy change.

3.3.2.6 GRIEVANCE, COMPLAINTS, AND FAIR STATE HEARINGS SYSTEM

3.3.2.6.1 STATE RESPONSIBILITIES

a. Review and approve the Broker's grievance and complaints forms and tracking tools.

b. Provide information to the Broker regarding the State Fair Hearing process.

LogistiCare acknowledges the State's responsibilities regarding State Fair Hearings as cited in *Section 3.3.2.6.1.a-b Grievance, Complaints, and State Fair Hearings System.*

3.3.2.6.2 BROKER RESPONSIBILITIES

The Broker shall have a system in place for Members/Individuals/Volunteers and Network Providers that allows for a grievance and complaints process and access to the State agency's fair hearing system.

In compliance with the requirements of the RFP, LogistiCare will have a system in place for members/individuals/volunteers and network providers that allows for a grievance and complaints process, as well as access to the State agency's fair hearing system.

LogistiCare will respond to verbal complaints (grievances) within one business day of receipt and to written complaints within three business days of receipt. Complaints will be resolved and complainants notified in writing within 10 days of their filing. Resolutions will be executed either by LogistiCare alone or in concert with the transportation provider. All complaints that have been appealed or disputed will be resolved within 90 days from the date the grievance was received by LogistiCare or one of our network providers. Complaints received by LogistiCare regarding a transportation provider are faxed to that provider, and a response is required within 24 hours.

3.3.2.6.2.1 DEFINITIONS

Appeal – A request for review of an action, as action is defined in this section.

Appeal Process – The Broker's process for informing Members regarding the right to file an appeal with the State Fair Hearing system and the process for doing so.

Grievance or Complaint – An expression of dissatisfaction about any matter other than an action. Possible subjects for grievances or complaints include, but are not limited to, the quality of the services provided, and aspects of interpersonal relationships such as rudeness of a Network provider's employee, or failure to respect the Member's rights.

Grievance or Complaint Process – The Broker's process for handling of grievances or complaints that complies with the requirements specified herein, including, but not limited to, the procedural steps for a Member/Provider to file a grievance or complaint, the process for disposition of a grievance or complaint, and the timing and manner of required notifications.

Grievance, Complaint, and State Fair Hearing System – The overall system in place for Members that includes a grievance or complaint process and access to the State Fair Hearing system.

Inquiry – A request form a Member/Provider for information that would clarify the Broker's policy, benefits, procedures, or any aspect of the Broker's function but does not express dissatisfaction.

LogistiCare acknowledges the definitions provided above in *Section 3.3.2.6.2.1 Grievance, Complaints, and State Fair Hearings: Definitions* and will include these in their materials regarding grievance, complaints, and State Fair Hearings.

3.3.2.6.2.2 MEMBER AND PROVIDER NOTICE OF ADVERSE ACTION

The Broker must notify the requesting Member/Provider of any decision to deny a service authorization request, or to authorize a service in an amount, duration, or scope that is less than requested. Please refer to Section 3.3.2.1.2.1 for more information on Notice of Adverse Action.

LogistiCare acknowledges that the requesting member/provider must be notified of any decision to deny a service authorization request, or authorize a service in an amount, duration, or scope that is less than requested.

3.3.2.6.2.3 BROKER GRIEVANCE OR COMPLAINT PROCESS: GENERAL REQUIREMENTS

Give Members any reasonable assistance in completing forms and other procedural steps not limited to providing interpreter services and toll-free numbers with TTY/TDD and interpreter capability. This includes providing a full and complete explanation of the process to the Member.

a. Acknowledge receipt of each grievance or complaint.

b. Inform the Member of the disposition of the grievance or complaint in a format approved by the IME.

c. Inform the Member of the availability of the State fair hearing process for any action.

LogistiCare takes inquiries, complaints, and appeals seriously, handles them with the utmost urgency, and resolves them swiftly and courteously. We have a proven approach to managing and reporting complaints for all of our current projects. Due in part to our stable transportation provider network and increased access in rural areas, our performance history is characterized by an exceptionally low level of complaints — averaging only two (2) complaints per 1,000 trips even before validation.

As illustrated in **Figure 3.3.13**, we average 99.8 percent complaint-free service across our major state NEMT operations. LogistiCare will receive and respond to all inquiries and complaints related to NEMT services, and we will provide reports to the Department as required by the RFP. LogistiCare will respond to verbal complaints within one business day of receipt and to written complaints within three business days of receipt.

Figure 3.3.13 (CONFIDENTIAL) – Complaint-Free Trips.

[redacted]

LogistiCare will assist any member needing help with filing a complaint. Such assistance will include, but not be limited to, completing complaint forms, verbally explaining the complaint process, offering interpreter services for non-English speaking members, and providing toll-free numbers with adequate TTY/TTD service for hearing-impaired members. We will make information about our grievance and State Fair Hearing process readily available verbally and written in English, as well as prevalent non-English language(s). For callers who are non-English speaking, LogistiCare will offer oral interpretive services through our Iowa call center operations by hiring Spanish-speaking and other bilingual CSRs. We will also make oral interpretive services available free of charge to all language groups using our Language Line Over the Phone Interpretation (OPI) services.

In compliance with the requirements of the RFP, LogistiCare will acknowledge receipt of each grievance or complaint, and inform the member of the disposition of the grievance or complaint in a format approved by IME. We will also inform the member of the availability of the State Fair Hearing process for any action.

3.3.2.6.2.4 GRIEVANCE SYSTEM: RECORD KEEPING AND REPORTING

The Broker must maintain records of all grievances, complaints and appeals to the State Fair Hearing process. Such records will be made available to the IME upon request.

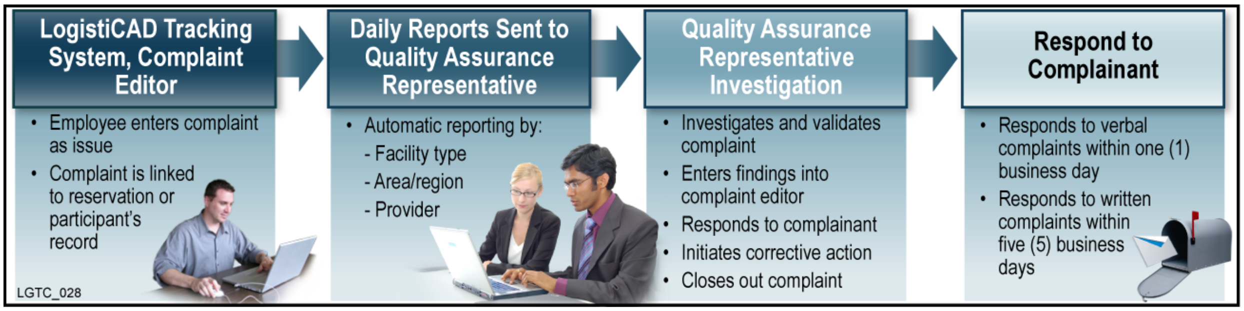
Complaints may be filed by members, providers, our own staff, health care facility staff, or other sources. All complaints from all sources, whether received verbally or in writing (including email), will be immediately recorded in our LogistiCAD system. LogistiCAD produces daily analytical reports that contribute to improved service quality. The complaint system allows us to manage complaints regarding all facets of service. These complaints may be in regard to LogistiCare employees, treatment facilities, riders, transportation companies, or drivers. By providing a centralized tracking system, we can ensure that complaints are successfully resolved, and that we provide the necessary follow-up reporting.

Using the analytical and investigative capabilities of LogistiCAD, our Quality Assurance (QA) Representatives can identify corrective action and incorporate changes into our policies and procedures to improve quality of services. LogistiCAD's flexibility enables us to link any complaint or issue to the corresponding member's record, to a particular trip record, or to both.

This feature allows for instant referencing whenever the members calls or when trip records are investigated. The entries will become a permanent record of the issue management process.

A QA Representative is responsible for entering the details of the complaint, investigation, and corrective action into the complaint database. All complaint occurrences are considered valid unless investigation finds otherwise, in which case the complaint is closed. For example, a complaint from a member about not being allowed to smoke in a vehicle would be considered invalid, as the driver would only be enforcing NEMT program rules. (However, the complaint may be valid if the member is also complaining about the manner in which the driver spoke to him/her). The following process flow (**Figure 3.3.14**) illustrates our complaint tracking and resolution process.

Figure 3.3.14 – Complaint Tracking and Resolution Process.



ENTERING COMPLAINTS USING THE RESERVATIONS EDITOR SCREEN

Our Transportation Coordinators will register and code all complaints, including coding real-time calls about a late trip as a complaint. Information from these calls will be entered into LogistiCAD's Complaint screen as an "Issue" and linked to the appropriate reservation and/or member record. This capability will allow for instant referencing whenever the member calls or when trip records are investigated. The Complaints screen in the Reservations Editor (**Figure 3.13.15**) will allow Transportation Coordinators and others to review past complaints or enter new complaint information associated with each trip. **Figure 3.13.15** also displays the complaint type and tier fields, which we will discuss later in this section.

Figure 3.3.15 (CONFIDENTIAL) – Complaints Screen in Reservations Editor.

[redacted]

Using complaint categories, any employee will be able to enter a complaint into the system at any time. The system will be adaptable enough to allow category modifications to meet the specific needs of the Iowa program. The following table (**Figure 3.3.16**) identifies the typical complaint categories we currently use.

Figure 3.3.16 – Complaint Categories.

TYPICAL COMPLAINT CATEGORIES	
• Eligibility Issue	• Rider Issue
• Facility Issue	• Rider No Show
• Injury	• Reroute Issue
• LogistiCare Error	• Transportation Provider Issue
• LogistiCare Employee Issue	• Driver Issue
• No Vehicle Available	• Unknown / Other
• Provider Late	• Vehicle Issue
• Provider No Show	

In addition, LogistiCAD automatically assigns all complaints a Tier designation, in accordance with the complaint type selected at the time of entry. As illustrated in **Figure 3.3.17** below, this tiered classification system is used to code the severity of each complaint.

Figure 3.3.17 (CONFIDENTIAL) – Automatic Tier Designation.

[redacted]

Complaints can also be entered into a separate Complaint Editor, as shown below in **Figure 3.3.18**, which consists of two tabs: Ledger and Detail. Both are used for reviewing, analyzing, and resolving customer complaints. The Detail screen is used to enter and display all the information corresponding to a specific complaint, including complaint and activity comments.

Figure 3.3.18 (CONFIDENTIAL) – Complaint Editor.

[redacted]

The initial "Entered Complaint" activity is always automatically entered when a complaint is created. Activity data serve as a permanent record of the steps taken towards complaint resolution. Additional types of activities are identified in **Figure 3.3.19**.

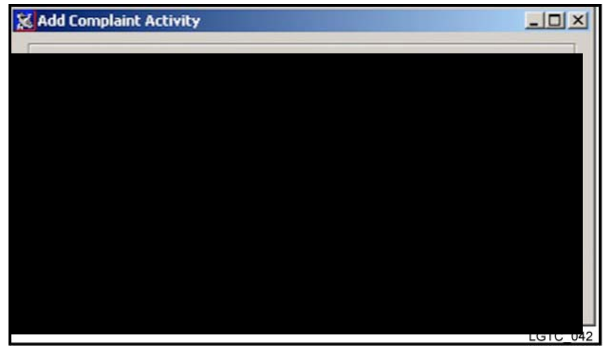
Figure 3.3.19 – Activity Types.

ACTIVITY TYPES	
• Call Made	• Fax Received
• Call Received	• Fax Sent
• Closed Complaint	• Final Response
• Comments Added	• Letter Received
• E-mail Received	• Letter Sent
• E-mail Sent	• Reopened Complaint

Users can select the complaint activity types using established categories. Certain activity types involve special procedures. These include Closed Complaint, Final Response, and Reopened Complaint.

- **Closed Complaint** – This code is used when all work associated with the complaint has been completed. This choice enables the Closing Code drop-down list, from which the QA Representative must select Valid, Invalid, Insufficient Information to Validate, or Inquiry. LogistiCAD stores a standard letter format for each type of complaint closure code. As displayed in **Figure 3.3.20**, when the Send Letter box is checked, the system automatically incorporates the closing comments into the appropriate letter format and generates the completed letter.

Figure 3.3.20 (CONFIDENTIAL) – Complaint Letter.



- **Final Response** – This activity is usually performed in conjunction with Closed Complaint. The Final Response Comment contains a clear explanation of the final findings regarding the complaint. It is considered a summary of the entire issue, and if the Send Letter box is checked, this same text that will automatically appear in the Resolution Letter.

- **Reopened Complaint –** If the complaint was prematurely closed, the reopened activity "unlocks" the complaint and allows the staff to make additional entries and modifications. In addition, it will clear any closing code previously entered; however, the closing activities will remain in the activity grid.

On the Ledger screen in the Complaint Editor, the user can view all complaints stored in the system. As illustrated in **Figure 3.3.21**, the top window of the Ledger screen displays basic information about each complaint. When a specific complaint is selected, the lower window displays complaint status and actions information for the highlighted complaint. Based on this information, we can easily produce an open complaint report that identifies any unresolved issues. In addition, LogistiCare uses the database information to measure and report the time lapsed from complaint to member communication, and subsequently to corrective action. These analyses help monitor complaint procedures and ensure that we are resolving issues and communicating with members within required time frames.

Figure 3.3.21 Figure 3.3.20 (CONFIDENTIAL) – Complaint Letter. – Electronic Complaint Tracking Log.

[redacted]

All complaint-related information entered in the LogistiCAD system will carefully tracked, in order to:

- Maintain complete documentation of all verbal or written expressions of dissatisfaction, and actions taken to resolve the issues
- Monitor the complaint process to ensure that appropriate action is taken within required time frames
- Analyze LogistiCare and provider network performance in key member-facing areas
- Identify issues and possible trends that require management action or correction
- Guide ongoing quality improvement efforts
- Provide the Department with complete summary reports of all complaints and resolutions as required and requested

Tracking and Reporting

Our management staff is responsible for tracking and analyzing complaints. LogistiCAD uses a high-performance relational database management system that allows complaints to be tracked according to any field of interest and a variety of variables, such as:

- Provider
- Date
- Member
- Type of Complaint
- Agency

Figure 3.3.22 describes our standard complaint reports. These reports can be easily modified to meet the Department's needs.

Figure 3.3.22 – Complaint Reports Description.

REPORT	DESCRIPTION
Individual Complaint Data	• Provides a detailed record of user-selected complaints including detailed information on a complaint, the complaining party, whom the complaint was against, trip information, and the complete complaint activity listing along with the closing code
Provider Detail	• Shows a listing, grouped by provider, of the complaint type, date, trip identifiers, and closing code of complaints made during a user-specified date range • Provides totals by complaint type and transportation provider. The report is generated for complaints that are open, closed, or both.
Provider Summary	• Shows a summary, grouped by provider and region, of complaint types and the number of times they have occurred during a user specified date range. It also provides totals by transportation provider. • Generated for complaints that are open, closed, or both.
Region Detail	• Includes a listing, grouped by transportation provider then by region, of the complaint type, date of complaint, trip identifiers, and closing code of complaints made during the user specified date range • Provides totals by complaint type, region and transportation provider. The report is generated for complaints that are open, closed, or both. Selection criteria include all or selected regions only.
Region Summary	• Shows a summary of complaint types, grouped by transportation provider and region and the number of times they have occurred during a user specified date range. • Provides totals by transportation provider. The report is generated for complaints that are open, closed, or both. Selection criteria include all or selected regions only.
Region by Closing Code	• Summarizes the number of complaints sorted by region, complaint type and closing codes; the complaints are further segmented by the complaining party and grouped by region and complaint type. • Generated for complaints made during a user selected date range, for user-selected regions, and for complaints that are open, closed, or both.
Facility	• Shows a summary of the number of occurrences of each complaint type, grouped by facility and complaint type • Generated for complaints made during a user-selected date range, for the user-selected facilities, and for complaints that are open, closed, or both.
Facility Type	• Summarizes the number of each complaint type, by facility type, within a user-defined time frame; grouped by facility type and complaint type. • Generated for complaints made during a user-selected date range, for user-selected facilities, and for complaints that are open, closed, or both.

We can provide the Department with any standard or ad-hoc reports from the LogistiCAD system, in addition to the monthly summary report of complaints and resolutions specified in the RFP. In compliance with the requirements of the RFP, we will issue the Department a complaint summary report by the 10th calendar day of the following month of activity.

As specified by the Department, the complaint summary will include information such as listed in the following table (**Figure 3.3.23**):

Figure 3.3.23 – Complaint Summary Information.

COMPLAINT SUMMARY	
• All complaints received • Dates received • Date of resolution if applicable	• A description of the resolution, • All complaints not yet resolved • Complaints in the process of resolution • Complaints that have been resolved

Our summary complaint report for the Department will comply with specifications and formatting approved by the Department. Exact content will be outlined in the final Complaint Resolution Tracking System Plan that will be submitted to the Department as part of the contract readiness review process.

Complaint Analysis and Continuous Improvement

Our management staff will analyze all complaints and the actions taken to resolve them. The purpose of this analysis is to determine the quality of services provided to members, to detect any practices that require corrective action, and to guide program improvement strategies. Analysis includes, but not limited to:

- The number of complaints received
- Grievances categorized by specific type or variable
- A review of corrective actions taken
- Recurring expressions of dissatisfaction in any service areas
- The identification and study of any patterns and/or discernible emerging trends
- Recommendations of specific performance improvements that should be reflected in our business practices

The results of the tracking and analysis processes are incorporated into quality improvement plans as needed. A summary of the analysis will be shared with the Department as part of LogistiCare's monthly reporting.

3.3.2.6.2.5 Access to State Fair Hearing

If the Member disagrees with the resolution of the grievance or complaint by the Broker, the Member may request a state fair hearing. The right to a fair hearing and how to obtain a hearing must be explained to the Member by the Broker.

The Broker will represent the Department in State Fair Hearings.

LogistiCare acknowledges that if a member disagrees with the resolution of a grievance or complaint by us, that member may request a State Fair Hearing. We will explain to the member the right to a fair hearing and the process for obtaining one. LogistiCare also acknowledges that we will represent the Department in State Fair Hearings.

3.3.2.6.2.6 PROVIDER ARBITRATION

a. Because network transportation providers will not be providers of the Department, the Department will not afford such network providers access to the State Fair Hearing process unless required to so do by law.

b. The Broker shall include a clause in its standard network provider agreement that affords network providers the right to bring disputes to binding arbitration following completion of the Broker's internal grievance process.

c. Binding arbitration shall be conducted free of charge by state staff of the IME. The decision of the state staff arbitrator shall be final and binding on the parties.

LogistiCare acknowledges that the Department will not give transportation providers access to the State Fair Hearing process unless required by law. Our ability to retain transportation providers is based on our commitment to fairness, consistency, communication, and investment. Even in the best of environments, issues might arise that could lead to provider dissatisfaction if left unaddressed. As is the case with NEMT Medicaid members, LogistiCare provides a system for which providers can bring disputes to arbitration after completing our internal grievance process. Policies and procedures for transportation providers in Iowa wishing to file a complaint with LogistiCare will be outlined in the NEMT Provider Manual.

LogistiCare will respond to verbal or written complaints from NEMT providers within one business day of receipt and to written complaints within three business days of receipt. We will make best efforts to resolve complaints for providers before they proceed to a grievance. At the time we respond to the initial complaint, we will advise the NEMT provider of their right to file a grievance with us.

As we do for NEMT Medicaid member complaints, LogistiCare will log and track all complaints, grievances, appeals, and arbitrations regarding providers in LogistiCAD. For a detailed discussion of LogistiCare's Complaint Resolution Methodology, please refer to *Section 3.3.2.6.2.4 Grievance System: Record Keeping and Reporting Requirements.*

3.3.2.6.3 PERFORMANCE STANDARDS

a. The Broker will must provide a monthly report on all grievance's and/or complaints by the tenth business day of the month following the last day of each month.

b. The Broker will must provide a monthly report on the all disposition of State Fair Hearing appeals by the tenth business day of the month following the last day of each month.

In compliance with the requirements of the RFP, LogistiCare will provide a monthly report on all grievances and/or complaints by the tenth business day of the month following the last day of each month. We will also provide a monthly report on all the disposition of State Fair Hearing appeals by the 10th business day of the month following the last day of each month. For a discussion of our complaint tracking and analysis system, please refer to *Section 3.3.2.6.2.4. Grievance System: Record Keeping and Reporting.*

3.3.3 TURNOVER

Turnover is activated when the State contractually transfers responsibility for the operations functions to a new entity (i.e. a newly awarded Broker). All bidders will be required to provide a commitment for full cooperation during the turnover responsibility that comes at the end of the contract term awarded by this RFP, including preparation of a Turnover Plan, when requested by the State.

Additionally, the very last payment for Operations due the Broker will not be paid until the Broker has satisfied all turnover obligations.

LogistiCare has established procedures for contract transition that assures the Department of a smooth changeover at contract end. LogistiCare will continue to coordinate transportation services until the end of the contract period. Services will continue uninterrupted while transition activities occur. Transition activities are designed to smoothly hand-off transportation coordination responsibilities to ensure continuous service. In addition, it is critical that any Transition Plan smoothly fit into, and be a mirror image of, the new contractor’s Implementation Plan. If requested by the State, LogistiCare will prepare and provide a Turnover Plan.

LogistiCare acknowledges that the Department will withhold final payment until we have satisfied all turnover obligations.

4.2.6 Corporate Organization, Experience and Qualifications

The Department must gain the maximum benefit from a statewide, single NEMT brokerage in Iowa. Whether through a seamless transition and implementation or the efficient management of network providers and resources, LogistiCare is best prepared to make a difference for Iowa beginning on day one.

4.2.6.1 Experience

The bidder shall provide the following information regarding its experience: (4.2.6.1.1) List all services similar to those sought by this RFP that the bidder has provided to other business or government entities; (4.2.6.1.2) identify if the services were timely provided and within budget; and (4.2.6.1.3) letters of reference from three (3) business contacts.

LogistiCare is a non-emergency medical transportation (NEMT) broker with more than 20 years of experience. We currently provide NEMT access for nearly seven (7) million eligible Members annually and are equipped with the knowledge, people, and advanced systems required for success in Iowa. Given our experience, we can leverage broad capabilities to meet the following critical objectives for the Department:

- Effectively operate under a capitated reimbursement system that limits Iowa's risk in implementing an NEMT brokerage
- Effectively credential, train, and enhance a statewide transportation network enabling local drivers to continue serving riders, as well as increasing service where limited today
- Seamlessly implement a statewide, single broker system within 90 days—and without disruptions along the way

Highlights

National Experience

- More than 20 years delivering like services
- Broker with the most state-based NEMT contracts
- Leader in implementing and managing statewide coverage programs
- 80% of contracts under capitated system

Corporate Strength

- 1,300 employees across the U.S.
- Over $450 million in annual revenues
- 14 call centers

Top Performer

- First URAC accredited NEMT broker
- 95% client retention rate over 15 years
- 63 NEMT contracts in 39 states and Washington DC

As an industry leader that has provided like services many times before, LogistiCare is confident we can deliver. Our implementation plan would expedite Iowa's transition to a statewide, single broker system and quickly result in a reliable provider network, satisfied Members, and a more efficient operational model.

Our 63 transportation brokerage projects in 39 states and the District of Columbia today enable us to bring a set of diverse capabilities to Iowa. While our approach will be tailored to the specific needs of Iowa, we offer the experience and expertise gained by implementing and operating an NEMT broker system that has been tried and tested in multiple states. We focus on transportation and medical provider relationships, eligibility verification, alternative access, and 24/7 live customer care to make a difference in the quality of service for clients and Members.

Additionally, 80 percent of LogistiCare's contracts are under capitated payment programs. We can, therefore, confidently identify and manage the challenges in transitioning from a fee-for-service system to reimbursement under a capitated system. Others with less experience may face new challenges and consequently deny services to Members with critical needs like dialysis treatment, cancer care, and rehabilitation.

In fact, there is often a fine balance between utilization and profitability for brokers operating under a capitated system. We bring experienced and specialized utilization review staff to manage that balance. By performing regular internal audits to ensure authorization procedures are working properly, running daily reports to ensure decisions and coding are accurate, and reinforcing responsiveness in our bilingual call centers, we place significant focus on utilization. Additionally, our data management methods and software system, *LogistiCAD*SM, are built on our experience and effectively support our approach to utilization and authorization.

As a result of our approach and systems, LogistiCare was the first NEMT broker to achieve Utilization Review Accreditation Commission (URAC) accreditation in 2006 and re-accreditation in 2009. Accreditation is a process by which an impartial organization (URAC) reviews a company's operations to ensure that the company is conducting business in a manner consistent with national standards. The URAC standards were developed by a committee of experts representing diverse interests in the health care community—providers, health care organizations, insurers, and the public—offering a widely recognized acknowledgment of excellence. LogistiCare has achieved this acknowledgement not just once, but twice, to demonstrate high levels of consistency and reliability over time.

LogistiCare delivers NEMT services on a nearly national scope. Our coverage area, which includes ten (10) states where we have transitioned clients from a fee-for-service program to a capitated broker managed system, is highlighted in *Figure 4.2.6-1*.

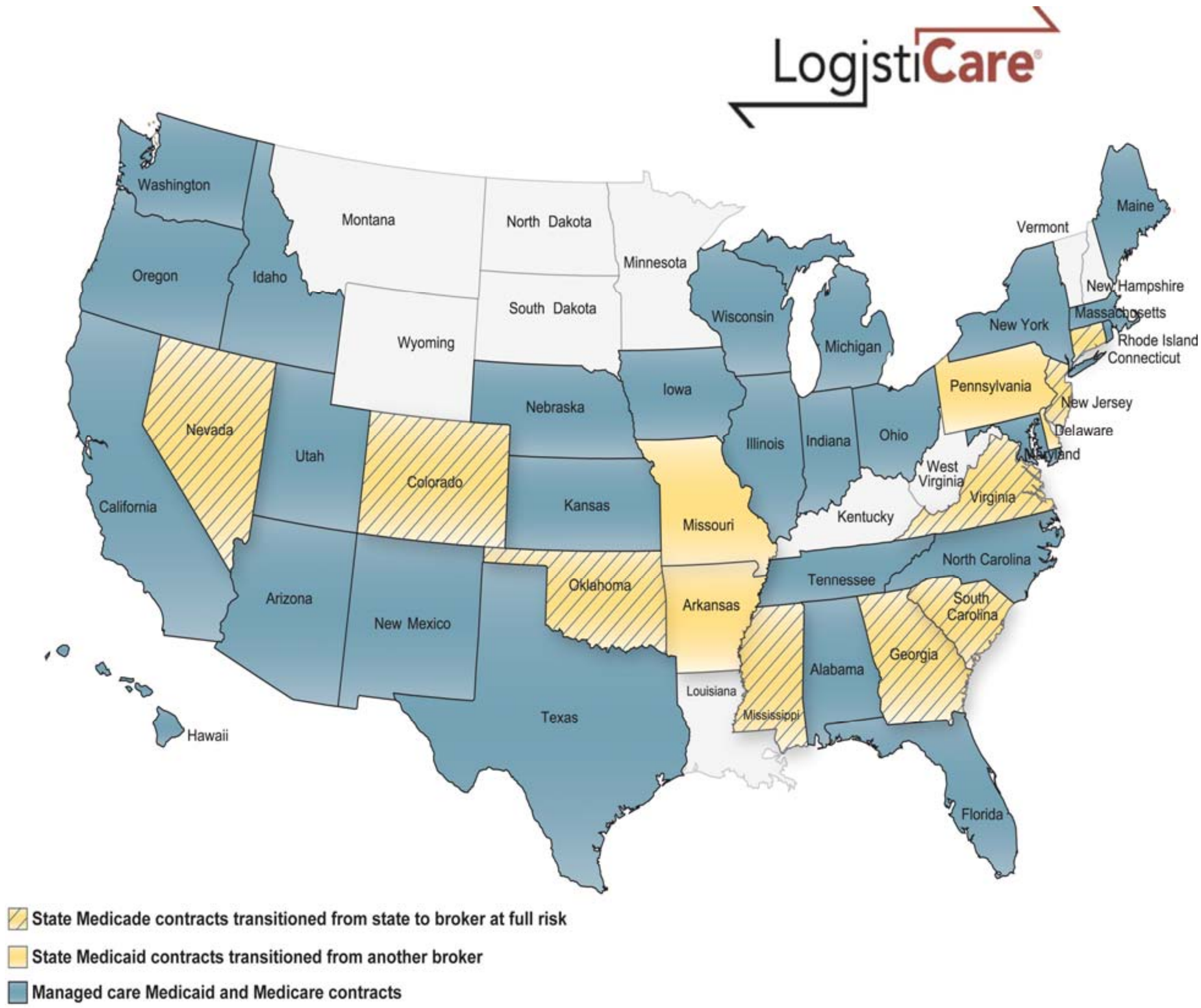


Figure 4.2.6-1. Experience Makes a Difference. *LogistiCare can draw on experience from 63 contracts in 39 states and Washington DC to meet the challenges inherent in a transformation the size and scope of Iowa's. In fact, we bring more experience transitioning states to a capitated system than any other contractor. Our tried and tested solution will result in lower risk and higher value for Iowa.*

Further, our track record of accomplishments demonstrates we can stay the course and achieve significant outcomes in Iowa as we have with other clients. *Figure 4.2.6-2* provides a snapshot of a series of key corporate events, program implementations, and contract re-awards since 1989.

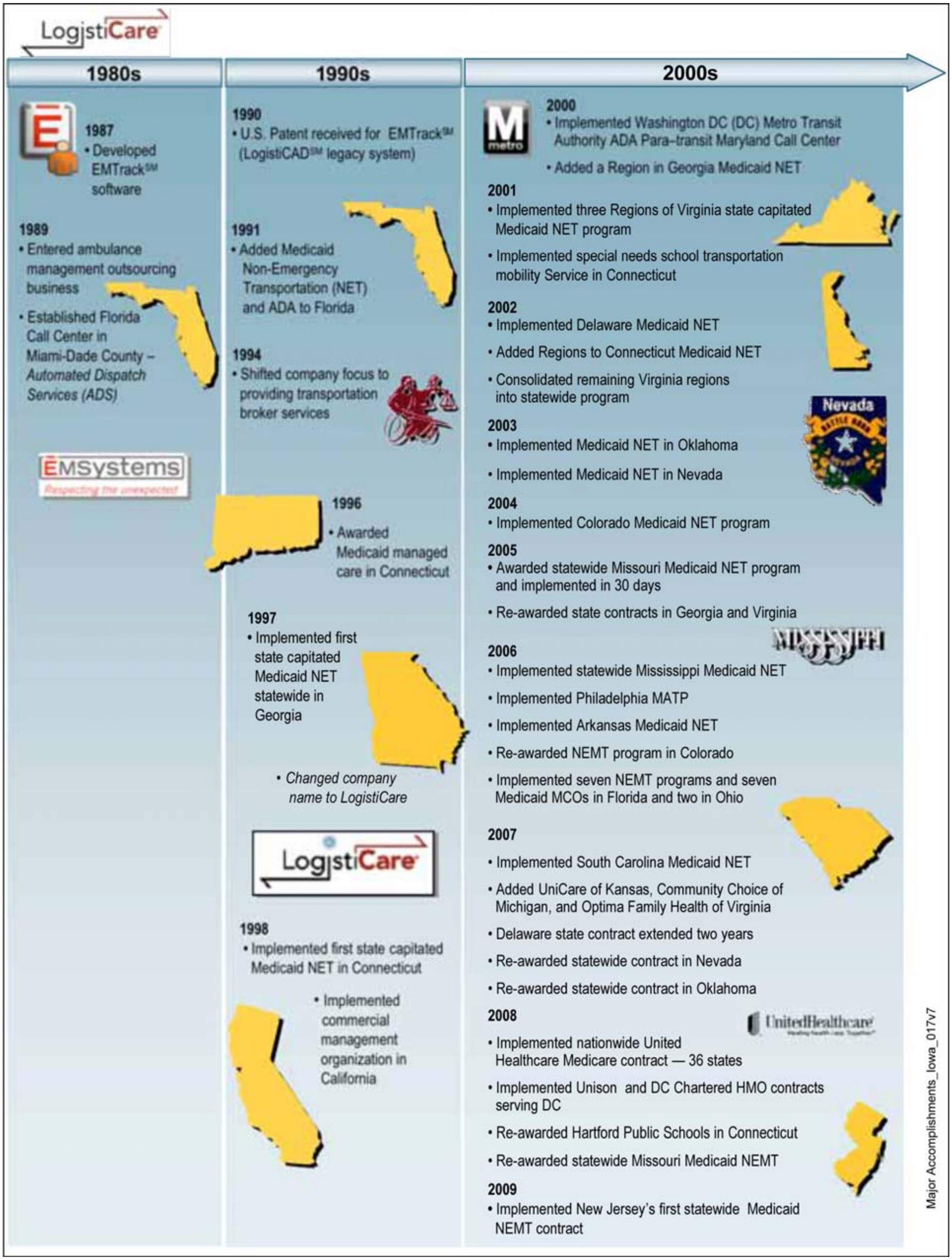


Figure 4.2.6.-2. LogistiCare's Major Accomplishments. *Our long history demonstrates a strong commitment to success and results. As a dedicated NEMT broker, our success becomes Iowa's success.*

LogistiCare offers the experience Iowa requires to transition from a decentralized system to a statewide, single broker system—seamlessly. Our extensive implementation experience, transportation network experience, and our experience managing under capitation will quickly result in quality, improved access and reliability for the Department and Members.

Throughout the remainder of this section, we will show that our performance record is reliable, our people can make a significant difference, and our financial stability provides the foundation necessary for selecting LogistiCare as Iowa's single NEMT broker.

4.2.6.1.1 Successful in Delivering Like Services

List all services similar to those sought by this RFP that the bidder has provided to other businesses or governmental entities. This includes all contracts and projects that the bidder currently holds or is working on with a contact person's name from that business or governmental entity.

Not all brokerage programs are "full brokerage" programs involving all the management skills required by Iowa. Some brokerage contracts involve only administrative services and do not require the broker to create, manage, and compensate the provider network. Other programs only involve a limited range of service types (no stretcher or wheelchair, for example). Others may not require front-end authorization and call center services and only require the broker to assign trips to a network of providers. Many do not involve the financial risk associated with capitation.

LogistiCare has extensive experience with all these important elements of the Iowa program. Our NEMT management experience means we have faced the full spectrum of NEMT management challenges across numerous states, with broadly varying geographic requirements, and regulatory implications. As *Figure 4.2.6-3* demonstrates, we have multiple contracts and experience performing all of the key management tasks.

Similar Services

Primary Comparability Criteria	AR DMS	CT DSS	CO HCPF	DE DHS	GA DCH	MO DSS	MS DOM	NJ DMAHS	NV DHCFP	OK HCA	PA DPW	SC DHHS	VA DMAS
Large Scale													
Over 400,000 trips per year	◆	◆		◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Over $8,000,000 in annual value	◆	◆		◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Statewide contract				◆		◆	◆	◆	◆	◆			◆
Over 60,000 square mile service area						◆			◆	◆			
Full Broker Financial Responsibility													
Capitated payment methodology	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Financial responsibility for transportation	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Scope of Service Responsibilities													
Call Center Services	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Reservations, authorizations ("gatekeeping")	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
On-site multi-lingual staff		◆	◆		◆			◆	◆	◆	◆	◆	◆
Contractual call center performance standards	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Network Management													
Recruitment and contracting	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Provider payment administration	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Provider performance monitoring and enforcement	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
On-going provider and driver credentialing	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Vehicle standards monitoring and enforcement	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Like-Iowa Levels of Service	◆	◆		◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Levels of Service Provided													
Ambulatory	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Wheelchair	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Stretcher			◆	◆	◆	◆		◆	◆	◆		◆	◆
Type of Provider Used													
Allow volunteer drivers	◆	◆	◆	◆	◆		◆		◆	◆	◆	◆	◆
Utilize volunteer drivers	◆			◆	◆		◆		◆	◆		◆	◆
Allow gas reimbursement	◆	◆	◆	◆	◆	◆	◆		◆	◆	◆	◆	◆
Allow mass transit	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Utilize mass transit	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Geography/Demographics													
Remote rural service areas	◆	NA		NA	◆	◆	◆	NA	◆	◆	NA	◆	◆
Mountainous service areas	◆		◆		◆				◆	◆			◆
Out-of-state transportation	◆	◆		◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Implementation Responsibilities													
Creation of new local LogistiCare call center	◆	◆	◆		◆	◆	◆	◆		◆	◆	◆	◆
Creation of new LogistiCare provider network	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Hiring/training of new local project team staff	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Implementation completed within 120 days	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆

Figure 4.2.6-3. LogistiCare Serves Similar Clients with Similar Services. *While NEMT brokerages vary by state, LogistiCare manages similar services across numerous contracts and can draw on the processes, methods, our Medicaid regulatory experience, and lessons learned to implement and operate a single broker system that meets Iowa's unique needs.*

Capitation System Experience

LogistiCare's long history as a full-risk broker means we have faced the many challenges that come with managing pre-paid services and have invested years developing programs aimed at controlling utilization and lowering cost. Our knowledge and methods have enabled us to provide budget predictability even during times when Medicaid enrollments continue to grow. Keeping brokerage costs manageable have slowed the rate of growth in Medicaid costs for many of our clients.

Further, stabilizing utilization is the result of identifying covered and non-covered services, reviewing and investigating fraud and abuse, verifying trip frequency against medical claims frequency, and applying proper levels of service with each individual trip request. It does not come from denial of services to Members.

The LogistiCare solution is designed to reinforce benefit coverage and help eliminate inappropriate NEMT service. Thus, our focus on enforcing coverage and eliminating inappropriate service has resulted in a highly efficient brokerage system. In fact, our current data shows we deny less than .0025 percent of trip requests.

Transportation Network Experience

We have already begun preparation by familiarizing ourselves with Iowa and local transportation providers. Because transportation network management is one of LogistiCare's core competencies, we have a deep understanding of transportation providers' needs and can be proactive and responsive to them.

In fact, LogistiCare currently manages a national network of 1,500 transportation providers giving us the most extensive experience managing and credentialing providers and drivers in the industry today.

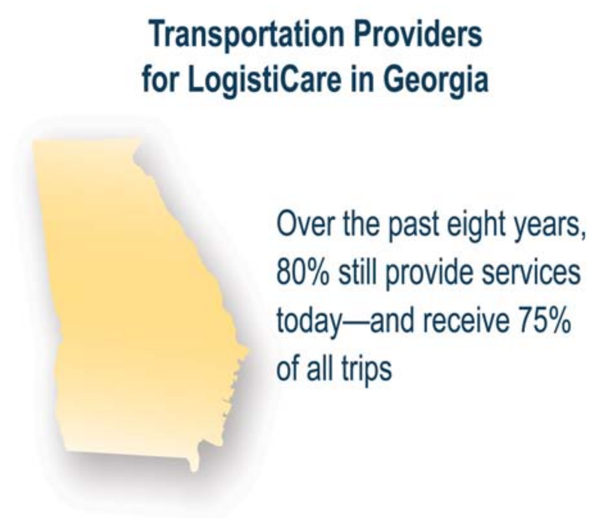


Figure 4.2.6-4. High Retention Rates. *The majority of providers serving Members in Georgia over the past eight (8) years are still providing services with LogistiCare today. We retain quality providers and take the steps necessary to remove unsafe or unreliable vehicles from the network.*

As a result of our experience with providers, we have developed a depth of resources that enable quality providers to continue delivering even in the face of rising costs—especially smaller, local providers. For example, LogistiCare has developed an insurance program delivered through a partnership between LogistiCare and several insurance industry leaders to offer affordable insurance for safe, NEMT drivers. The program is typically appealing to local providers who benefit from the readily available industry data and knowledge many larger insurers' may not have to determine the right premiums for smaller operations. We have invested more than four (4) million dollars in our insurance program and currently serve providers in 23 states. More detail is provided in *Section 3.2, Scope of Work.*

Figure 4.2.6-5. Complaint-Free Service. *We strive to keep vehicles on the road and Members on time. LogistiCare is in business to make a difference and will bring the same tenacious approach to bear for Iowa.*

Further, LogistiCare has extensive experience bringing transportation resources to rural areas in states with widespread rural areas like Georgia, Nevada, Virginia, Mississippi, and Oklahoma. By offering commercial providers incentives and creating networks of volunteer drivers, we have been repeatedly successful in facilitating NEMT services in areas where long trips from rural to urban centers are required for regular care.

A stable transportation provider network is critical to budget predictability for Iowa. LogistiCare will pass our transportation network management efficiencies on to the Department in the form of more predictable budgets. To achieve a stable network, we will not only bring on quality providers to enable and effectively manage the network, but we will continually measure our performance. We will maintain accurate and reliable data so we can report on network effectiveness and continuously improve our networks. And our broad client base not only allows us to leverage our experience, but also track important comparison data that will be useful in establishing a standard for a stable provider network in Iowa.

Our methods for recruiting and managing transportation networks have been tested for Iowa many times before in multiple other states. A review of missed trips data as depicted in *Figure 4.2.6-6*, for example, shows that missed trips resulting from “no vehicle’s available (NVA)” and “no provider willing to transport (NPWT)” declined while actual trips increased.

Finally, LogistiCare professionals manage eligibility authorization and NEMT eligibility screening for most of our clients and in the process can ensure verification procedures and critical policies have been met. As a result, we can confidently and expeditiously pay providers. On average, LogistiCare pays providers within 20 days from receipt of invoice.

Overall, the Department can rely on LogistiCare to develop, manage, and retain a stable network that results in fewer missed trips, higher levels of Member satisfaction and budget predictability for Iowa.

Implementation Experience

LogistiCare’s implementation experience spans two

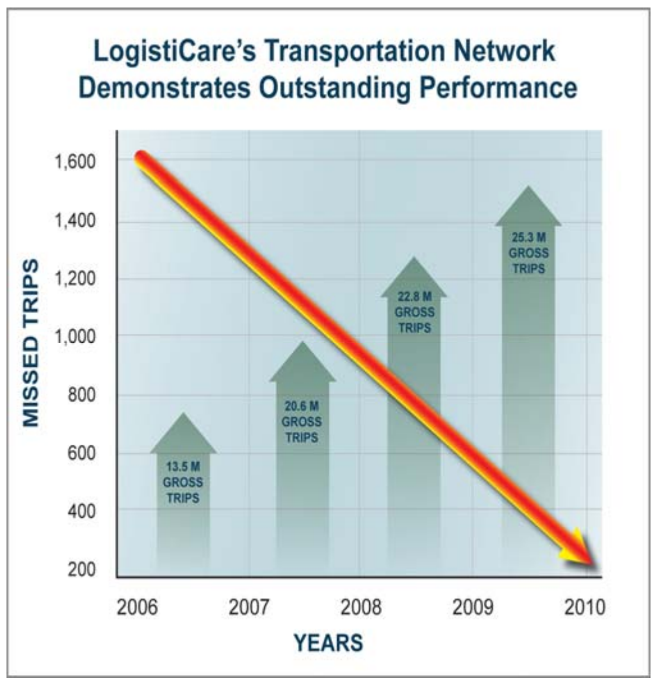


Figure 4.2.6-6. Missed Trips Decline While Actual Trips Increase. *LogistiCare has reduced the number of trips missed as a result of “no vehicles available (NVA)” or “no provider willing to transport (NPWT)” while actual trips increased over the past four (4) years. The outcome is the result of stable and quality networks. We intend to leverage our experience and trigger the same outcomes in Iowa.*

(2) decades. We have implemented large-scale capitated NEMT programs with the highest trip volumes and demonstrated our networks, methods, and systems numerous times. Others in the industry may not have had the same litmus test and could, therefore, have difficulty claiming the same benefits for Iowa. As demonstrated by the numbers in *Figure 4.2.6-7*, we have implemented the same requirements for many clients.

IMPLEMENTATION REQUIREMENTS	NUMBER OF LOGISTICARE CONTRACTS
Startup schedule of 90 days or less	58
New call center creation and build out	14
Transition to client's first brokerage system	53
Creation of a new provider network	33

Figure 4.2.6-7. Extensive Implementation Experience. *LogistiCare brings the depth of experience with all components of implementing a new transportation brokerage system to meet Iowa's requirements and deliver a lower-risk solution.*

Any state implementing a system the size and scope of Iowa's NEMT brokerage would face many challenges. Smaller vendors with less experience than LogistiCare could face some challenges for the first time. The Department requires a seamless and quick implementation, with little to no room for first-time challenges, and can rely on LogistiCare's track record and experience with all of our clients—many with similar scope.

Figure 4.2.6-8 lists major implementations in other states showing the time it took to implement along with the corresponding number of monthly trips covered. With more implementation experience than other contractors, we understand what can go wrong. Given our experience, we are capable of identifying and preventing costly implementation mistakes in Iowa that can impact long-term success.

LOGISTICARE NEMT IMPLEMENTATIONS		
STATE NEMT CONTRACT	MONTHLY TRIPS	STARTUP DAYS
Philadelphia County	450,000	120
Virginia Expansion (Regions 2, 3, 4, 7)	214,000	21
New Jersey	180,000	120
Georgia (3 regions, 1997)	140,000	60
South Carolina (4 regions)	121,000	90
Missouri	70,000	30
Mississippi	60,000	60
Oklahoma	55,000	60
Virginia Startup (Regions 1, 5, 6)	52,000	60
Connecticut (2 regions)	50,000	90
Arkansas (3 regions)	45,000	30
Delaware	45,000	60
Kentucky (Region 6)	43,000	45
Nevada	34,000	60
Colorado (8 counties)	24,000	30

LOGISTICARE NEMT IMPLEMENTATIONS		
STATE NEMT CONTRACT	MONTHLY TRIPS	STARTUP DAYS

Figure 4.2.6-8. Implementation Timeline Comparison. *LogistiCare has extensive experience implementing NEMT systems in fewer than 120 days and will leverage all experience for a smooth start-up in Iowa.*

4.2.6.1.2 TIMELY AND COST-EFFECTIVE PERFORMANCE

Identify if the services were timely provided and within budget.

LogistiCare's NEMT performance has been consistently successful across all of our contracts and is demonstrated by an extremely high contract retention rate (over 95 percent in the past 15 years). In fact, eight (8) current state projects required a first-ever brokerage program implementation within aggressive timeframes. We were able to deliver on time and on budget for each project. Further, we have more experience transitioning clients from fee-for-service systems than any other contractor, so we are keenly aware of cost issues and the requirement for delivering cost-effective services.

Given the magnitude and complexity of implementing a statewide, single system brokerage, we work closely with agency partners to determine requirements and establish metrics for timely and cost-effective service. Further, we measure and report on our performance continuously so we can effectively support our clients in making timely and cost-saving decisions.

Further, our rural access solution in South Carolina demonstrated how supplementing the rural transit system (RTS) offset costs there. As demonstrated in *Figure 4.2.6-9*, by implementing a cost-effective transportation network, we were able to offset the cost of RTS and reduce reliance on costly ambulance services for after-hours and weekend transportation. We intend to leverage our experience in South Carolina and with other like clients for Iowa.

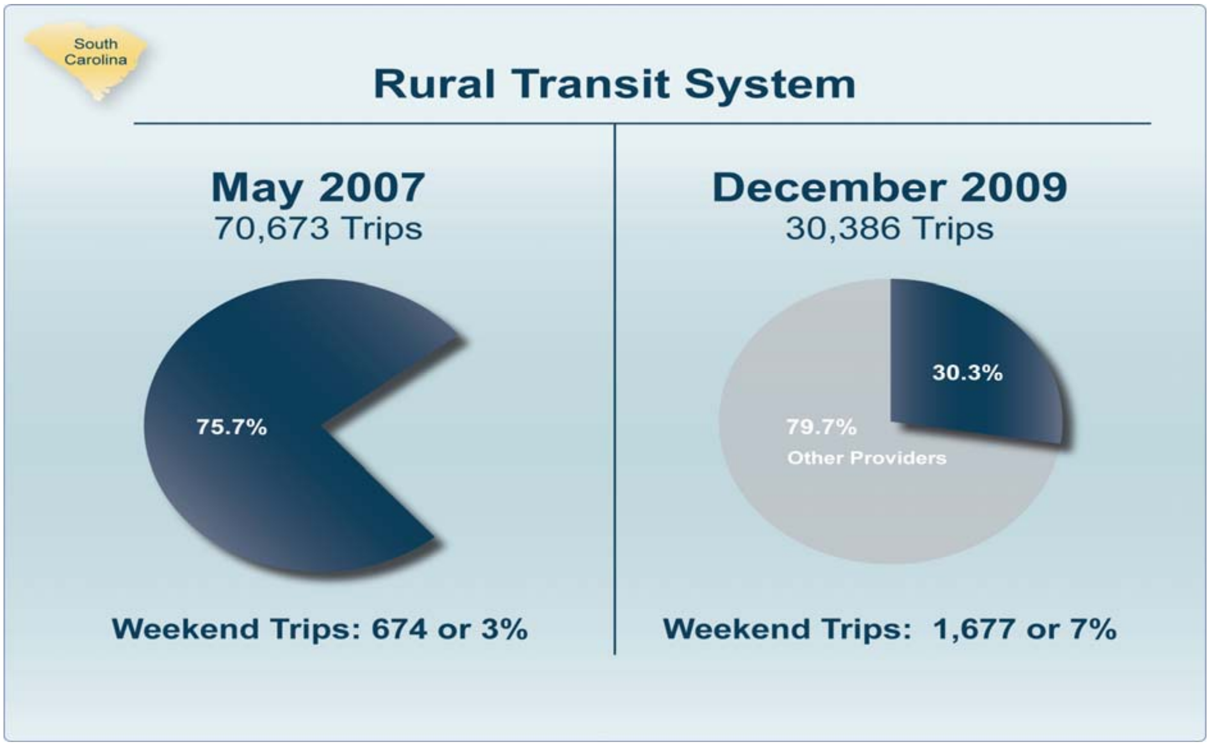


Figure 4.2.6-9. Supplementing RTS for More Cost-Effective Performance. *Because LogistiCare has been able to cost-effectively supplement RTS providers in South Carolina, other Medicaid programs and ADA programs have benefited. We augmented services to save costs and bolster service for Members. For example, fewer ambulances were needed after hours and on weekends in South Carolina over a three (3) year period, saving significant cost and freeing emergency vehicles for actual emergencies.*

Ultimately, we have a consistent record of reducing our clients' costs while delivering on time and improving service quality and access across all of our contracts. *Figure 4.2.6-10* and *Figure 4.2.6-11* highlight examples of timely and cost-effective performance.

LOGISTICARE DELIVERS TIMELY PERFORMANCE ACROSS IMPLEMENTATION AND OPERATIONS	
TIMELY IMPLEMENTATION RECORD	**TIMELY OPERATIONS RECORD**
In 2009, despite unlikely challenges in start-up in New Jersey, we implemented in an orderly methodical manner for an on-time implementation to ensure uninterrupted service.	• Data from 2009 through March 2010 demonstrates 95 percent of all riders were dropped off on time for non-emergency medical care scheduled appointments.
In 2005, we accelerated a 30-day implementation in Missouri, by establishing a provider network, staffing a call center, and beginning statewide services ahead of schedule to meet the need.	• In South Carolina, since our timely service started in May 2007, we have managed 10,000 calls and 120,000 trips each month, with less than two (2) complaints for every 1,000 trips.
In 2004, we went to Colorado to stabilize NEMT services under an emergency procurement. We immediately assumed responsibility and began service to Members to meet all time requirements.	• Since the beginning of 2010, our data demonstrates that across all clients, more than half the calls answered through our call centers were answered in less than 40 seconds.

Figure 4.2.6-10. Track Record of Timeliness. *LogistiCare is in the business of providing timely services. We have been successful in meeting all requirements and improving services for our clients. We intend to bring the same success to Iowa.*

LogistiCare's Past Performance includes Significant Cost Savings for States	
State Client	**Cost Effective Results Achieved**
Oklahoma Health Care Authority	• Oklahoma selected LogistiCare to implement a capitated reimbursement system to stop fees from going beyond negotiated rates and control costs. LogistiCare was successful and awarded additional contract work in 2003 and 2004.
Georgia Department of Community Health	• Saving 30 million dollars, our brokerage system immediately reduced overall program costs and brought Georgia's per-trip costs in line with the national average. We introduced detection procedures that led to several high-profile convictions for longstanding fraudulent providers, concurrently increasing ridership 300 percent and bringing services to 29 previously un-served rural counties.
Missouri	• Saving more than 10 million dollars, we equipped and staffed a call center and implemented a transportation network within 30 days. In fact, we took aggressive measures to keep transportation providers from closing their doors by providing advanced payment.

Figure 4.2.6-11. Past Performance and Reliability Go Hand-in-Hand. *We have participated in delivering valuable cost savings for our clients—for example, in Oklahoma, Georgia, and Missouri. Given our timely and cost-effective past performance, the Department can be confident LogistiCare will deliver the value-added services required in Iowa, beginning day one and through the life of the contract.*

Overall, LogistiCare meets *all* start-up dates, meets or exceeds *all* contract obligations, and has established positive, lasting working relationships with *all* of our clients. We encourage the Department to reach out to our clients to verify our record.

4.2.6.1.3 Established with Reliable References

Letters of reference from three (3) business contacts. Acceptable letters will be from business contacts with knowledge of the bidder's performance as a primary contractor. Letters must be from business contacts with knowledge of the bidder's performance as a primary contractor in providing services similar to the services described in this RFP and a contact person and telephone number for each reference.

LogistiCare encourages the Department to contact our references. We are confident in the reliability of our references and the insights each can provide regarding implementing a new statewide, single broker system. Our three (3) references have similar NEMT brokerage systems and can offer Iowa additional background regarding LogistiCare's performance, as well as insight regarding transitioning to a single broker system. **Exhibit 2** contains the three (3) reference letters from the contacts listed below, along with phone numbers, in response to the Department's requirement.

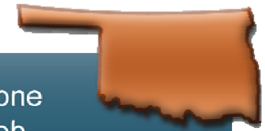
The following highlights are followed by summaries of our performance for each contract.

[redacted]

Figure 4.2.6-12 (CONFIDENTIAL). Reliable References from Like Contracts. *We encourage the Department to reach out to our references. LogistiCare knows the Department will only benefit from a partner who can bring a long history of success and prosperous business relationships.*

The following provides additional background regarding our references and may be useful for Iowa as you prepare to discuss past performance.

OKLAHOMA
HEALTH CARE AUTHORITY
(AUGUST 2003 – PRESENT)



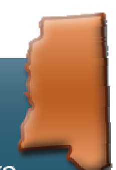
"They have done an excellent job transporting our patients to and from treatments. Our patients are on time for their treatments and picked-up from their treatments on time."
– *Gambro Healthcare, OK*

Oklahoma faced challenges with meeting rural participants' needs.

LOGISTICARE'S ACHIEVEMENTS

- LogistiCare was awarded the statewide contract for the SoonerRide Medicaid NEMT program in May 2003, commencing service in August on a contract covering 250,000 Medicaid lives.
- The state had originally moved to a brokerage model in 1999, but the payment structure in the brokerage agreement allowed fees beyond the pre-negotiated rate, and cost control became a major problem. There was also an unmet challenge in adequately serving the many sparsely populated portions of the state. When the original contract expired and Oklahoma selected LogistiCare, the state's agreement with us called for a capitated system, a feature missing from the previous brokerage arrangement until just prior to the end of the contract.
- In November 2003, LogistiCare was offered the opportunity to serve an additional 190,000 lives covered under the SoonerCare Plus program. The company began to serve these additional patients in January 2004.
- In 2007, Oklahoma awarded LogistiCare another multi-year contract to continue administering the SoonerRide program.

MISSISSIPPI
DIVISION OF MEDICAID
(NOVEMBER 2006 – PRESENT)



"All of the staff at LogistiCare that I have come into contact with are professional, responsive and courteous…I am convinced that our patients are getting the care and service that they deserve and need."
– *Renal Care Group, MS*

This contract was the state's first adoption of a statewide full-risk, capitated broker model.

LOGISTICARE'S ACHIEVEMENTS

- In both our implementation and ongoing operation, we have paid special attention to the challenges of service delivery due to the devastating blow dealt to the area by Hurricane Katrina.
- Almost all of Mississippi's 82 counties were declared disaster areas, and many are still recovering today.
- We have increased the use of public transportation and expanded the transportation network to include many smaller local providers.
- LogistiCare continues to ensure that the transportation services are comprehensive, reliable, safe, cost-effective, and consistent throughout the state.

NEW JERSEY

DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES (JULY 2009 – PRESENT)

This is New Jersey's first statewide Medicaid NEMT brokerage contract.

LOGISTICARE'S ACHIEVEMENTS

- LogistiCare is helping improve service quality and safety through more detailed oversight of NEMT provider performance and compliance with credentialing requirements.
- In an effort to provide visibility into program activities, we are implementing enhanced data management and detailed reporting on all aspects of the service.
- New Jersey initiated this program change to control costs, eliminate billing fraud, increase the use of transit services, and improve service quality.
- Moving to a single, capitated professional NEMT management was intended to enhance budget predictability and reduce agency administrative cost, while improving transportation reservations with local professional call center services.

"LogistiCare did an outstanding job during the short 3 month transition period in organizing the provider network and setting up their office and call center... Overall operation of our non-emergency transportation program has improved since LogistiCare took over the program and their enforcement of vehicle safety and driver compliance regulations has definitely strengthened our program."
– *Richard H. Hurd, Director of Office of Contract Compliance, NJ Division of Medical Assistance and Health Services*

4.2.6.2 Personnel

The bidder shall provide the following information regarding its personnel. Key personnel described in the bidder's proposal must be the same personnel that begin work on the project unless the Department is notified of and approves a change.

LogistiCare will use a mix of existing experienced personnel and highly qualified, locally hired personnel to effectively staff the Iowa NEMT program. Since we are a large organization with dozens of trained operations managers nationwide, we can supplement our local staffing efforts by temporarily bringing in experienced managers from other states, as necessary. *Figure 4.2.6-13* shows how our corporate team comes together to meet your needs.

Our experienced personnel and organizational model for Iowa reflect outstanding past performance. We can balance efficiency, effectiveness, and quality by distributing tasks among specialized staff operating in Iowa and among our corporate team. In the following pages, we describe our organization, provide an overview of our key personnel, and provide resumes to demonstrate that LogistiCare is the single, most qualified NEMT broker for Iowa.

Figure 4.2.6-13. One Organization. *LogistiCare will bring a depth of experience from one organization. The Department can rely on responsive leaders, program managers, and administrators who have worked together successfully time and again.*

4.2.6.2.1 Organized to Meet Iowa's Needs

Provide a table of organization. Illustrate the lines of authority. Include the names and credentials of the owners and executives of your organization and, if applicable, their roles on this project. Also include key personnel who will be involved in providing services contemplated by this RFP.

The Department requires a low-risk transition as it moves from a decentralized, non-emergency medical transportation system to a brokerage and single network of providers statewide. The inherent risks include inefficiencies that impact the state budget, as well as Member services. LogistiCare has built its strong qualifications over time. We have a long history of providing solutions for similar clients. We are fully equipped to meet the challenges of an implementation of this importance and can confirm operations meet Iowa's requirements and Members' needs. We have been building our business since 1989. Organization facts and corporate structure are provided on the following page in *Figure 4.2.6-14*.

Corporation Facts

- 1989 Started out as Automated Dispatch Services
- 1994 Incorporated as LogistiCare, Inc.
- 1999 LogistiCare Solutions, LLC ("LogistiCare") was developed to deliver NEMT broker services and is a wholly-owned subsidiary of LogistiCare, Inc.
- LogistiCare, Inc. is composed of two subsidiaries:
  - LogistiCare
  - A support insurance programs provider company
- Charter LCI is a holding company for LogistiCare, Inc. with no business activity
- 2007 Providence Service Corporation acquired Charter LCI
- Providence Services Corporation is a public company
- Providence owns community-based, behavioral health services subsidiaries
- LogistiCare does not have a board of directors
- Herman Schwarz is LogistiCare's chief executive and manager
- LogistiCare is governed by its executive officers

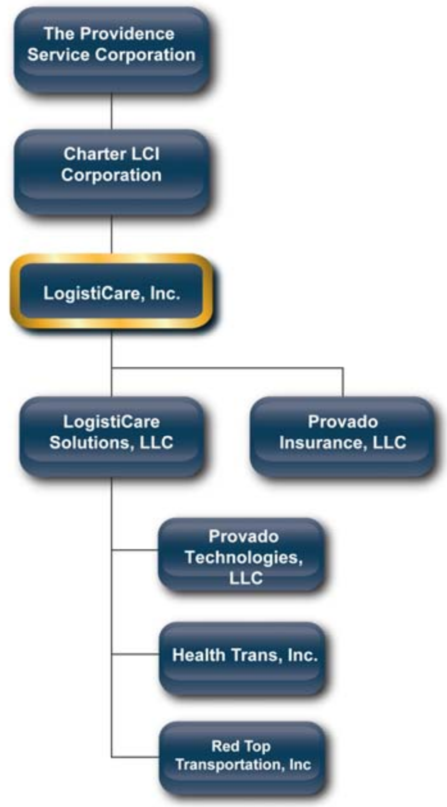


Figure 4.2.6-14. Overall Corporate Structure. *In addition to the key personnel we offer for Iowa, LogistiCare is capable of tackling unforeseen challenges. Our entire organization is built on an understanding of what it takes to implement and operate quality services that improve lives. Iowa and the Department can rely on LogistiCare as a result of our experience and organizational structure.*

LogistiCare's Leadership

Each of LogistiCare's managers reports directly to a Vice President of Operations and each Vice President reports directly to our Chief Executive Officer (CEO), Herman Schwarz. Iowa's LogistiCare Account Manager, therefore, will always have access to LogistiCare's CEO who is actively involved in LogistiCare's operations on a day-to-day basis.

Further, our CEO's involvement in operations enables LogistiCare to respond to Iowa's needs with the full breadth of our resources whenever necessary. Few others have the capacity to draw on a similar companywide team to meet unforeseen challenges.

For example, when the state of Missouri moved from a fee-for-service brokerage to a capitated reimbursement system, it selected LogistiCare as its NEMT broker. The LogistiCare team was ready and responded to the State's urgent need by dispatching a large Network Development team to do in 28 days what normally takes 90. We met with transportation network providers across the entire state in person. We knew what we had to do, and

LogistiCare leverages resources wisely to meet your needs

LogistiCare demonstrated how quickly we can leverage resources companywide for the Missouri Department of Social Services. We were able to do in 28 days what normally takes 90 to confirm Members received care without interruption.

we were able to do it quickly, so Missouri's Members would continue to receive important care like dialysis treatment, cancer treatment, and rehabilitation—without interruption.

In addition to a knowledgeable organization designed specifically for Iowa, we provide corporate organizational support. Our Iowa team will be steadily backed by select expert guidance, as required, and receive support from a full team of corporate resources. *Figure 4.2.6-15* demonstrates the functional areas LogistiCare brings from one organization.

The LogistiCare Organization depicted in *Figure 4.2.6-16* is composed of critical resources that are prepared to meet Iowa's NEMT requirements.

Figure 4.2.6-15. Corporate-Backed Solution. *Our corporate reporting structure is designed to provide our clients easy access to the full breadth of our companywide resources when necessary. Ultimately, LogistiCare has developed the capability to respond to critical needs when clients are faced with the unexpected or when specialized skills are required.*

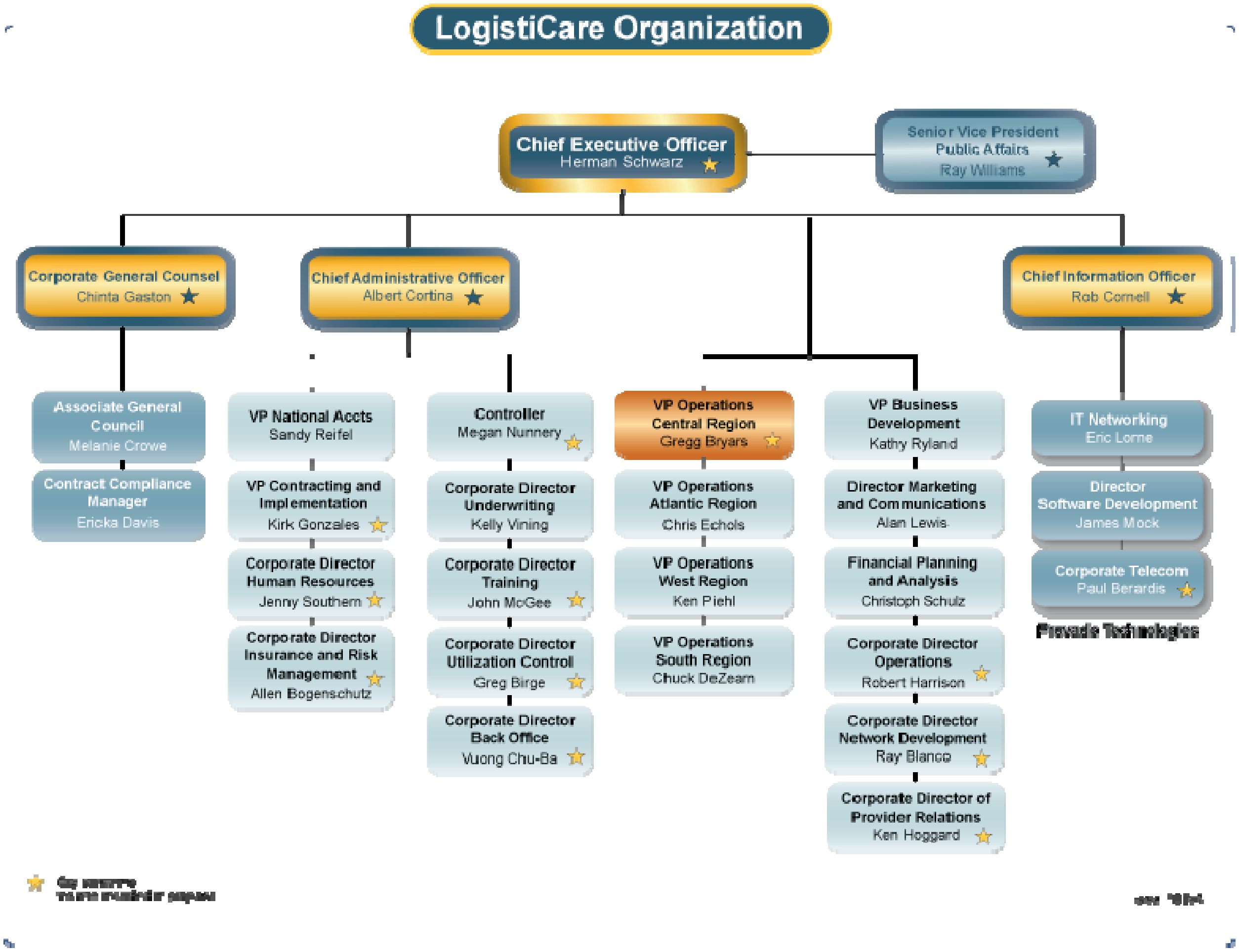


Figure 4.2.6-16. Corporate Oversight and Key Personnel. *LogistiCare has the full breadth of resources required without having to subcontract with other companies. Herman Schwarz, LogistiCare's CEO, has been instrumental in building the resources we bring to Iowa and will be involved with Managers, Directors, and Vice Presidents regularly to make a difference for Iowa. This approach has been tested repeatedly, and we are ready to deliver like success from other states for the Department and Iowa Members.*

LogistiCare's Organization for Iowa

Iowa's reporting organization is described by *Figure 4.2.6-17*. LogistiCare's proposed qualified team will operate Iowa's NEMT brokerage and receive supplemental support from our corporate organization for human resources management; fiscal management; and purchasing, legal, and technical support. We will hire Iowa's citizens to fill the remainder of staffing needs. In fact, we always consider our client's recommendations when they are forced to redeploy or eliminate staff. Ultimately, we do not intend to subcontract to fill management, supervisory, or other key positions.

For the purposes of this proposal and our contractual agreements, LogistiCare's Account Manager is known as the General Manager. The terms Account Manager and General Manager, therefore, may be used interchangeably in our proposal, but appear as "Account/General Manager" within organizational charts and as "General Manager" in our Terms and Conditions documents.

LogistiCare's organization for Iowa is modeled after other successful operational structures. For example, Oklahoma, Mississippi, and New Jersey have similar organization structures.

[redacted]

Figure 4.2.6-17 (CONFIDENTIAL). Organizational Structure for Iowa. *Experienced personnel will be backed by corporate resources and additional staff hired within Iowa. This organizational approach has been tested for clients with similar requirements. Thus, we are confident we will reliably identify and fill all of Iowa's resource needs.*

A well-established organization results in seamless and effective operations. However, key relationships are critical to achieving operational success. LogistiCare understands the significance of our relationships with the state, health care facilities, and transportation providers. Thus, we have designed our organization around those relationships so that we can identify and resolve issues, continuously improve services, and keep providers and riders together and on time, all of the time.

LogistiCare and the Department Working Together

Organization Features	Benefits for Iowa and the Department
Reporting and Quality Assurance Team Ensures Reliable Data	• Our quantitative and highly automated reporting enables early resolution to issues or improvements for higher quality services.
Account/General Manager is Responsive to IME Contract Administrator	• Timely and accurate communication enables LogistiCare to deploy the strength of its full, in-house team when needed to meet challenges or provide optimal quality.
Health Care Facilities Outreach Team Develop Critical	• Ongoing communication with health care facilities and associations enable us to identify, understand, and resolve rider and driver needs and

ORGANIZATION FEATURES	BENEFITS FOR IOWA AND THE DEPARTMENT
Relationships	result in complaint-free services.
Live 24/7 Call Center is Responsive to Members	• Live support and service increases responsiveness for Members and results in reduced wait times and no missed trips.

Figure 4.2.6-18. Organized to Serve Iowa. *Our organizational structure enables LogistiCare to manage critical relationships that support us in meeting challenges head-on so we can focus on quality service for Iowa.*

IOWA'S IMPLEMENTATION TEAM SETS THE FOUNDATION

During more than 20 years in the medical transportation services business, we have grown to have some of the most experienced Medicaid NEMT experts in the country. Our implementation team of senior-level staff has led numerous, similar implementations. They will leverage their extensive knowledge of the Medicaid NEMT benefit and will work with the Department to fully understand and incorporate Iowa's unique challenges and requirements as we implement the new program.

Iowa's implementation will be led by a structured and qualified team from different functional areas. Their key personnel role and past performance is highlighted in *Figure 4.2.6-19.*

Additional information about our implementation approach is provided in our response to the *Scope of Work* requirements, section *3.3.1 Implementation in Tab 5*. Key personnel qualifications are discussed in the following subsection, *4.2.6.2.2 Key Personnel*.

KEY IMPLEMENTATION TEAM MEMBERS	
NAME AND TITLE	**RESPONSIBILITIES AND EXPERIENCE**
Kirk Gonzales, Vice President, Contracting and Implementation	• Responsible for regulatory and contract compliance with the Department • Has managed the implementation of all of LogistiCare's statewide contracts since 2001 • A licensed attorney with more than 10 years of experience creating and managing health care provider networks for managed care organizations • Expertise in contract negotiations and compliance, and is a skilled facilitator and account services manager
Robert Harrison, Corporate Director of Operations	• Responsible for the coordination and execution of a successful Iowa implementation • Specializes in the implementation of new NEMT programs • Previously mentored and supervised the Account/General Managers for our South Carolina, Georgia, Mississippi, and Arkansas operations • Served as Account/General Manager of LogistiCare's Georgia operation for seven (7) years. Responsible for development of LogistiCare's successful regional management structure in Georgia, which became a model for other state operations • Prior to joining LogistiCare, worked for more than 15 years as an educational administrator and more than 10 years as a teacher • Was superintendent of schools at the Chittenden Central Supervisory Union in Essex Junction, Vermont, where he was responsible for 3,200 students, four (4) school boards, three (3) school districts, and an annual of budget of some 30 million dollars
Ray Blanco, Director of Network Development	• Responsible for the development of our Iowa provider network • More than 20 years experience in the health care transportation industry, with more than 5 years of responsibility for new contract implementation • Instrumental in several of our start-up projects, including Nevada, Oklahoma, Colorado, Missouri, Mississippi, Philadelphia, Arkansas, and South Carolina, where he was responsible for provider network development, including

KEY IMPLEMENTATION TEAM MEMBERS	
NAME AND TITLE	RESPONSIBILITIES AND EXPERIENCE
	recruiting and training providers and holding provider orientation meetings • Typically remains onsite after program initiation as a liaison to new providers, answering questions as they arise, negotiating rates, and working with the providers regarding contractual requirements, safety procedures, and administrative policies • Served as the Account/General Manager for both our Georgia and Miami programs, and gained extensive operations knowledge, including call center management and provider network management • Prior to LogistiCare, worked in ambulance company operations management

Further, LogistiCare's Network Development team has been in active communication with current and potential Iowa NEMT providers. We have already met face-to-face with providers and have numerous *Letters of Intent* already executed. As a result, our team will be ready to start the contracting phase of the network development process on day one.

LogistiCare's overall implementation organization will deliver a smooth transition from the decentralized system in place today to the new single broker system described by the request for proposal (RFP). We bring the depth of experience transitioning from fee-for-service systems to capitated payment systems. Our experience becomes especially critical for our clients when they are faced with missing data, disparate processes and methods, staffing and training needs, rural access challenges, as well as provider rate negotiations. The risks are high for an implementation the size and scope of Iowa. However, LogistiCare's implementation team brings a track record of success from multiple like implementations and is committed to a successful Iowa implementation.

Overall, LogistiCare has selected the most qualified and experienced resources for Iowa. Our organizational approach has been tested for success multiple times prior in other states. In summary, our size, the diversity of our experience, and the range of professionals and technicians we bring from one LogistiCare team will be instrumental to our joint success. In fact, each of our key personnel has included their *personal* commitment to Iowa's success within the scope of their resumes in the following section.

4.2.6.2.2 KEY PERSONNEL

Provide resumes for all key personnel, including the project manager, who will be involved in providing the services contemplated by this RFP. The resume of key personnel must include: name, education, and years of experience and employment history, particularly as it relates to the scope of services specified herein.

The relevant experience, years of experience, education, and overall qualifications of all of LogistiCare's key personnel is provided through the following resumes.

<table>
<tr><th colspan="3">GENERAL MANAGER</th></tr>
<tr><td colspan="3">JASON A . HARBITZ</td></tr>
<tr><td>EDUCATION</td><td colspan="2">EXPERIENCE</td></tr>
<tr><td rowspan="5">M.A., Organizational Management, Magna Cum Laude, Spring Arbor University, Michigan
B.A., Psychology & E.S.S., Spring Arbor University, Michigan</td><td>Years</td><td>Relevant Experience</td></tr>
<tr><td>6</td><td>• Experienced government-facing professional with a keen understanding of data management, public responsiveness, quality reporting and accuracy, as well as performance data tracking</td></tr>
<tr><td>3</td><td>• Reporting and communications backed by hands-on operational responsibilities to ensure contractual compliance and NEMT brokerage effectiveness</td></tr>
<tr><td>3</td><td>• Develops and implements transportation networks by working with providers to ensure quality, safety, efficiency, and reliability</td></tr>
<tr><td>3</td><td>• Trains and mentors providers regarding procedures and requirements to ensure providers can maintain quality service</td></tr>
</table>

EMPLOYMENT HISTORY

2007 – Present
Director of Operations for the Michigan, Missouri, and Ohio – LogistiCare Solutions, LLC
Performs day-to-day operations to improve accessibility and drive efficiencies. Coaches internal teams and manages business relationships across three (3) states. Leads all aspects of transportation network development including routing, rate setting, contracting, compliance, and relationship management for the highest quality and cost efficient network.

Michigan Regional Manager (2007–2008) – LogistiCare Solutions, LLC
Developed and managed transportation provider network and community outreach and education programs. Led customer relations, managed internal teams, and liaised with local and state authorities to achieve operational goals. Performed hands-on drivers training and field inspections, led issues management, and provided executive presentations to meet all regional manager responsibilities.

2006
Investigations Specialist II – Florida Department of Health/Medical Quality Assurance
Investigating complaints of alleged violations of Florida Statutes and Board Rules involving professions under the jurisdiction of the department. Performed extensive interviews, court records analysis, and audits, prepared and served subpoenas, and developed comprehensive reports. Appeared in court for public testimony, administrative hearings depositions, and trials.

2004 – 2006
Associate Special Investigator/Investigator II – United States Investigation Services, LLC. (USIS)
Led highly sensitive and controversial federal background investigations; performed in-depth fact-finding; and led interviews to establish a basis for investigations. Managed internal and external relationships, achieved high performance ratings, and was promoted for exceeding goals and demonstrating an outstanding code of ethics. Obtained a top, level three (3) SCI clearance.

MY COMMITMENT TO IOWA

I am fully committed to joining Iowa where it is today—facing a complex system implementation. My first goal is improved service for Members. With experience from three (3) states, I am a strong leader who has in-depth experience implementing effective transportation networks. I am eager to relocate to Iowa to provide hands-on leadership alongside the Contract Administrator for the Department to achieve quality, efficiency, state satisfaction, and Member satisfaction with the new brokerage.

Jason Harbitz

Chief Executive Officer

Herman Schwarz

Education	Experience: Years	Relevant Experience
M.B.A., *University of Pennsylvania*	20+	• P&L accountability, strategy and organizational development, operations management, mergers and acquisitions, sales and marketing, and application of public company requirements
Bachelor of Science, *University of Virginia*	3	• Responsible for meeting all contract performance requirements
		• Analyzes and evaluates all LogistiCare operations
	16	• Senior executive who has served large corporations and start-ups

Employment History

2007 – Present
Chief Executive Officer (June 2009 to Present) – LogistiCare
Develops overall corporate growth and organizational development initiatives, manages departmental officers, establishes strategic priorities, and ensures the overall health of the entity.

Chief Operating Officer (2007 – 2009)
Achieved financial, customer service, and provider network development goals. Managed corporate operations VPs, directors, and several corporate support units. Helped staff and managed business implementation teams.

2005 – 2006
Founder and Partner – C3 Marketplace, LLC
Created a buying service and sourcing venture that delivers direct pricing from Asia to small- and medium-sized retailers and manufacturers. Raised capital, oversaw business development, and designed infrastructure.

2000 – 2005
President, Chief Executive Officer and Director (2001 – 2005) – Aegis Communications, Inc.
Led the country's seventh–largest, publicly traded provider of outsourced call center services. Implemented corporate governance changes as required by Sarbanes-Oxley.

President – Elrick & Lavidge Division (2000 – 2001)
Directed financial turnaround of the marketing research division with offices and facilities in seven (7) locations.

1992 – 2000
President – Selig Industries (1999 – 2000) – National Service Industries
Led a 35-million-dollar specialty chemical division. Implemented a sales model for national accounts.

Senior Vice President – National Linen Service (1998 – 1999)
Directed sales and marketing activities for a 310-million-dollar, textile-rental division.

Vice President of Health Care – National Linen Service (1996 – 1998)
Managed a 100-million-dollar segment of the company. Restructured sales and service functions.

Vice President Strategic Planning – National Linen Service (1994 – 1996)
Initiated and developed planning process. Designed and managed an activity-based costing study.

1989 – 1992
Senior Consultant – **Mars & Company**
Led project teams.

My Commitment to Iowa

As a longtime professional leading companies and providing outsourced logistics and call center services to clients—as well as with specific experience delivering NEMT services to Members who need it—I commit to deliver the full depth and breadth of the LogistiCare expertise and resources as required to successfully implement and operate a low-risk, high-quality NEMT brokerage for the first time in Iowa.

Herman Schwarz, LogistiCare CEO

Vice President of Operations

Gregg Bryars

Education	Years	Relevant Experience
Bachelor of Science, *Nicholls State University*	20	• More than 20 years of hands-on senior management experience in the transportation and logistics industries
	10	• More than 10 years of call center management experience
Lean Manufacturing Certified	20	• Manages networks of people and processes to meet customers' needs and strategic objectives across multiple industries
	3	• Led operations for eight (8) NEMT state contracts and 5 call centers
Six Sigma Trained	3	• Developed and managed successful NEMT quality assurance programs
	3	• Liaison for NEMT industry and government officials focused on improving Medicaid policies and procedures awareness for state workers, community volunteers, Members, and their families

Employment History

2008 – Present
Vice President of Operations – LogistiCare
Provides on-the-ground leadership across all accounts. Leverages all skills to empower state teams to own and manage accounts as one business. Responsible for implementation and operations in Arkansas, Colorado, Mississippi, Missouri, Michigan, Kansas, Ohio, and Oklahoma. Works directly with clients, state administrators, legislators, Transit Associations, as well as member advocacy groups and others as an industry leader who understands policy, requirements, process, and methods first-hand to drive positive change for improved services. Responsible for client relationships, quality assurance, customer satisfaction, financials, and cost-containment.

2006 – 2007
Business Consultant – Entrepreneur
Implemented business analysis, training, and performance metrics; developed tools; and scheduled protocol and strategic staffing plans for local, regional, and national firms.

2004 – 2008
Vice President, Sales – GCA Services Group
Led business development and revenue growth from 190 million to 400 million dollars through business transformation for sales operations, along with staffing development and management initiatives.

1998 – 2003
Senior Vice President, Sales and Marketing, National Linen Services
Held executive leadership with responsibility for a 125-member, national sales team and a 10-person marketing team. Increased individual sales performance by 78 percent; grew health care segment from 38 million to 81 million dollars. Managed a 60-million-dollar regional operations and a 60-million-dollar regional operation of 13 facilities, nationally. Designed and led in organizational transformation; offered Six-Sigma and Lean Manufacture to enhance logistics arena.

1990 – 1998
Division Vice President, Wells Fargo Armored & ATM Service Corporation
Managed the 75-million-dollar Northeast Division for this national services organization comprised of 18 states, more than 30 operations centers, and more than 1,000 employees. Focus included process management, procedural compliance, training centers, transportation, safety, quality assurance, security, and cost controls.

My Commitment to Iowa

I will use more than 20 years of experience in leading people, following processes, developing relationships, and implementing quality management to improve accessibility of transportation in Iowa, deliver advanced levels of service, bring budget predictability, and build a robust transportation network. In transition, I will work to ensure an exceptional implementation project.

Gregg Bryars

Chief Administrative Officer		
Albert Cortina, CPA		
Education	**Experience**	
Bachelor of Science, *Florida State University*	***Years***	**Relevant Experience**
	25	• Financial and operational management experience
	13	• Directly manages key financial and operational aspects of all of LogistiCare's transportation management projects
		• Oversees client encounter information and all performance and financial compliance audits
		• Negotiates, authorizes, and ensures contract compliance
	12	• Develops operational and financial systems for physician groups and medical clinics to increase operating efficiencies

Employment History

1997 – Present
Chief Administrative Officer – LogistiCare
Oversees transportation network development. Negotiates rates and monitors contract compliance. Helps staff and manages new business implementation teams. Assists CEO and COO in development of overall corporate growth and organizational development strategies.

COO and Executive Vice President for Operations (2000 – 2007)
Oversaw operations and ensured financial, customer service, and provider network development goals were achieved. Managed regional operations directors and corporate technology support units.

Executive Vice President – Finance/Strategic Planning (1997 – 2000)
Set up systems and relocated and consolidated financial services headquarters. Represented organization at legislative sessions and sub-appropriations committees. Developed programs for statewide Medicaid transportation. Developed agreements and negotiated rates with providers. Created financial trends for operations centers. Monitored monthly transportation provider costs and assisted in developing strategic plan for additional utilization within the same cost structure. Responsible for annual budget and quarterly projections.

1992 – 1997
Atlanta Medical Associates/Caremark Inc./Premier Practice Management
Chief Financial Officer – Premier Practice Management
Set up systems of a startup company for more than 85 physicians. Developed and presented standards for establishing physician base and bonus compensations. Negotiated all aspects of acquiring new practices.

1994 –1996
Director of Finance – Caremark Inc.
Managed finances and operations for Atlanta Medical Clinic, a 48 multi-specialty practice group with six (6) satellites representing 23 specialties and ancillary services. Coordinated medical software conversion.

1992 – 1994
Controller – Atlanta Medical Associates
Converted Information Systems hardware from Systems 38 to AS400 for a partnership of 45 physicians providing multi-specialty medical care. Developed and implemented systems. Reviewed PPOS, HMO, and POS plans for reimbursement profitability, contract language, and operational billing implementation.

1985 – 1991
Senior Auditor, Georgia Department of Audits
Managed health care audits for Medicare and Medicaid cost reporting and HCFA compliance.

My Commitment to Iowa

With more than 13 years serving the NEMT industry, I feel I can provide best practices and insight for transitioning Iowa's FFS program into one of the top-managed transportation programs nationally. I have experience with gating and the many key processes necessary for a smooth, safe, and effective program. Establishing expectations among third-party users is critical throughout the many phases of an implementation. I am fully committed to Iowa's successful implementation.

Albert Cortina

General Counsel		
M. Chinta Gaston		
Education	**Experience**	
Juris Doctor, *University of Virginia School of Law* **Bachelor of Arts, Cum Laude,** *Harvard University*	***Years***	**Relevant Experience**
	25	• Senior executive counsel with broad experience in the public and private sector, including representing the Federal Government in a broad array of civil litigation, and numerous private sector clients in litigation and compliance matters

Employment History

2003 – Present
General Counsel – LogistiCare Solutions, LLC
Executive team member responsible for all legal matters relevant to the company, including compliance, contracting, litigation, and transactional work. Supervises in-house legal staff, manages relations with outside counsel, advises human resources, and oversees compliance function.

Outside Counsel to LogistiCare Solutions, LLC (2000 – 2003)
Advised LogistiCare on legal, human resources, and contracting matters.

2000
Of Counsel – McCandlish, Holton
Supervised attorneys in employment litigation; trained clients on human resource issues.

1997 – 1999
Managing Director – Kroll Associates, Inc.
As a member of the Intelligence and Investigations division for an international investigative consulting firm, oversaw design and implementation of corporate monitoring programs. Managed diverse staff.

1992 – 1997
Assistant United States Attorney – United States Attorney's Office
Southern District of New York, Civil Division
Represented federal agencies as a plaintiff and defendant in litigation. Responsible for all litigation phases. Coordinated representation of State Department and other agencies on issues of public international law.

1985 – 1991
New York Office, Attorney – Gibson, Dunn & Crutcher
Specialized in labor and employment litigation for numerous clients in health care, finance, media, and accounting industries. Conducted equal employment training and counseling for clients.

My Commitment to Iowa

As a senior advisor providing counsel to LogistiCare for more than a decade, I have been an integral part of the executive team that oversees all operations to ensure their success.

M. Chinta Gaston

CHIEF INFORMATION OFFICER		
ROBERT H. CORNELL		
EDUCATION	**EXPERIENCE**	
Bachelor of Science, *Olivet Nazarene University*	***Years***	**Relevant Experience**
	25+	• Develops, implements, and supports software applications, network systems, and hardware products
	20	• Directs and manages technical resources to deliver projects on time and under budget
	9	• Delivers IT solutions that help our NEMT clients access transportation to needed medical services
	18+	• Develops comprehensive EDI interfaces to ensure clients and partners have the information they need

EMPLOYMENT HISTORY

2004 – Present
Chief Information Officer/Chief Technology Officer – LogistiCare
Manages all IT personnel and systems. Sets technology goals and plans. Works with senior management and operations groups to provide IT systems that meet business objectives.

Corporate IT Program Director (2001 – 2004)
Directed an IT programming group in developing and supporting software solutions. Set corporate policy for development, QA, and support. Assisted an Operations and IT Network group with information needs.

1990 – 2001
Automatic Data Processing, Inc. – Time Resource Management Inc.
Vice President, Director of Software Development (1993 – 2001)

Directed development, Information Systems, and QA for Labor Management Division.

Software Development Manager (1990 – 1993)
Managed programming and QA groups for the Time:Care line of automated time and attendance solutions.

1988 – 1990
Gulf Coast System Design
Programming and Support Supervisor (1989 – 1990)

Managed software development and support groups for a newspaper circulation software package.

Programmer / Analyst (1988 – 1989)

Designed and developed software, trained users, wrote documentation, and handled customer service.

1984 – 1986
Software Engineer – Wang Laboratories, Inc.

MY COMMITMENT TO IOWA

As a technology professional for more than 25 years, I have extensive experience across all major information technology platforms that have taught me that solutions are only important if they serve a greater purpose. At LogistiCare, our technology solutions help folks access medical services they desperately need. That's our incentive to keep our systems up and running with optimal efficiency. Our track record is nearly 100 percent up time. We will apply that same dedication to Iowa's challenges.

Robert Cornell

<table>
<tr><th colspan="3">DIRECTOR, INSURANCE AND RISK MANAGEMENT</th></tr>
<tr><td colspan="3">ALLEN E. BOGENSCHUTZ, CPCU</td></tr>
<tr><td>EDUCATION</td><td colspan="2">EXPERIENCE</td></tr>
<tr><td rowspan="2">Bachelor of Business Administration, Georgia State University</td><td>Years</td><td>Relevant Experience</td></tr>
<tr><td>20+
5

5
5</td><td>• Insurance industry professional
• Meets insurance requirements for LogistiCare transportation providers
• Designs and manages our liability NEMT provider insurance program
• Led Marsh’s Southeast Region Transportation Practice for five (5) years
• Responsible for risk selection at Liberty Mutual</td></tr>
</table>

EMPLOYMENT HISTORY

2005 – Present
Director, Insurance and Risk Management – LogistiCare
Manages risk and casualty insurance programs. Oversees and markets insurance program planning and implementation offered to LogistiCare-contracted transportation providers.

2000 – 2004
Transportation Team Leader – Marsh USA Inc.

Directed the Atlanta Transportation Specialty operation. Developed a business plan and coordinated client management goals, markets, and budgeting. Achieved 65 percent year-over-year growth while exceeding NOI targets four (4) out of five (5) years.

1998 – 1999
Account Executive – Palmer & Cray

Produced a new book of middle-market business responsibilities for lead generation, marketing, closure, and servicing.

1993 – 1998

Sales Professional – Marsh USA Inc. (1994 – 1998)

Generated and assisted with retaining one million dollars in revenue with cold calling and client relationship development for an Insurance Brokerage division.

Servicing Broker (1993 – 1994)

Achieved 100 percent account retention.

1988 – 1993

Senior Commercial Property and Casualty Underwriter – Liberty Mutual Insurance Company

Handled risk selection by hazard analysis, loss control evaluation, and competitive pricing of prospective and existing insured, and Risk Management reviews to solve problems for large-risk accounts. Coordinated account communication among sales, loss prevention, and claims departments.

MY COMMITMENT TO IOWA

With extensive knowledge of risk management, my primary concern is avoiding and managing risk for Medicaid Members and subcontractor clients. I will provide the outstanding focus and risk management services required in Iowa throughout transition as Iowa moves from a decentralized system to a single broker system, and help Iowa minimize risk to the state and citizens in operations phase.

Allen Bogenschutz

<table>
<tr><th colspan="3">CONTROLLER</th></tr>
<tr><td colspan="3">MEGAN NUNNERY</td></tr>
<tr><td>EDUCATION</td><td colspan="2">EXPERIENCE</td></tr>
<tr><td rowspan="2">Bachelors of Science, Accounting, Finance, Florida State University</td><td>Years</td><td>Relevant Experience</td></tr>
<tr><td>17

3
14</td><td>• Certified Public Accountant with extensive background in public and private industry accounting
• Led teams and executed month-end closings
• Developed audit strategies and supervised up to 25 staff auditors</td></tr>
<tr><td colspan="3">EMPLOYMENT HISTORY</td></tr>
<tr><td colspan="3">2009 – Present
Controller – LogistiCare
Assists CFO with the financial affairs of the organization and with preparation of financial analyses of operations, including interim and final financial statements with supporting schedules, for the guidance of management. Manages budgeting, cost analysis, compliance, tax, A/P, A/R, and payroll; is a key contact and liaison for audits, reviews, tax preparation and filings; issues accurate financial statements on a timely basis; assists the CFO in duties to the Board and investors by maintaining internal controls; establishes all related accounting and finance policies and procedures; and monitors the Treasury function.
2008 – 2009
Controller – My Choice Medical Holdings, Inc.
Executed month-end closings. Reviewed monthly reconciliations and led team through a transition during restructuring. Issued separate individual financial statements and coordinated tax filings for each of 10 doctors in the program. Documented technical accounting research for the company’s key decision support. Chosen as a key role member to be within the last five (5) employees to formally shut down operations to ensure appropriate close of final accounting records and to manage effective transition of employee layoffs during a wind-down period.
2007 – 2008
Assistant Controller – ALLCONNECT, Inc.
Reduced audit fees, expedited monthly financial close to 8 days versus 13, prepared Summary Technical Memos, supervised month-end close process, managed various tasks and projects for senior leadership, assisted the controller in establishing proper organizational structure and hiring. Prepared 2007 audit financial statements.
2005 – 2007, Atlanta
1993 – 2005, Orlando
Senior Manager – Ernst and Young LLP
Managed relationships with senior executives of both publicly traded and private-owned companies. Developed audit strategies and supervised up to 25 staff auditors each year. Assisted in preparation and review of periodic filings and review compliance with SEC. Managed job budgets. Led clients and engagement teams through Sarbanes-Oxley Act 404. Guided teams in adoption of new accounting standards. Served as one of the team’s leaders for recruitment. Served as Performance Development Coordinator in the Orlando office.</td></tr>
<tr><td colspan="3">MY COMMITMENT TO IOWA</td></tr>
<tr><td colspan="3">As an accomplished CPA with an extensive background in public accounting, as well as private industry, I have strong technical knowledge of generally accepted accounting principles, extensive experience leading teams, and experience executing month-end close processes—with a strong work ethic, I am fully committed to meeting Iowa’s financial accounting and reporting needs in a timely and accurate manner. I am committed to going above and beyond to serve Iowa citizens and Members.
Megan Nunnery</td></tr>
</table>

DIRECTOR OF HUMAN RESOURCES AND RECRUITING

JENNY SOUTHERN

EDUCATION	EXPERIENCE	
	Years	**Relevant Experience**
SPHR Certification	20+	• Handles all aspects of human resources management
	8	• Ensures regulatory and contract compliance
	8	• Implemented all LogistiCare statewide contracts since 2002
	20+	• Develops policy and directs human resources activities
	20+	• Advises management on HR best practices

EMPLOYMENT HISTORY

2002 – Present
Director of Human Resources and Recruiting – LogistiCare
Develops policy and directs and coordinates HR activities for more than 1,300 employees at 32 nationwide locations. Advises management on policies for equal opportunity/affirmative action employment, recruitment and hiring options, performance management and disciplinary procedures, employee relations, terminations, and employee benefits.

1997 – 2002
Experienced Hire/Campus Recruiting – Deloitte Consulting
Established and maintained hiring objectives. Grew the South Region SAP consulting practice to 239 in nine (9) months. As Regional HR Manager, led South Region recruiting and HR growth to 394 in fewer than two (2) years. Maintained recruiting goals and led East Region Technology recruiting as the lead for CRM recruiting initiative, meeting all recruiting goals. Developed and implemented a plan to hire 80 staff in 90 days. Implemented and managed South Region systems analyst recruiting program and orientation. Managed a national systems analyst recruiting program.

Regional Manager, Human Resources 1997 – 1998
Established an HR/ recruiting infrastructure for a 170-employee, 2-office region growing more than 50 percent annually in revenue and headcount. Implemented an Affirmative Action Plan. Led Career Development and Performance Measurement training for more than 350 people. Implemented a Staff Advisory Council to facilitate communications to senior management on issues and programs. Implemented Sexual Harassment training.

1990 – 1997
Manager, Human Resources and Recruiting, Premier Medical Group
HR support for more than 500 medical professionals in 23 offices. Administered benefit programs. Managed enrollment and compliance, vendor negotiation, contract review, and monthly billing reconciliation. Conducted harassment and grievance investigations.

1987 – 1989
Personnel Manager – Lechmere
Led recruitment, training, benefits administration, EEOC, employee relations, internal audits, internal newsletter, and payroll. Trained and managed staff for three (3) locations.

MY COMMITMENT TO IOWA

With more than 20 years experience in administration managing key human resources functions, including eight (8) years implementing NEMT contracts and managing all HR-related federal and state regulatory and contract compliance requirements, I am confident in our ability to meet all of the requirements necessary to support the Iowa contract and am dedicated to doing so.

Jenny Southern

<table>
<tr><th colspan="3">VICE PRESIDENT, CONTRACTING AND IMPLEMENTATION</th></tr>
<tr><td colspan="3">KIRK J. GONZALES</td></tr>
<tr><td>EDUCATION</td><td colspan="2">EXPERIENCE</td></tr>
<tr><td rowspan="4">Master of Science, Master of Business Administration, University of Alabama

Juris Doctor, Bachelor of Science, Louisiana State University</td><td>Years</td><td>Relevant Experience</td></tr>
<tr><td>10</td><td>• Manages implementation of and negotiation and compliance for LogistiCare's statewide contracts and is a skilled facilitator and account services manager</td></tr>
<tr><td>17</td><td>• Experienced, hands-on health care implementation and management expert for program development, network management, and operations</td></tr>
<tr><td>7</td><td>• A licensed attorney who created and managed health care provider networks for managed care organizations</td></tr>
</table>

EMPLOYMENT HISTORY

2000 – Present
Vice President of Implementation and Associate General Counsel – LogistiCare
Implements new and existing business and maintains contract compliance. Assists in provider and client contract negotiations. Liaisons with key audience groups.

1993 – 2000
CNA Health Partners, Vice President – Managed Care Services (1998 – 2000)
Operational and P&L responsibility for the company's Managed Care business division with a staff of approximately 50; division generated over 7.75 million dollars in annual revenue in 1999 with a 21 percent margin.

Vice President, Network Management (1997 – 1998)
Operational responsibility for the Network Management business unit with 120 provider networks and more than 230,000 Members; the unit managed more than 287 million dollars in medical expenditures in 1998.

Assistant Vice President, Network Management (1995 – 1997)
Operational responsibility for 34 provider networks with approximately 49,000 Members and more than 58 million dollars in combined medical expenditures in 1996. Met revenue and enrollment targets, and negotiated medical provider contracts for network participation.

Manager, Network Management (1993 – 1995)
Managed gatekeeper model of Primary Care Networks for self-funded employers with combined annual medical expenditures of more than 25 million dollars.

1992 – 1993
MSHA Internship; Managed Care Analyst – Blue Cross and Blue Shield of Alabama
Reported to Vice President of Managed Care and developed multiple solution-oriented projects.

1989 – 1992
Attorney – Cooper, Mitch, Crawford, Kuykendall & Whatley

MY COMMITMENT TO IOWA

I have personally directed and managed the implementation of more than a dozen state, non-emergency medical transportation brokerage contracts. I will share that experience with the Iowa Department of Human Services as we work together to implement the new NEMT brokerage program. The efficient and effective implementation of the contract shall remain my primary focus for the duration of the process.

Kirk Gonzales

<table>
<tr><th colspan="3">CORPORATE OPERATIONS DIRECTOR</th></tr>
<tr><td colspan="3">ROBERT O. HARRISON</td></tr>
<tr><td rowspan="2">EDUCATION</td><td colspan="2">EXPERIENCE</td></tr>
<tr><td>Years</td><td>Relevant Experience</td></tr>
<tr><td>Bachelor of Art, Master's Degree, University of Pennsylvania

Doctoral Programs Coursework, Harvard University</td><td>5

6

13

20</td><td>• Specializes in the implementation of LogistiCare NEMT programs
• Oversees operations of LogistiCare's Georgia Medicaid contracts, which manage more than 300,000 Georgia Medicaid NET trips per month
• Previously mentored and supervised the General Managers for our four (4) state operations
• Served as General Manager of our Georgia operation. Developed regional management structure (model for other state operations)
• Was superintendent of schools, including at Chittenden Central where he was responsible for 3,200 students, four (4) school boards, three (3) school districts, and a 30-million-dollar budget</td></tr>
</table>

EMPLOYMENT HISTORY

2005 – Present
Corporate Operations Director – LogistiCare

Oversees and enhances quality, effectiveness, and efficiency of all contract operations in four (4) states. Implements contracts for new business staffing, training, technical (telephone and proprietary software systems), network development, and policies and procedures. Provides financial and operational analysis for vendor costs, utilization, and efficiency. Ensures confidence in our brokerage system by fostering relationships with government officials, medical facility staff, and patient advocacy groups

Director of Operations for Georgia – LogistiCare (1999 – 2005)

Directed daily operations of Medicaid contracts; developed a successful, regional management structure for smooth expansion into Georgia's North region in 2000.

1987 – 1998
Superintendent of Schools – Chittenden Central Supervisory Union, Essex Junction, Vermont

1985 – 87
Superintendent of Schools for the Galax City Schools, Galax, Virginia

Asst. Superintendent for Curriculum and Instruction (1983 – 85)

1980 – 83
Employment while at Harvard Graduate School of Education (HGSE):

School Finance Analyst for Boston law firm Foley, Hoag & Eliot
Teaching Fellow for Law & Education at HGS
Research Assistant at HGSE in school finance and education law
Program Evaluator for the Huron Institute, Cambridge, MA

Principal – Holyoke Street School (1977 – 80)

Social studies and language arts teacher – Holyoke Street School *(1974 – 77)*
Social Studies teacher – Alternative Projects HS *(1973 – 74)*
Elementary teacher – Greene St. Friends School (1968 – 73)

MY COMMITMENT TO IOWA

Having worked hand-in-hand with, and across all areas of, implementation and operations in developing an NEMT statewide system, I am committed to delivering Iowa the services Members require and expect from a leader in the industry.

Robert Harrison

DIRECTOR NETWORK DEVELOPMENT

RAMON BLANCO

EDUCATION	EXPERIENCE	
	Years	**Relevant Experience**
EMT-P, *Miami Dade Community College* **Licenses and Certifications:** *Emergency Vehicle Operations Course (EVOC), CPR & CPR Instructor, ACLS, PALS, Trauma Transport Protocols, HIV Training, Transcutaneous Pacing, Rescue Diver*	20+ 7 13 3	• Works as a transportation management professional in medical transportation provision, NEMT program implementation, and operations management • After our program initiation, answers providers' questions, negotiates rates, and works on contractual requirements, safety procedures, and administrative policies • Developed networks and implemented programs in more than ten (10) LogistiCare programs and was instrumental in eight (8) start-up projects, developing provider networks, and recruiting and training providers • Served as the General Manager for our Georgia and Miami programs

EMPLOYMENT HISTORY

2003 – Present
Director of Network Development – LogistiCare

Develops the transportation provider network and implements and ensures compliance for all new and existing contracts, including recruitment, training, and provider orientation.

2000 – 2002
Implementation Manager/Program Manager – Dyncorp

Implemented build-out and initial operational responsibilities for statewide, non-emergency transportation prior to an approval system. Managed the correction of vast implementation deficiencies and total operational responsibility, covering 70 percent of lives in the state of Virginia.

2000 – 2001
Independent Consultant

Worked on the start-up implementation of a 10-county 5311 rural transit system from planning to start up, including the setup of policies and procedures.

1997 – 2000
Georgia Operations Director – LogistiCare

Oversaw day-to-day operations, including recruitment, training, provider orientation and performance. Ensured operating goals were achieved. Developed employee skills and met program officials and beneficiaries' needs.

1983 – 1997
Director of Operations – Medi-Car Systems, Inc.

Coordinated 42 paramedic units and 28 basic life support units. Developed and implemented training materials, ensured compliance with OSHA, HRS, state, and federal regulations. Coordinated HMO, hospital, and private contracts. Implemented all evacuation and major incidents emergency programs.

1982 – 1983
Paramedic – Randle Eastern Ambulance Service, Inc.
Oversaw ambulance care, custody and control, and patient care on-scene and during transport.

MY COMMITMENT TO IOWA

I am committed to bringing more than 20 years of experience implementing transportation services for multiple start-up programs in various environments. As Director, I will lead the development of a stable and effective network of transportation providers for Iowa. By working with existing local providers and identifying new resources, we will enable increased accessibility for Members, regardless of where they live. We've already begun establishing a presence in Iowa. We are hosting open meetings, we're online, and we'll remain connected to providers ongoing to confirm an effective transition and local presence.

Ray Blanco

<table>
<tr><th colspan="3">DIRECTOR OF CORPORATE TRAINING</th></tr>
<tr><td colspan="3">JOHN WILLIAM MCGEE</td></tr>
<tr><td>EDUCATION</td><td colspan="2">EXPERIENCE</td></tr>
<tr><td rowspan="2">Master of Human Resource, Clemson University

Bachelor of Arts, University of Alabama</td><td>Years</td><td>Relevant Experience</td></tr>
<tr><td>20+

3

6</td><td>• Analyzes and develops training programs that facilitate organizational change, manage talent, and develop leadership
• Assesses LogistiCare's training needs, develops training standards and curricula, and delivers training services throughout the company
• Develops policy and procedures ensuring alignment to contractual, legal, and business expectations</td></tr>
</table>

EMPLOYMENT HISTORY

2007 – Present
Director of Training – LogistiCare
Manages LogistiCare University, providing learning and development opportunities for employees and enabling investments in skill development, leadership training, and career planning. Identifies needs and learning opportunities. Develops training to prepare staff to meet goals and exceed business commitments.

Director – Boys & Girls Clubs of America (2002 – 2007)

Participated in the development of Leadership University resulting in a competency-based system aligned to role-specific learning paths. Led all University distance learning development, currently 80 percent of offerings. Designed and developed custom-automated training systems, knowledge management strategy geared to aligning resources with metrics, and established the *Workplace of Excellence* tool for constructive organizational change.

Director of Training and Professional Development (1999 – 2002)

Managed services from approximately 60,000 staff and volunteers for 3,681 club sites serving 4.4 million youth. Designed and implemented manager training, executive leadership program, and tools to promote diversity initiative in the community. Provided consultation services to more than 40 organizations.

Chief Professional Officer – Boys & Girls Clubs of Cumberland County, NC (1996 – 1999)

Managed 80 staff and volunteers, established a million-dollar budget, recruited board, and developed strategies for Club improvements. Developed and managed government, corporate, and community relationships. Wrote and managed grants as large as 1.7 million dollars per grant. Increased membership by 1,300 percent and three (3) Clubs within four (4) years.

Director Resource Development – Boys & Girls Clubs of Tampa (1990 – 1996)

Developed and implemented fundraising strategies resulting in a 3.5–million-dollar budget. Established 10-member foundation of volunteer Board of Directors. Led million-dollar fundraising effort for Clubs.

MY COMMITMENT TO IOWA

I am committed to bringing more than 20 years of experience developing people and organizations to my role in Iowa. Having developed and implemented effective training for LogistiCare for three (3) years, I have participated in bringing new technologies that allow us to respond to any size of learning initiative or need, including statewide implementations and real-time disaster response and recovery. Further, I have participated in establishing a Job Coach program that enables LogistiCare to leverage its experience and knowledge companywide for Iowa as it has for other clients. I am committed to bringing my experience, training, and coaching knowledge, and the tools we have created to bear in Iowa to assist in maximizing the Department's return on investment.

John McGee

Director of Back Office Compliance Operations

Vuong Chu-Ba

Education	Years	Relevant Experience
MBA, *Emory University*	4	• Manages the credentialing process for transportation providers and confirms qualified and safe driver programs
Bachelor of Science, *Texas A & M University*	4	• Manages more than 1,000 providers with approximately 10,000 drivers, and establishes policy and procedures for compliance for LogistiCare's transportation network
	4	• Organizes data into central database and makes it available to all local operations managers and their clients
	1	• Developed billing policies and procedures and managed transportation provider billing process for several large state NEMT contracts

Employment History

2009 – Present

Director of Back End Compliance Operations – LogistiCare

Manages four (4) direct reports in the Claims and Credentialing Departments totaling 87 associates. Redesigned QA process for Claims. Developed productivity reports and redefined processes for both Departments.

2006 – 2009

Director of Operations Analysis – LogistiCare

Centralized and managed sub-contractor and driver credentialing. Created models to determine the company's exposure to fuel fluctuations for hedging purposes, and gas reimbursement to providers.

2004 – 2006

Store Leadership Program Associate – The Home Depot

Two-year rotational program. Managed 12 associates with profit and loss responsibilities of 10 million dollars in revenue. Enhanced processes and developed an integration strategy within the Supplier Diversity Department. Performed feasibility analysis on multiple new store concepts.

2002 – 2003

Consultant – MBA Enterprise Corporation

Developed consulting services with the Volgograd Chamber of Commerce. Analyzed and developed a demand-based retail model for a clothing store chain.

2001

Summer Associate – Cardinal Ventures

Performed stock dilution analysis on a 2–million-dollar equity raise on a private placement and made recommendations to the managing partner. Developed financial models to analyze strategic options for a start-up health care company.

1997 – 2000

Senior Field Engineer/Project Manager – Sperry-Sun Drilling Company

Requested by client to be the Lead Engineer on a two-year, billion-dollar project. Led and developed team of two (2) engineers.

1995 – 1997

Field Engineer

Managed one (1) million dollars of equipment and inventory. Facilitated communication between drilling and geologic teams within client company to ensure that goals were met throughout drilling.

My Commitment to Iowa

I am committed to the safety of Iowa's Members, the quality of transportation provisions, and working with Iowa's current transportation providers to continue delivering seamless services to Iowa's Members.

Vuong Chu-Ba

<table>
<tr><th colspan="3">CORPORATE DIRECTOR OF UTILIZATION CONTROL</th></tr>
<tr><th colspan="3">GREGORY BIRGE</th></tr>
<tr><th>EDUCATION</th><th colspan="2">EXPERIENCE</th></tr>
<tr><td rowspan="5">Associate Degree, University of West Georgia, Dekalb College

Instructor Degree, West Georgia Medical Center</td><td>Years</td><td>Relevant Experience</td></tr>
<tr><td>30</td><td>• Experience as a transportation management professional</td></tr>
<tr><td>12</td><td>• Manages Utilization Review functions throughout LogistiCare, auditing and managing all standing-order trip reservations</td></tr>
<tr><td>5</td><td>• Assists in developing provider overpayment recovery policies, and ensures compliance with program integrity</td></tr>
<tr><td>7</td><td>• Applies in-depth Medicaid experience and knowledge</td></tr>
</table>

EMPLOYMENT HISTORY

2007 – Present

Corporate Director of Utilization Control – LogistiCare

Manages utilization review functions. Audits and manages standing-order trip reservations. Assists each operation with auditing processes for benefit integrity issues and development of provider overpayment recovery policies. Ensures program integrity compliance reporting to state clients.

Operations Director (2002 – 2007)

Was the contact point for Virginia DMAS's data analysis and reporting. Developed report information for Virginia's customer structures. Managed Virginia's Provider and Utilization Review department. Coordinated our health care facilities and was the contact point for requests for transportation, standing order management, and utilization management.

2001 – 2002

Deputy Project Manager – DynCorp/DMR – Dyntek Inc.

Developed and managed a network of 360 providers to ensure transportation coverage for a VA NET contract for two (2) million trips annually. Oversaw network assessments and evaluations to ensure cost effectiveness, compliance, on-time performance, safety, and other state required benchmarks.

1999 – 2001

Director of Transportation – LogistiCare

Managed contracts and new, regional implementation, including provider network development. Routed four (4) million trips annually. Quantified reporting data to the state of Georgia for compliance and QA. Supervised the Transportation Manager with a Call Center Staff and Regional Managers.

Project Manager (1998 – 1999)

Evaluated and restructured QA department, call center procedures, and transportation department for Georgia Department of Medicaid. Established and managed outreach program. Identified new business resources.

1993 – 1998

CEO/Owner – Lifeline Ambulance Service, Inc.

Offered service in multiple markets with health care facilities, 911 emergency response, and special services department. Grew from 4 to 60 employees with gross sales in the excess of three (3) million dollars.

1991 – 1993

V.P. Operations and Marketing – Critical Care Medflight/Ambulance Service Inc.

Marketed and managed International Air ambulance operation and operations of ground-based ambulance service.

MY COMMITMENT TO IOWA

Having served in health-care-related transportation for more than 30 years and drawing on my knowledge in coordination of benefits, claims integrity, and utilization analysis, I plan to serve the beneficiaries and the state of Iowa to ensure LogistiCare delivers the highest quality, most economical, and ethical non-emergency transportation program possible. LogistiCare not only delivers high quality transportations service, we also provide responsible claims integrity.

Gregory Birge

DIRECTOR OF PROVIDER RELATIONS		
KENNETH L. HOGGARD		
EDUCATION	**EXPERIENCE**	
Bachelor of Science, Master of Science (Candidate), *Trinity College and University*	***Years***	**Relevant Experience**
	30+	• Transit professional with business and network development experience and management and operations expertise
	11	• Oversees Provider Relations Group, directs network development, and manages a paratransit transportation system
	6	• Member of the Paratransit Steering Committee of the Taxi, Limousine, and Paratransit Association

EMPLOYMENT HISTORY

2008 – Present

Director of Provider Relations – LogistiCare

Directs the Provider Relations Group, which is responsible for maintaining positive relationships with Independent Business Partners. Hires and trains staff charged with developing low-cost programs to partners. Developing a Provider Help Desk, providing web-based outreach and training, and assisting LogistiCare staff and providers.

Director of Network Development (2004 – 2008)

Managed business relationships with potential transportation providers in new markets. Implemented new contracts. Conducted analysis and assessed provider partners' capabilities. Trained staff on software and business methods.

Assistant Director (1999 – 2004)

Managed ADA paratransit transportation system for Washington MTA. Expanded service delivery network, developed and implemented SOPs. Managed delivery of more than 100,000 passenger trips per month. Subcontracted with providers, negotiated contracts, and oversaw operations of more than 15 companies and their workforces.

1998 to 1999

Vice President – Southeast Transit Management, Alexandria Virginia

Improved service delivery and reduced accidents, resulting in a 25 percent increase in annual business. Established labor peace with local Teamsters. Decreased maintenance costs by 30 percent while improving vehicle reliability.

1997 to 1998

General Manager – Yellow Transportation, Annapolis Junction, Maryland

Had P&L responsibility for a seven-million-dollar division. Managed 6 department heads, 160 employees, 110 vehicles, and 10 contracts. Increased employee training and improved service delivery while reducing accidents.

1994 to 1997

Regional Director of Operations – Southeast Transit Management, Alexandria, Virginia

Prepared proposals, negotiated contracts, managed start-up projects, developed procedures, hired and trained staff, developed budgets, monitored P&L, and provided oversight and leadership for company operations in six (6) states.

1992 to 1994

President/COO – Hudson Lines, Medford Massachusetts

Managed and directed staff, maintenance personnel, and drivers. Wrote policy and procedures handbook, ensuring labor law compliance. Expanded business, doubling revenues in 19 months. Computerized operations.

1975 to 1992

Director of Business Development – Laidlaw Transit, Warren RI

Senior Operations Manager for largest student transportation firm in the world, responsible for a more-than-20-million-dollar budget and operations in five (5) states, 50 locations, and 2,000 employees.

MY COMMITMENT TO IOWA

As a transportation management professional with more than 24 years of direct service operations experience and extensive market diversity, along with 35 years of overall experience, I am committed to leveraging my background and understanding to meet Iowa's individual challenges for successful service delivery and budget management.

Kenneth Hoggard

<table>
<tr><th colspan="3">DIRECTOR, TELECOMMUNICATIONS</th></tr>
<tr><td colspan="3">PAUL BERARDIS</td></tr>
<tr><td>EDUCATION</td><td colspan="2">EXPERIENCE</td></tr>
<tr><td rowspan="5">Certified,
Avaya, ShoreTel, Active Voice, and Rockwell</td><td>Years</td><td>Relevant Experience</td></tr>
<tr><td>6</td><td>• System designer and leader for telecommunications activities across multiple, complex telecommunications contracts</td></tr>
<tr><td>12</td><td>• Director of Operations and President of On-Line Communications, a firm with more than two (2) million dollars in annual sales</td></tr>
<tr><td>15</td><td>• Hands-on telephony experience as a service technician, programmer installer, projects, and operations manager</td></tr>
<tr><td>10</td><td>• Responsible for installation and maintenance of all LogistiCare's telecommunications technology</td></tr>
<tr><td colspan="3">EMPLOYMENT HISTORY</td></tr>
<tr><td colspan="3">2004 – Present
Director of Telecommunications – Provado Technologies, LLC
Leads daily operations supervising a 15-member staff; designs systems and is the contracts consultant for the telecommunications portion of multi-million-dollar transportation contracts across the United States.
1997 - 2004
President – OnLine Communications, Inc. Waterbury, CT (Now Provado)
Led company to annual sales of over 2.5 million dollars—a 40 percent jump from previous years. Supervises and trains 20 employees, including 10 trained and certified installation and maintenance technicians.
Director of Operations (1993 – 1996)
Directed all aspects of running the company, including sales, installations, and customer service.
1992-1993
Telephone Systems Technician – Business Telephone Services Inc. Gaithersburg MD
Installed and maintained PBX, Voice Mail, ACD Call Management, and Call Sequencing Systems in Maryland, Virginia, and Washington DC Provided support for government accounts, including the IRS, BOI/BIA, and VA. Provided support for numerous commercial and private accounts
1989-1992
Installation and Maintenance Technician – OnLine Communications, Waterbury, CT
Responsible for the installation and maintenance of analog and digital PBX and Key Telephone Systems.</td></tr>
<tr><td colspan="3">MY COMMITMENT TO IOWA</td></tr>
<tr><td colspan="3">With more than 15 years of experience delivering telephony services and, leading systems design and teams in serving clients, I understand the impact of telecommunications on citizens and Members. I am committed to bringing my experience and knowledge of NEMT brokerage systems to Iowa for more efficient and quality service to Members.
Paul Berardis</td></tr>
</table>

4.2.6.3. Financial Information

The bidder must provide the following financial information: (4.2.6.3.1) audited financial statements; (4.2.6.3.2) a minimum of three (3) financial reference letters; and (4.2.6.3.3) organizational background information.

LogistiCare offers tried and tested financial stability with annual revenues of more than 450 million dollars. As a financially sound company, we are capable of handling the financial requirements of this contract and have demonstrated our capability time and again on large, statewide, capitated NEMT projects.

In addition to revenues, our lines of credit for operations and start-up opportunities provide Iowa an advantage throughout implementation and operations. LogistiCare has posted more than 40 million dollars in performance and payment bonds for various state Medicaid and Managed Care programs. There has never been an incident of a client to call on any posted payment or performance bonds. Although this is not required under this program, it is a sign of the management stability that LogistiCare offers.

4.2.6.3.1 Audited Financial Statements Reflect Success and Growth

Submit audited financial statements (annual reports) for the last three (3) years. Privately owned companies may supply unaudited statements if audited statements are not available.
Such information should include, at the minimum:
-- Balance sheet
-- Income statement
-- Statement of cash flow
-- Notes to financial statements

Prior to our acquisition by Providence Service Corporation, LogistiCare Solutions, LLC was a privately held company whose corporate ownership structure was, and still is, the legacy of previous private ownership transactions. LogistiCare Solutions LLC is a wholly owned subsidiary of LogistiCare, Inc. LogistiCare, Inc. became the holding company of LogistiCare Solutions, LLC in 1999 in association with a private ownership transaction. Then in 2004, in association with a subsequent private ownership transaction, Charter LCI Corporation was created and became the holding company of LogistiCare, Inc.
To be clear, both LogistiCare, Inc., and Charter LCI Corporation are purely holding companies with no business functions or revenue sources independent of our NEMT business operations. All executives, managers and staff of our NEMT business operation are employees of LogistiCare Solutions, LLC, and all NEMT business contracts with clients and transportation providers are held by LogistiCare Solutions LLC. There are no audited financial reports for LogistiCare Solutions LLC per se as a sole entity.

LogistiCare Solutions LLC was acquired by Providence Service Corporation on December 7, 2007, with the corporate ownership structured so that Charter LCI Corporation became a wholly owned subsidiary of Providence. Since Providence is now the ultimate parent company, independent annual audits of LogistiCare are not required. Therefore, in response to the RFP requirement for “audited financial statements (annual reports) for the last three (3) years…” as well as the state’s answer to Question 139, which instructs an unaudited subsidiary of an audited parent to “submit both the parent’s audited financials and the subsidiary’s unaudited financials,” we are providing the audited financial report for Charter LCI Corporation for 2007, the 10K statements for Providence for 2008 and 2009, which contains audited financial reports for Providence for 2007, 2008, and 2009, as well as the unaudited financial statements for

LogistiCare Solutions, LLC for 2007, 2008, and 2009. The financial reports can be found in **Exhibit 3**.

The financial contribution of Charter LCI Corporation, and therefore of LogistiCare Solutions, LLC, is represented as the non-emergency transportation business division separately reported and included in the Providence financial reports.

4.2.6.3.2 Financial References Demonstrate Stability

Provide a minimum of three (3) financial reference letters. The Department is interested in knowing that the bidders are financially viable and has a financial history indicative of future financial stability. Therefore financial reference letters from banking institutions and/or creditors that are indicative of such financial history are required.

Exhibit 4 includes three (3) financial reference letters provided in response to the Department's requirement. The references are from the following institutions:

- Bank of America
- SunTrust Bank
- Joseph P. Hardy, CPA, PLC

4.2.6.3.3 Organizational Background Information

Provide the following organizational background information:
-- Full name, address, and telephone number;
-- Date established;
-- Ownership (i.e. public company, partnership, etc.);
-- Description of business operations;
-- Details of any proposed mergers, acquisitions, or sales that may affect financial stability or organizational structure; and a description, if any, of insurance claims filed within the past five (5) years.

Full Name, Address, and Telephone Number

LogistiCare Solutions, LLC
1800 Phoenix Boulevard, Suite 120
College Park, GA 30349
(770) 907-7596

Date Established

1999

Ownership

Our company was originally incorporated in Delaware in 1989 as Automated Dispatch Services and then changed its name to LogistiCare, Inc. in 1994. LogistiCare Solutions, LLC (hereafter referred to as "LogistiCare"), which is the trade name used to deliver NEMT broker services, was created in 1999 as a wholly owned subsidiary of LogistiCare, Inc. LogistiCare has two (2) other subsidiaries that provide support services (information technology and provider insurance programs) to our NEMT business. LogistiCare, in turn, is a wholly owned subsidiary of Charter LCI which was established solely as a holding company and has no operating activity. In late 2007, Charter LCI was acquired by The Providence Service Corporation, a publicly traded corporation that, in addition to Charter (NEMT services), owns subsidiaries providing community-based behavioral health services.

Description of Business Operations

LogistiCare is the largest and most experienced Medicaid NEMT broker in the country. We are the only broker with extensive experience managing large-scale brokerages in numerous states. We currently manage 63 transportation management projects in 39 states and the District of Columbia and have current annual revenues of more than 450 million dollars. We are the *exclusive* NEMT broker for nearly seven (7) million Members of Medicaid, Medicare, commercial MCOs (managed care organizations), community dial-a-ride, and school transportation paratransit programs. Each day, LogistiCare operations centers answer more than 30,000 calls and schedule more than 90,000 trips. This means we have experience with more types of medical brokerage challenges and have devised and implemented more solutions to more issues than any other potential bidder.

Proposed Mergers, Acquisitions, and Sales

Security and Exchange Commission rules prohibit publicly traded companies such as LogistiCare from confirming or denying any proposed merger, acquisition, or sales activity.

Insurance Claims within the Past Five Years

While LogistiCare strives to provide a safe environment, accidents do happen. We continue to modify the operational standards that our providers must abide in an effort to eliminate accidents. Due to our high trip volume, uncontrollable factors periodically occur. These factors include:

- The motoring public who periodically drive unsafely and present dangerous situations to the vehicles and patients in transit
- Unforeseeable vehicle/equipment manufacturer defects
- Unsafe weather conditions

To put our insurance claim record in perspective, in the last five (5) years, LogistiCare has managed more than 80 million trips, which resulted in 18 material ($25,000 in value or above) insurance company claims, which is a claim to trip percentage of less than .000000225 percent.

The following table lists LogistiCare's loss summary as of July 2009 including general liability, automobile, and professional liability claims:

General Liability					
Year	Carrier	Valuation	Paid	Reserved	Total
12/21/08-12/21/09	Lexington	7/7/2009	$0	$0	$0
12/21/07-12/21/08	Hanover	7/7/2009	$0	$100,000	$100,000
5/25/07-12/21/07	Hanover	7/7/2009	$0	$200,000	$200,000
6/26/06 - 6/26/07	Zurich	7/20/2009	$0	$0	$0
6/26/05 - 6/26/06	Zurich	7/20/2009	$0	$0	$0
6/26/04 - 6/26/05	Hartford	7/8/2009	$420,588	$34,050	$454,638
6/26/03- 6/26/04	Hartford	7/8/2009	$0	$0	$0
Commercial Auto					
Year	Carrier	Valuation	Paid	Reserved	Total
12/21/08-12/21/09	National Union	6/30/2009	$155	$6,346	$6,501

12/21/07-12/21/08	Hanover	7/7/2009	$7,452	$400,600	$408,052
5/25/07 - 12/21/07	Hanover	7/7/2009	$45,000	$250,100	$295,100
6/26/06 - 6/26/07	Zurich	7/20/2009	$55,230	$8,501	$63,731
6/26/05 - 6/26/06	Zurich	7/20/2009	$239,125	$23,272	$262,397
6/26/04 - 6/26/05	Hartford	7/8/2009	$29,655	$0	$29,655
6/26/03 - 6/26/04	Hartford	7/8/2009	$1,273	$0	$1,273

NEMT AUTO					
YEAR	CARRIER	VALUATION	PAID	RESERVED	TOTAL
2/15/09 - 10	Discover P&C	7/20/2009	$0	$0	$0
1/15/08 - 2/15/09	Discover P&C	7/20/2009	$3,141	$0	$3,141
1/15/07 - 08	Discover P&C	7/20/2009	$85,410	$59,719	$145,129
1/15/06 - 07	Discover P&C	7/20/2009	$76,773	$127	$76,900
12-9-04 - 1-15-06	Discover P&C	7/20/2009	$127,228	$16,245	$143,473
PROFESSIONAL LIABILITY					
YEAR	CARRIER	VALUATION	PAID	RESERVED	TOTAL
12/21/08-12/21/09	AIG	7/7/2009	$2,500	$4,010	$6,510
8/15/08 - 12/21/08	Admiral	7/13/2009	($1,226)	$2,999	$1,773
8/15/07 - 08	Admiral	7/13/2009	$0	$0	$0
12/9/06 - 8/15/07	Zurich	7/22/2009	$0	$0	$0
12/9/05 - 06	Zurich	7/22/2009	$0	$0	$0
12/9/04 - 05	Houston Casualty	7/16/2009	$0	$0	$0
10/25/03 - 12/9/04	AIG	7/15/2009	$248,085	$0	$248,085

4.2.6.4 Termination, Litigation, and Investigation

The bidder must provide the following

4.2.6.4.1

During the last five (5) years, has the bidder had a contract for services terminated for any reason or has any such contract been subject to any form of default notice or threat of termination. If so, provide full details related to the termination, notice of default, or threat of termination.

The following table lists LogistiCare contracts that have been terminated within the last five (5) years.

STATE	CLIENT	SUMMARY	TERMINATION DATE
OH	Wellcare of Ohio, Inc.	Medicaid NET MCO: Termination without cause	1-May-07
KS	Family Health Partners, Inc.	Medicaid NET MCO: Termination without cause	1-Jul-07
GA	Amerigroup Community Care	Medicaid NET MCO: NEMT benefit eliminated from plan	1-Aug-07
CT	HealthNet, Inc. of Connecticut	Medicaid NET MCO: Client lost underlying contract with state agency.	31-Mar-08

State	Client	Summary	Termination Date
OH	Anthem Blue Cross Blue Shield of Ohio	Medicare NET MCO: MCO left market	6-May-08
MD	Amerigroup District of Columbia, Inc.	Medicaid NET MCO: MCO left market	30-Jun-08
FL	Vista Healthplan of South Florida, Inc.	Medicaid NET MCO: MCO left market	30-Nov-08
FL	United Health Care of Florida, Inc. (Evercare)	Medicare NET MCO: NEMT benefit eliminated from plan	31-Dec-08
CT	Anthem Blue Cross Blue Shield of Connecticut	Medicaid NET MCO: MCO left the market.	31-Jan-09
FL	City of Sunny Isles Beach	Commercial NET: Termination without cause	24-Apr-09
FL	Florida NetPass, LLC	Medicaid NET MCO: MCO purchased by different health plan	31-Jul-09
FL	ACCESS Health Solutions	Medicaid NET MCO: MCO purchased by different health plan	31-Aug-09
FL	Shands Jacksonville Medical Center, Inc. ("First Coast Advantage")	Medicaid NET MCO: Termination without cause	31-Oct-09
FL	Amerigroup Community Care	Medicaid NET MCO: MCO left market	1-Dec-09
GA	Wellcare of Georgia, Inc.	Medicare NET MCO: NEMT benefit eliminated from plan	31-Dec-09

In addition, LogistiCare Solutions LLC, nor any of its owners, officers, or primary partners, has ever been convicted of a felony.

4.2.6.4.2

During the last five (5) years, describe any damages or penalties or anything of value traded or given up by the bidder under any of its existing or past contracts as it relates to services performed that are similar to the services contemplated by this RFP and the resulting Contract. If so, indicate the reason and the estimated cost of that incident to the bidder.

LogistiCare has many contracts that permit liquidated damages or financial penalties to be assessed by our clients in the event a certain predetermined service metric is not meet. Based upon a review of available records, the following liquidated damages or financial penalties have been assessed within the last five (5) years.

AmeriGroup Ohio, Inc.
- October 2009: $500 (ASA metric)

AmeriGroup Virginia, Inc.
- October 2009: $1,000 (ASA and complaint metrics)
- November 2009: $1,000 (ASA and complaint metrics)
- December 2009: $500 (complaint metric)

Sentara Health Plans, Inc. (Virginia)
- March 2007: $1,664.35 (call abandonment rate metric)
- August 2008: $2,128.09 (ASA metric)
- September 2008: $2,259.72 (ASA metric)

- October 2008: $4,344.72 (ASA and call abandonment rate metrics)
- November 2008: $4,413.21 (ASA and call abandonment rate metrics)
- December 2008: $2,376.43 (ASA metric)
- January 2009: $4558.46 (ASA and call abandonment rate metrics)

Mississippi Department of Medicaid

- April 2008: $5,000 (late mailing of denial notices)
- April 2008: $5,000 (late pick-ups/drop-offs)
- April 2008: $25,300 (incomplete vehicle files)
- April 2008: $3,400 (incomplete driver files)

Georgia Department of Community Health

- April 2006 – February 2007: $44,000 (on time performance metrics, network vehicle capacity metric, urgent care service metric)
- March – June 2007: $10,000 (on time performance metrics, urgent care service metric, timely back-up vehicle availability, vehicle HVAC service)
- July – September 2007: $6,100 (ASA metric, on time performance metrics)
- January – March 2008: $700 (on time performance metric, maximum trip time metric)
- April – June 2008: $4,910 (on time performance metrics, ASA metric, timely back-up vehicle availability, proper wheelchair tie down)
- July – September 2008: $11,990 (ASA metric, on time performance metrics, timely back-up vehicle availability)
- October – December 2008: $3,750 (ASA metric, on time performance metrics, timely back-up vehicle availability)
- January – March 2009: $83,000 (on time performance metrics, level of service metric)
- April – June 2009: $66,200 (on time performance metrics, urgent care metric, level of service metric)
- July – September 2009: $13,000 (on time performance metrics)
- October – December 2009: $12,500 (one time performance metrics, proper wheelchair tie down)

4.2.6.4.3

During the last five (5) years, list and summarize pending or threatened litigation, administrative or regulatory proceedings, or similar matters that could affect the ability of the bidder to perform the required services. The bidder must also state whether it or any owners, officers, or primary partners have ever been convicted of a felony. Failure to disclose these matters may result in rejection of the bid proposal or in termination of any subsequent contract. This is a continuing disclosure requirement. Any such issue arising after submission of a bid proposal, and with respect to the successful bidder after the execution of a contract must be disclosed in a timely manner in a written statement to the Department.

During the last five (5) years, LogistiCare Solutions LLC has had no pending or threatened litigation, administrative or regulatory proceedings, or similar matters that could affect the ability of LogistiCare Solutions LLC to perform the required services.

4.2.6.4.4

During the last five (5) years, have any irregularities been discovered in any of the accounts maintained by the bidder on behalf of others? If so, describe the circumstances of irregularities or variances and disposition of resolving the irregularities or variances.

None.

ATTACHMENT D

AUTHORIZATION TO RELEASE INFORMATION

_LogistiCare Solutions, LLC________________ (name of bidder) hereby authorizes any person or entity, public or private, having any information concerning the bidder's background, including but not limited to its performance history regarding its prior rendering of services similar to those detailed in this RFP, to release such information to the Iowa Department of Human Services.

The bidder acknowledges that it may not agree with the information and opinions given by such person or entity in response to a reference request. The bidder acknowledges that the information and opinions given by such person or entity may hurt its chances to receive contract awards from the Department or may otherwise hurt its reputation or operations. The bidder is willing to take that risk. The bidder agrees to release all persons, entities, and the Department from any liability whatsoever that may be incurred in releasing this information or using this information.

LogistiCare Solutions, LLC______________________________
Printed Name of Bidder Organization

______________________________ April 5, 2010________
Signature of Authorized Representative Date

Office Property For Lease

Capitol Center

400-600 Court Avenue, Des Moines, IA 50309

Rental Rate:	**$16 /SF/Year**
Min. Divisible:	500 SF
Max. Contiguous:	61,100 SF
Property Type:	Office
Property Sub-type:	Office Building
Building Size:	165,127 SF
Year Built:	1982

Last Verified 3/24/2010
Listing ID 14467836

1 Space Available

Display Rental Rate as Entered

Space 1

Space Available:	**61,100** SF
Rental Rate:	**$16** /SF/Year
Space Type:	Office Building
Min. Divisible:	500 SF
Max. Contiguous:	61,100 SF
Lease Type:	Full Service

Highlights

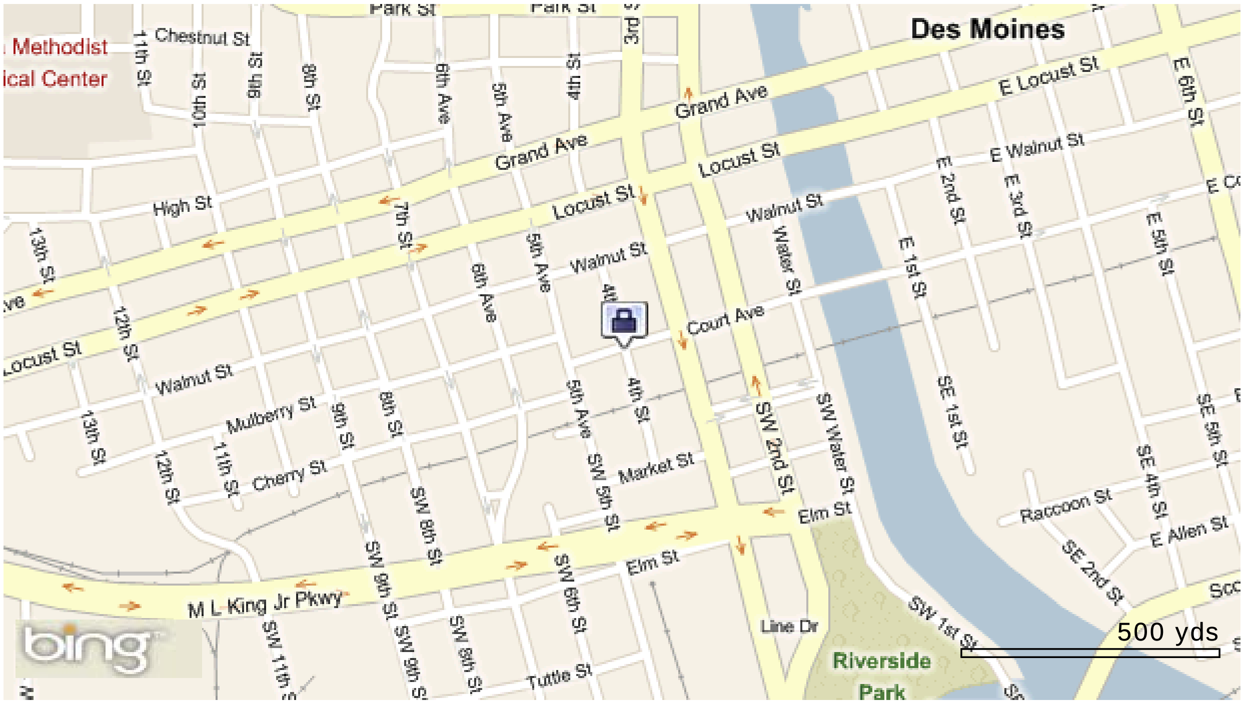
- Free on-site parking
- Superb access to I-235 via Penn Avenue
- Located in vibrant East Village area
- Walking distance to State Capital Complex

Description

Professional office building, near State Capital and downtown. Suburban office feel with free on-site parking and professionally managed. Lease rates at Capitol Center range from $16.00 to $18.00 full service gross.

Located in the vibrant East Village area, minutes from the Central Business District and walking distance to State Capital Complex and Riverwalk. Close proximity to hospitals and great access to I-235.

Map of 400-600 Court Avenue, Des Moines, IA 50309 (Polk County)



Created 1/18/2006

Financial Statement Explanation

Prior to our acquisition by Providence Service Corporation, LogistiCare Solutions, LLC was a privately held company whose corporate ownership structure was, and still is, the legacy of previous private ownership transactions. LogistiCare Solutions LLC is a wholly owned subsidiary of LogistiCare, Inc. LogistiCare, Inc. became the holding company of LogistiCare Solutions, LLC in 1999 in association with a private ownership transaction. Then in 2004, in association with a subsequent private ownership transaction, Charter LCI Corporation was created and became the holding company of LogistiCare, Inc.

To be clear, both LogistiCare, Inc., and Charter LCI Corporation are purely holding companies with no business functions or revenue sources independent of our NEMT business operations. All executives, managers and staff of our NEMT business operation are employees of LogistiCare Solutions, LLC, and all NEMT business contracts with clients and transportation providers are held by LogistiCare Solutions LLC. There are no audited financial reports for LogistiCare Solutions LLC per se as a sole entity.

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The financial contribution of Charter LCI Corporation, and therefore of LogistiCare Solutions, LLC, is represented as the non-emergency transportation business division separately reported and included in the Providence financial reports.

MIKE FOGARTY
CHIEF EXECUTIVE OFFICER

BRAD HENRY
GOVERNOR

STATE OF OKLAHOMA
OKLAHOMA HEALTH CARE AUTHORITY

April 5, 2010

To Whom It May Concern:

LogistiCare currently contracts with the Oklahoma Health Care Authority (OHCA) to administer our statewide SoonerCare non-emergency transportation program called SoonerRide. As the contracted Broker, LogistiCare receives and evaluates all requests for SoonerRide services, and ensures that eligible services are provided through its network of contracted transport service providers.

As the broker, they provide gatekeeping services, reservations and schedule trip assignments as well as reporting to OHCA. In doing so they have contained cost while increasing service and preventing fraud. These services were greatly enhanced after the flawless implementation of their local call center in February of 2008.

LogistiCare is totally responsible for the recruitment, credentialing, monitoring, and payment of the network providers. Through LogistiCare's commitment to network development they have strengthened the network to provide consistent predictable and quality service to our rural clients as well as those in urban areas.

The OHCA is very pleased with the service that LogistiCare has provided for our members since August 2003. Their local and national representatives are a pleasure to work with and they always appear to have the best interests for our members' non-emergency medical transportation needs.

Sincerely,

Gertrude Hurd

Gertrude Hurd
SoonerRide Manager
Oklahoma Health Care Authority
(405) 522-7642

STATE OF MISSISSIPPI

OFFICE OF THE GOVERNOR
DIVISION OF MEDICAID
DR. ROBERT L. ROBINSON
EXECUTIVE DIRECTOR

April 6, 2010

To Whom It May Concern:

The Mississippi Division of Medicaid began utilizing LogistiCare Solutions, LLC as our non-emergency transportation (NET) broker on November 1, 2006. Prior to that date, the NET program was operated in-house utilizing agency staff and a number of transportation providers under contract with the Division. In 2009, the Division issued our second RFP to provide NET broker services for Fiscal Years 2010 through 2012 and LogistiCare was again the successful bidder.

The initial conversion to the broker model went very smoothly with very little effect on the beneficiary population. This was due to the good working relationship between the broker's implementation team and the Division. During the implementation phase, the broker was responsive to all Division requests and all deliverables were completed on-time.

The broker has ensured that the provider network meets the needs of our beneficiary population for whom some may have to travel long distances due to the rural population of our State. That provider network is strong enough to step up quickly to assist in the event another provider leaves the network or if disasters strike and an area experiences an increase in trip requests.

The strengths that Mississippi has experienced with the broker model include:

- Budget predictability – the agency can closely predict the cost of the NET program for budget planning.
- Broker's experience in scheduling and routing – the broker utilizes software that allows them to efficiently schedule and assign transports. Such technology was not available to the Division prior to going to the broker model and would have been expensive to obtain.
- Improved gatekeeping – the broker expertise in the trip approval process and the processes in place to prevent fraudulent billing are vital to control the overall cost and ensure transportation services are provided only to those who qualify and need the services.

Suite 1000, Walter Sillers Building, 550 High Street, Jackson, MS 39201, (601) 359-6050

- Reporting capabilities – the broker has provided the agency with a number of canned reports and they are responsive in providing the agency with special ad-hoc reports when the agency has to supply public information requests or special requests from the State Legislature.
- Responsiveness of local and corporate management – both the local and corporate management teams work hard to ensure they are providing the agency with quality services. The local management team has an excellent working relationship with agency staff and they are very responsive in solving complaints/issues/needs in a timely manner.

The Division of Medicaid has been pleased with the services provided by LogistiCare as our NET broker. If you have any questions, please feel free to contact me. My direct phone number is (601) 576-5940 or your may reach me at brian.smith@medicaid.ms.gov.

Sincerely,

Brian H. Smith

Brian H. Smith
Accounting/Auditing Bureau Director

State of New Jersey
DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES
P.O. Box 712
Trenton, NJ 08625-0712

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

JENNIFER VELEZ
Commissioner

JOHN R. GUHL
Director

April 12, 2010

To Whom It May Concern:

Prior to July 1, 2009 the State of New Jersey's non-emergency transportation services for Medicaid and NJ FamilyCare clients was administered directly by the State's Medicaid agency. This included MAV and Ambulance services statewide and livery services in 2 of the State's 21 counties. On April 1, 2009, LogistiCare was awarded a contract to administer this program for the Medicaid agency beginning July 1st.

LogistiCare did an outstanding job during the short 3 month transition period in organizing the provider network and setting up their office and call center. They were very responsive to the inevitable problems that occurred during the initial start-up and did not hesitate to add additional resources as call volumes spiked during the first few weeks. We are very pleased with LogistiCare's operations and responsiveness to our clients' needs. Their excellent monthly reporting has provided us with the tools to monitor the program. The overall operation of our non-emergency transportation program has improved since LogistiCare took over the program and their enforcement of vehicle safety and driver compliance regulations have definitely strengthened our program.

Richard H. Hurd
Director of Office of Contract Compliance
NJ Division of Medical Assistance and Health Services

Item 8. *Financial Statements and Supplementary Data*

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Management's Report on Internal Control Over Financial Reporting

Our management has the responsibility for establishing and maintaining adequate internal control over financial reporting for the registrant, as such term is defined in the Securities Exchange Act of 1934 Rule 13a-15(f). Under the supervision and with the participation of our principal executive officer and principal financial officer, we conducted an assessment, as of December 31, 2008, of the effectiveness of our internal control over financial reporting based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control -Integrated Framework.

We designed our internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

We completed the following acquisitions in 2008, which we excluded from the evaluation of the effectiveness of our internal control over financial reporting.

Acquired entity	Date of acquisition
Substantially all of the assets in Illinois and Indiana of Camelot Community Care, Inc.	September 30, 2008
AmericanWork, Inc.	September 30, 2008

The following table highlights the significance of the acquisitions completed in 2008 to our consolidated financial statements at December 31, 2008 (in thousands):

	Assets	Liabilities	Period from date of acquisition to December 31, 2008 Revenue
Camelot Community Care, Inc.	$ 5,420	$ —	$ 2,826
AmericanWork, Inc.	$ 3,830	$ 286	$ 3,188
Total of all acquisitions completed in 2008 excluded from the evaluation of the effectiveness of internal control over financial reporting	$ 9,250	$ 286	$ 6,014
The Providence Service Corporation ("PRSC")	$ 365,663	$ 327,772	$ 691,670
Percentage of PRSC	2.5%	0.1%	0.9%

The Securities and Exchange Commission, or SEC, in response to questions regarding the interpretation of Release No. 34-47986, has acknowledged that it might not be possible to conduct an assessment of an acquired business's internal control over financial reporting in the period between the acquisition date and the date of management's assessment. In such instances, the SEC requires that we must identify the acquired business excluded and indicate the significance of the acquired business to our consolidated financial statements. Additionally, we must disclose any material change to our internal control over financial reporting due to the acquisition pursuant to the Securities Exchange Act of 1934 Rule 13a-15(d). Furthermore, the SEC limits the period in which we may omit an assessment of the acquired business's internal control over financial reporting to one year from the date of acquisition. We believe our exclusion of the acquired companies noted above from our assessment of internal control over financial reporting as of December 31, 2008 is consistent with the SEC's requirements.

Based on our assessment, we concluded our internal control over financial reporting is effective as of December 31, 2008.

KPMG LLP, an independent registered public accounting firm, which audited our consolidated financial statements included in this report on Form 10-K has issued an attestation report on our internal control over financial reporting. KPMG LLP's attestation report is also included in this report on Form 10-K.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
The Providence Service Corporation:

We have audited The Providence Service Corporation's internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Providence Service Corporation's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying management's annual report on internal control over financial reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, The Providence Service Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control - Integrated Framework* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of The Providence Service Corporation and subsidiaries as of December 31, 2008, and the related consolidated statements of operations, stockholders' equity, and cash flows for the year then ended, and our report dated March 28, 2009 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

Phoenix, Arizona
March 28, 2009

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
The Providence Service Corporation:

We have audited the accompanying consolidated balance sheet of The Providence Service Corporation and subsidiaries (the Company) as of December 31, 2008, and the related consolidated statements of operations, stockholders' equity, and cash flows for the year then ended. In connection with our audit of the consolidated financial statements, we have also audited the financial statement schedule for the year ended December 31, 2008 contained in Item 15(a)(2). These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Providence Service Corporation and subsidiaries as of December 31, 2008, and the results of their operations and their cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule for the year ended December 31, 2008, when considered in relation to the consolidated financial statements as a whole, presents fairly, in all material respects, the information set forth therein.

As discussed in note 1 to the consolidated financial statements, effective January 1, 2008, the Company adopted the disclosure provisions of Statement of Financial Accounting Standards (SFAS) No. 157, *Fair Value Measurements*.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control   Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 28, 2009 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

Phoenix, Arizona
March 28, 2009

Report of Independent Registered Public Accounting Firm

To the Board of Directors
The Providence Service Corporation
Tucson, Arizona

We have audited the consolidated balance sheet of The Providence Service Corporation and subsidiaries as of December 31, 2007, and the related consolidated statements of income, stockholders' equity and cash flows for each of the years in the two year period ended December 31, 2007. Our audits also included the financial statement schedules for the years ended December 31, 2007 and 2006 of The Providence Service Corporation contained in Item 15(a)(2). These financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Providence Service Corporation and subsidiaries as of December 31, 2007, and the results of their operations and their cash flows for each of the years in the two year period ended December 31, 2007, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedules for the years ended December 31, 2007 and 2006, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

/s/ McGladrey & Pullen, LLP

Phoenix, Arizona
March 13, 2008

The Providence Service Corporation

Consolidated Balance Sheets

	December 31, 2007	December 31, 2008
Assets		
Current assets:		
Cash and cash equivalents	$ 35,378,645	$ 29,364,247
Accounts receivable – billed, net of allowance of $2.6 million in 2007 and $3.4 million in 2008	65,852,122	72,617,418
Accounts receivable—unbilled	2,250,053	423,817
Management fee receivable(1)	10,165,550	7,702,608
Other receivables	2,524,491	3,148,970
Notes receivable	563,513	467,682
Notes receivable from related party	1,733,913	—
Restricted cash	8,842,195	7,803,808
Prepaid expenses and other	9,553,650	15,377,639
Deferred tax assets	5,094,246	4,757,535
Total current assets	141,958,378	141,663,724
Property and equipment, net	11,561,671	11,983,368
Notes receivable, less current portion	879,703	132,159
Goodwill	280,710,297	112,770,566
Intangible assets, net	98,254,118	81,555,587
Restricted cash, less current portion	6,461,000	5,207,132
Other assets	12,158,488	12,350,697
Total assets	$ 551,983,655	$ 365,663,233
Liabilities and stockholders' equity		
Current liabilities:		
Current portion of long-term obligations	$ 8,950,000	$ 14,264,925
Accounts payable	14,035,128	3,004,608
Accrued expenses	36,448,283	27,232,740
Accrued transportation costs	24,576,510	32,051,325
Deferred revenue	4,061,760	3,375,231
Current portion of interest rate swap	—	1,431,036
Reinsurance liability reserve	8,344,747	8,846,910
Total current liabilities	96,416,428	90,206,775
Long-term obligations, less current portion	236,468,680	223,493,680
Other long-term liabilities	189,956	3,975,278
Deferred tax liabilities	30,599,952	10,096,297
Total liabilities	363,675,016	327,772,030
Non-controlling interest	7,648,946	7,266,493
Commitments and contingencies		
Stockholders' equity		
Common stock: Authorized 40,000,000 shares; $0.001 par value; 12,756,392 and 13,462,356 issued and outstanding (including treasury shares)	12,756	13,462
Additional paid-in capital	159,176,594	169,698,598
Common stock subscription receivable	(714,654)	—
Retained earnings (deficit)	32,350,837	(123,253,836)
Accumulated other comprehensive income (loss), net of tax	1,093,367	(4,449,547)
	191,918,900	42,008,677
Less 612,026 and 619,768 treasury shares, at cost	11,259,207	11,383,967
Total stockholders' equity	180,659,693	30,624,710
Total liabilities and stockholders' equity	$ 551,983,655	$ 365,663,233

(1) Includes related party management fee receivable of approximately $221,000 and $448,000 at December 31, 2007 and 2008, respectively.

See accompanying notes to the consolidated financial statements

The Providence Service Corporation

Consolidated Statements of Operations

	Year ended December 31,		
	2006	2007	2008
Revenues:			
Home and community based services	$ 152,067,238	$ 216,582,678	$ 258,003,077
Foster care services	21,912,942	25,648,163	32,343,247
Management fees(1)	17,876,864	20,069,069	20,217,211
Non-emergency transportation services	—	22,866,709	381,106,735
	191,857,044	285,166,619	691,670,270
Operating expenses:			
Client service expense(2)	149,516,271	204,020,707	253,652,123
Cost of non-emergency transportation services	—	19,569,740	356,271,344
General and administrative expense(2)	23,436,425	30,874,910	48,411,826
Asset impairment charges	—	—	169,930,171
Depreciation and amortization	3,463,159	4,989,095	12,721,494
Total operating expenses	176,415,855	259,454,452	840,986,958
Operating income (loss)	15,441,189	25,712,167	(149,316,688)
Other (income) expense:			
Interest expense	855,288	3,071,537	19,578,404
Interest income	(1,456,409)	(1,470,025)	(978,877)
Income (loss) before income taxes	16,042,310	24,110,655	(167,916,215)
Provision (benefit) for income taxes	6,660,992	9,721,981	(12,311,542)
Net income (loss)	$ 9,381,318	$ 14,388,674	$ (155,604,673)
Earnings (loss) per common share:			
Basic	$ 0.82	$ 1.21	$ (12.42)
Diluted	$ 0.80	$ 1.19	$ (12.42)
Weighted-average number of common shares outstanding:			
Basic	11,472,408	11,865,402	12,531,869
Diluted	11,676,323	12,047,121	12,531,869

(1) Includes related party management fees of approximately $273,000, $393,000 and $509,000 for the years ended December 31, 2006, 2007 and 2008, respectively.

(2) Includes related party expenses of approximately $126,000, $363,000 and $321,000 for the years ended December 31, 2006, 2007 and 2008, respectively.

See accompanying notes to the consolidated financial statements

The Providence Service Corporation

Consolidated Statements of Stockholders' Equity

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Common Stock Subscription Receivable	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Treasury Stock Shares	Treasury Stock Amount	Total
Balance at December 31, 2005	9,822,486	$ 9,822	$ 72,954,411	$ —	$ 8,580,845	$ —	146,905	$ (298,746)	$ 81,246,332
Sale of stock in public offering, net of offering costs	2,000,000	2,000	59,548,195	—	—	—	—	—	59,550,195
Stock based compensation	—	—	471,902	—	—	—	—	—	471,902
Exercise of employee stock options including tax benefit of $2.0 million	348,641	349	8,416,329						8,416,678
Settlement of taxes due related to initial public offering	—	—	(10,076)	—	—	—	—	—	(10,076)
Net income	—	—	—	—	9,381,318	—	—	—	9,381,318
Balance at December 31, 2006	12,171,127	12,171	141,380,761	—	17,962,163	—	146,905	(298,746)	159,056,349
Stock based compensation	—	—	2,406,616	—	—	—	—	—	2,406,616
Exercise of employee stock options including tax benefit of $680,000	123,546	124	3,033,609	—	—	—	—	—	3,033,733
Restricted stock issued	54,468	54	—	—	—	—	2,621	(73,744)	(73,690)
Stock option cancellation & exchange—LogistiCare	407,251	407	12,346,108	—	—	—	—	—	12,346,515
Capital contribution	—	—	9,500	—	—	—	—	—	9,500
Stock repurchase	—	—	—	—	—	—	462,500	(10,886,717)	(10,886,717)
Common stock subscription receivable	—	—	—	(714,654)	—	—	—	—	(714,654)
Foreign currency translation adjustment	—	—	—	—	—	1,093,367	—	—	1,093,367
Net income					14,388,674				14,388,674
Total comprehensive income									15,482,041
Balance at December 31, 2007	12,756,392	12,756	159,176,594	(714,654)	32,350,837	1,093,367	612,026	(11,259,207)	180,659,693
Stock-based compensation	—	—	8,760,435	—	—	—	—	—	8,760,435
Restricted stock issued/withheld	567,645	567	(567)				7,742	(124,760)	(124,760)
Exercise of employee stock options including income tax shortfall of $1.3 million	33,504	34	(843,672)	—	—	—	—	—	(843,638)
Unregistered stock issued to former members of WD Management	78,740	79	2,223,381						2,223,460
PSC of Canada Exchange Corp. shares exchanged	14,379	14	382,439	—	—	—	—	—	382,453
Stock option cancellation and exchange—LogistiCare	11,696	12	(12)	—	—	—	—	—	—
Common stock subscription receivable	—	—	—	714,654	—	—	—	—	714,654
Change in fair value of derivative, net of income tax benefit of $653,241	—	—	—	—	—	(991,091)	—	—	(991,091)
Foreign currency translation adjustments	—	—	—	—	—	(4,551,823)	—	—	(4,551,823)
Net loss	—	—	—	—	(155,604,673)	—	—	—	(155,604,673)
Total comprehensive loss									(161,147,587)
Balance at December 31, 2008	13,462,356	$ 13,462	$ 169,698,598	$ —	$ (123,253,836)	$ (4,449,547)	619,768	$ (11,383,967)	$ 30,624,710

See accompanying notes to the consolidated financial statements

The Providence Service Corporation

Consolidated Statements of Cash Flows

	Year ended December 31,		
	2006	2007	2008
Operating activities			
Net income (loss)	$ 9,381,318	$ 14,388,674	$ (155,604,673)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation	1,075,680	1,577,675	4,505,214
Amortization	2,387,479	3,411,420	8,216,280
Amortization of deferred financing costs	157,640	291,529	2,698,184
Provision for doubtful accounts	4,692,685	702,071	4,084,333
Deferred income taxes	(316,869)	(501,657)	(14,553,560)
Stock based compensation	471,902	2,406,616	8,760,435
Excess tax benefit upon exercise of stock options	—	(680,115)	(184,908)
Asset impairment charges	—	—	169,930,171
Other	—	100,000	27,878
Changes in operating assets and liabilities, net of effects of acquisitions:			
Billed and unbilled accounts receivable	(15,369,232)	(944,952)	(9,276,794)
Management fee receivable	(855,031)	(3,594,613)	(2,364,483)
Other receivables	1,517,380	(157,394)	(417,295)
Restricted cash	—	—	(214,098)
Reinsurance liability reserve	1,127,070	1,165,655	2,621,087
Prepaid expenses and other	157,583	(823,048)	(5,828,653)
Accounts payable and accrued expenses	2,609,535	9,146,327	(6,680,776)
Accrued transportation costs	—	(6,292,737)	7,474,815
Deferred revenue	(236,741)	(1,991,172)	(702,259)
Other long-term liabilities	—	—	(104,912)
Net cash provided by operating activities	6,800,399	18,204,279	12,385,986
Investing activities			
Purchase of property and equipment, net	(1,075,940)	(1,949,038)	(4,664,007)
Acquisition of businesses, net of cash acquired	(17,604,500)	(233,876,782)	(3,597,766)
Acquisition of management agreement	—	—	(418,462)
Acquisition earn out payments	—	(8,299,460)	(6,670,655)
Restricted cash for contract performance	(6,560,733)	(1,287,401)	2,506,353
Purchase of short-term investments, net	(148,860)	(320,368)	(185,515)
Working capital advances to third party	(251,283)	—	—
Advances to related parties	—	(2,533,882)	—
Collection of notes receivable	69,710	685,435	3,291,943
Net cash used in investing activities	(25,571,606)	(247,581,496)	(9,738,109)
Financing activities			
Repurchase of common stock, for treasury	—	(10,960,461)	(124,760)
Proceeds from common stock issued pursuant to stock option exercise	6,507,282	2,363,172	469,320
Excess tax benefit upon exercise of stock options	1,909,398	680,115	184,908
Proceeds from common stock offering, net	59,593,251	—	—
Proceeds from long-term debt	—	243,000,000	—
Repayment of long-term debt	(17,433,981)	(332,379)	(8,650,000)
Debt financing costs	(96,256)	(10,887,536)	(88,775)
Capital lease payments	—	—	(1,012)
Net cash provided by (used in) financing activities	50,479,694	223,862,911	(8,210,319)
Effect of exchange rate changes on cash	—	190,221	(451,956)
Net change in cash	31,708,487	(5,324,085)	(6,014,398)
Cash at beginning of period	8,994,243	40,702,730	35,378,645
Cash at end of period	$ 40,702,730	$ 35,378,645	$ 29,364,247

See accompanying notes to the consolidated financial statements

The Providence Service Corporation

Supplemental Cash Flow Information

	Year ended December 31,		
	2006	2007	2008
Supplemental cash flow information			
Cash paid for interest	$ 756,873	$ 1,377,676	$ 16,773,008
Cash paid for income taxes	$ 4,871,728	$ 9,222,405	$ 4,177,798
Note receivable issued for management fees receivable	$ —	$ 299,917	$
Note payable obtained to finance prepaid insurance	$ —	$	$ 989,925
Stock issued to former members of WD Management	$ —	$ —	$ 2,223,460
PSC of Canada Exchange Corp. shares exchanged	$ —	$ —	$ 382,453
Business acquisitions:			
Purchase price	$ 16,075,362	$ 251,536,092	$ 8,900,000
Costs of acquisition	1,619,643	6,998,826	599,291
Less:			
Notes payable issued for acquisition of business		(1,800,000)	
Common stock issued for acquisition of business	—	(12,346,515)	—
Exchangeable shares of subsidiary issued for acquisition of business	—	(7,648,946)	—
Cash received for working capital adjustment	—	—	(479,716)
Amount due to former shareholder			(525,000)
Credit for indebtedness of management fees	—	—	(4,827,425)
Cash acquired	(90,505)	(2,862,675)	(69,384)
Acquisition of business, net of cash acquired	$ 17,604,500	$ 233,876,782	$ 3,597,766

See accompanying notes to the consolidated financial statements

The Providence Service Corporation

Notes to Consolidated Financial Statements

December 31, 2008

1. Description of Business and Summary of Critical Accounting Policies and Estimates

Description of Business

The Providence Service Corporation (the "Company") is a government outsourcing privatization company. The Company operates in the following two segments: Social Services and Non-Emergency Transportation Services ("NET Services"). As of December 31, 2008, the Company operated in 43 states, and the District of Columbia, United States, and British Columbia, Canada.

The Social Services operating segment responds to governmental privatization initiatives in adult and juvenile justice, corrections, social services, welfare systems, education and workforce development by providing home-based and community-based counseling services and foster care to at-risk families and children. These services are purchased primarily by state, county and city levels of government, and are delivered under block purchase, cost based and fee-for-service arrangements. The Company also contracts with not-for-profit organizations to provide management services for a fee.

The NET Services operating segment provides non-emergency transportation management services, primarily to Medicaid beneficiaries. The entities that pay for non-emergency medical transportation services primarily include state Medicaid programs, health maintenance organizations and commercial insurers. Most of the Company's non-emergency medical transportation services are delivered under capitated contracts where the Company assumes the responsibility of meeting the transportation needs of a specific geographic population.

Seasonality

The Company's quarterly operating results and operating cash flows normally fluctuate as a result of seasonal variations in its business. In the Company's Social Services operating segment, lower client demand for its home and community based services during the holiday and summer seasons generally results in lower revenue during those periods; however, the Company's expenses related to the Social Services operating segment do not vary significantly with these changes. As a result, the Company's Social Services operating segment experiences lower operating margins during the holiday and summer seasons. The Company's NET Services operating segment also experiences fluctuations in demand for its non-emergency transportation services during the summer, winter and holiday seasons. Due to higher demand in the summer months and lower demand in the winter and holiday seasons, coupled with a fixed revenue stream based on a per member per month base structure, the Company's NET Services operating segment experiences lower operating margins in the summer season and higher operating margins in the winter and holiday seasons.

The Company expects quarterly fluctuations in operating results and operating cash flows to continue as a result of the seasonal demand for its home and community based services and non-emergency transportation services. As the Company enters new markets, it could be subject to additional seasonal variations along with any competitive response by other social services and transportation providers.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and all of its subsidiaries, including its foreign wholly-owned subsidiary WCG International Ltd. ("WCG"). All intercompany accounts and transactions have been eliminated in consolidation.

Liquidity Matters

The Company has significant contractual obligations related to its long-term debt for the fiscal year 2009 and beyond. To address its liquidity concerns related to the Company's ability to meet its financial covenant obligations, the Company entered into an amendment to the credit and guaranty agreement with its creditors, on March 11, 2009 to, among other things, change the financial covenant requirements as more fully described in note 10 below. Prior to the amendment to the credit and guaranty agreement, the Company anticipated that it would not be in compliance with certain financial covenants as of December 31, 2008. Accordingly, the Company believes that it will meet those requirements for 2009 and that the Company has sufficient resources to fund its normal operations for the year ending December 31, 2009.

The Company is also focusing on several strategic options to reduce its debt, including the sale of certain non-strategic assets to generate funds sufficient to pay down a substantial portion of its long-term debt. In addition, the Company's has taken steps to reduce both corporate and client service costs by suspending all pay increases for all of its employees and reducing holiday and sick leave and employee health benefits beginning in 2009. Further, the Company intends to refocus its resources on growing its core social services operations.

Foreign Currency Translation

The financial position and results of operations of WCG are measured using WCG's local currency (Canadian Dollar) as the functional currency. Revenues and expenses of WCG have been translated into U.S. dollars at average exchange rates prevailing during the period. Assets and liabilities have been translated at the rates of exchange on the balance sheet date. The resulting translation gain and loss adjustments are recorded directly as a separate component of stockholders' equity. At present and for the foreseeable future, the Company intends to reinvest any undistributed earnings of its foreign subsidiary in foreign operations. As a result, the Company is not providing for U.S. or additional foreign withholding taxes on its foreign subsidiary's undistributed earnings. Generally, such earnings become subject to U.S. tax upon the remittance of dividends and under certain other circumstances. It is not practicable to estimate the amount of unrecognized deferred tax liability for temporary differences that are essentially permanent in duration on such undistributed earnings.

Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with an initial maturity of three months or less. Investments in cash equivalents are carried at cost, which approximates fair value. The Company places its temporary cash investments with high credit quality financial institutions. At times such investments may be in excess of the Federal Deposit Insurance Corporation (FDIC) and the Canada Deposit Insurance Corporation (CDIC) insurance limits.

At December 31, 2008, approximately $2.0 million of cash was held by WCG and is not freely transferable without unfavorable tax consequences between the Company and WCG.

Restricted Cash

The Company had approximately $15.3 million and $13.0 million of restricted cash at December 31, 2007 and 2008 as follows:

	December 31,	
	2007	2008
Collateral for letters of credit—Contractual obligations	$ 175,000	$ 175,000
Contractual obligations	1,608,520	898,844
Subtotal restricted cash for contractual obligations	1,783,520	1,073,844
Collateral for letters of credit—Reinsured claims losses	6,211,000	3,311,000
Escrow—Reinsured claims losses	7,308,675	8,626,096
Subtotal restricted cash for reinsured claims losses	13,519,675	11,937,096
Total restricted cash	15,303,195	13,010,940
Less current portion	8,842,195	7,803,808
	$ 6,461,000	$ 5,207,132

Of the restricted cash amount at December 31, 2007 and 2008:

- $175,000 served as collateral for irrevocable standby letters of credit that provide financial assurance that the Company will fulfill certain contractual obligations;

- approximately $6.2 million and $3.3 million, respectively, served as collateral for irrevocable standby letters of credit to secure any reinsured claims losses under the Company's general and professional liability and workers' compensation reinsurance programs and was classified as noncurrent assets in the accompanying balance sheets. Subsequent to December 31, 2007, $3.2 million of the Company's restricted cash that served as collateral for irrevocable standby letters of credit to secure any reinsured claims losses under the Company's general and professional liability reinsurance programs was released from restrictions;

- approximately $1.6 million and $899,000, respectively, was held to fund the Company's obligations under arrangements with various governmental agencies through the correctional services business acquired by the Company in 2006 ("Correctional Services");

- approximately $1.8 million and $1.6 million, respectively, was restricted and held in trust for reinsurance claims losses under the Company's general and professional liability reinsurance program; and

- approximately $5.5 million and $7.0 million, respectively, was restricted in relation to the services provided by a captive insurance subsidiary (acquired by the Company in connection with the acquisition of Charter LCI Corporation in 2007).

At December 31, 2008, approximately $3.5 million, $1.6 million, $6.7 million and $250,000 of the restricted cash was held in custody by the Bank of Tucson, Wells Fargo, Fifth Third Bank and Bank of America, respectively. The cash is restricted as to withdrawal or use and is currently invested in certificates of deposit or short-term marketable securities. The remaining balance of approximately $899,000 is also restricted as to withdrawal or use, and is currently held in various non-interest bearing bank accounts related to Correctional Services.

Short-Term Investments

As part of its cash management program, the Company from time to time maintains short-term investments. These investments have a term to earliest maturity of less than one year and are comprised of certificates of deposit. These investments are carried at cost, which approximates market and are classified as "Prepaid expenses and other" in the accompanying consolidated balance sheets.

Derivative Instruments and Hedging Activities

The Company holds a derivative financial instrument for the purpose of hedging interest rate risk. The type of risk hedged relates to the variability of future earnings and cash flows caused by movements in interest rates applied to the Company's floating rate long-term debt as described in note 10 below. The Company documented its risk management strategy and hedge effectiveness at the inception of the hedge and will continue to assess its effectiveness during the term of the hedge. The Company has designated the interest rate swap as a cash flow hedge under Statement of Financial Accounting Standards ("SFAS") No. 133, "*Accounting for Derivative Instruments and Hedging Activities*" ("SFAS 133").

Derivatives that have been designated and qualify as cash flow hedging instruments are reported at fair value. The Company measures hedge effectiveness by formally assessing, at least quarterly, the correlation of the expected future cash flows of the hedged item and the derivative hedging instrument. The gain or loss on the effective portion of the hedge (i.e. change in fair value) is initially reported as a component of other comprehensive income. The remaining gain or loss of the ineffective portion of the hedge, if any, is recognized currently in earnings. The fair value of the cash flow hedging instrument was a liability of approximately $1.6 million as of December 31, 2008, which was classified as "Current portion of interest rate swap" and "Other long-term liabilities" in the accompanying consolidated balance sheet.

Concentration of Credit Risk

Contracts entered into with governmental agencies and other entities that contract with governmental agencies accounted for approximately 82%, 79% and 85% of the Company's revenue for the years ended December 31, 2006, 2007 and 2008, respectively. The related contracts are subject to possible statutory and regulatory changes, rate adjustments, administrative rulings, rate freezes and funding reductions. Reductions in amounts paid under these contracts for the Company's services or changes in methods or regulations governing payments for the Company's services could materially adversely affect its revenue and profitability.

For the year ended December 31, 2008, the Company conducted a portion of its operations in Canada through WCG. At December 31, 2008, approximately $11.3 million, or 29.7%, of the Company's net assets were located in Canada. The Company is subject to the risks inherent in conducting business across national boundaries, any one of which could adversely impact its business. In addition to currency fluctuations, these risks include, among other things: (i) economic downturns; (ii) changes in or interpretations of local law, governmental policy or regulation; (iii) restrictions on the transfer of funds into or out of the country; (iv) varying tax systems; (v) delays from doing business with governmental agencies; (vi) nationalization of foreign assets; and (vii) government protectionism. The Company intends to continue to evaluate opportunities to establish additional operations in Canada. One or more of the foregoing factors could impair the Company's current or future operations and, as a result, harm its overall business.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, restricted cash, accounts receivable, notes receivable, management fee receivable and accounts payable approximate their fair value because of the relatively short-term maturity of these instruments. The fair value of the Company's long-term obligations is estimated based on interest rates for the same or similar debt offered to the Company having same or similar remaining maturities and collateral requirements. The carrying amount of the long-term obligations approximates its fair value at December 31, 2007 and 2008.

Accounts Receivable and Allowance for Doubtful Accounts

Clients are referred to the Company through governmental social services programs and it only provides services at the direction of a payer under a contractual arrangement. These circumstances have historically minimized any uncollectible amounts for services rendered. However, the Company recognizes that not all amounts recorded as accounts receivable will ultimately be collected.

The Company records all accounts receivable amounts at their contracted amount, less an allowance for doubtful accounts. The Company maintains an allowance for doubtful accounts at an amount it estimates to be sufficient to cover the risk that an account will not be collected. The Company regularly evaluates its accounts receivable, especially receivables that are past due, and reassesses its allowance for doubtful accounts based on specific client collection issues. The Company pays particular attention to amounts outstanding for 365 days and longer. Any account receivable older than 365 days is generally deemed uncollectible and written off or fully reserved unless the Company has specific information from the payer that payment for those amounts is forthcoming or has other evidence which the Company believes supports that amounts older than 365 days will be collected. In circumstances where the Company is aware of a specific payer's inability to meet its financial obligation, the Company records a specific addition to its allowance for doubtful accounts to reduce the net recognized receivable to the amount the Company reasonably expects to collect.

Under certain of the Company's contracts, billings do not coincide with revenue recognized on the contract due to payer administrative issues. These unbilled accounts receivable represent revenue recorded for which no amount has been invoiced and for which the Company expects an invoice will not be provided to the payer within the normal billing cycle. Unbilled amounts are considered current when billed, which generally occurs within one year from the date of service.

The Company's write-off experience for the year ended December 31, 2006 was less than 1% of the Company's revenue, and for the years ended December 31, 2007 and 2008 was approximately 2% and 1%, respectively, of the Company's revenue. The Company's write-off experience increased from 2006 to 2007 due to the write-off in 2007 of approximately $4.0 million of revenue recognized in the amount of approximately $2.0 million in each of 2005 and 2006 under its annual block purchase contract with The Community Partnership of Southern Arizona ("CPSA") in excess of the annual funding allocation amount.

Property and Equipment

Property and equipment are stated at historical cost, or at fair value if acquired by acquisition. Depreciation is provided using the straight-line method over the estimated useful life of the assets. Maintenance and repairs are charged to expense when they are incurred. Upon the disposition of any asset, its accumulated depreciation is deducted from the original cost, and any gain or loss is reflected in operating expense.

Impairment of Long-Lived Assets

Goodwill

The Company analyzes the carrying value of goodwill at the end of each fiscal year and between annual valuations if events occur or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying value. Such circumstances could include, but are not limited to: (1) a significant adverse change in legal factors or in business climate, (2) unanticipated competition, or (3) an adverse action or assessment by a regulator. In connection with its analysis of the carrying value of goodwill, the Company reconciles the aggregate fair value of its reporting units to the Company's market capitalization including a reasonable control premium. When determining whether goodwill is impaired, the Company also compares the fair value of the reporting unit to which the goodwill is assigned to the reporting unit's carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, then the amount of the impairment loss must be measured. The impairment loss is calculated by comparing the implied fair value of reporting unit goodwill to its carrying amount. In calculating the implied fair value of the reporting unit goodwill, the fair value of the reporting unit is allocated to all of the other assets and liabilities of that unit based on their fair values. The excess of the fair value of a reporting unit over the amount assigned to its other assets and liabilities is the implied fair value of goodwill. An impairment loss is recognized when the carrying amount of goodwill exceeds its implied fair value.

Intangible assets subject to amortization

The Company separately values all acquired identifiable intangible assets apart from goodwill. The Company allocated a portion of the purchase consideration to management contracts, customer relationships, restrictive covenants, software licenses and developed technology acquired in 2006, 2007 and 2008 based on the expected direct or indirect contribution to future cash flows on a discounted cash flow basis over the useful life of the assets.

The Company assesses whether any relevant factors limit the period over which acquired assets are expected to contribute directly or indirectly to future cash flows for amortization purposes. With respect to acquired management contracts, the useful life is limited by the stated terms of the agreements. The Company determines an appropriate useful life for acquired customer relationships based on the expected period of time it will provide services to the payer.

While the Company uses discounted cash flows to value the acquisition of intangible assets, the Company has elected to use the straight-line method of amortization to determine amortization expense. If applicable, the Company assesses the recoverability of the unamortized balance of its long-lived assets based on undiscounted expected future cash flows. Should this analysis indicate that the carrying value is not fully recoverable, the excess of the carrying value over the fair value of any intangible asset is recognized as an impairment loss.

Accrued Transportation Costs

Transportation costs are estimated and accrued in the month the services are rendered by outsourced providers utilizing gross reservations for transportation services less cancellations and average costs per transportation service by customer contract. Average costs per contract are derived by utilizing historical cost trends. Actual costs relating to a specific accounting period are monitored and compared to estimated accruals. Immaterial adjustments to those accruals are made based on reconciliations with actual costs incurred. Accrued transportation costs amounted to approximately $24.6 million and $32.1 million at December 31, 2007 and 2008, respectively.

Deferred Financing Costs

The Company capitalizes expenses incurred in connection with its long-term debt obligations and amortizes them over the term of the respective debt agreements. The Company incurred approximately $10.9 million in deferred financing costs in December 2007 in connection with the credit facility with its senior creditor as described in note 10 below. Deferred financing costs are amortized to interest expense on a straight-line basis or the effective interest method over the term of the credit facility. Deferred financing costs, net of amortization, totaling approximately $10.7 million and $9.7 million at December 31, 2007 and 2008, are included in "Other assets" in the accompanying consolidated balance sheets.

Revenue Recognition

The Company recognizes revenue at the time services are rendered at predetermined amounts stated in its contracts and when the collection of these amounts is considered to be reasonably assured.

At times the Company may receive funding for certain services in advance of services actually being rendered. These amounts are reflected in the accompanying consolidated balance sheets as deferred revenue until the actual services are rendered.

As services are rendered, documentation is prepared describing each service, time spent, and billing code under each contract to determine and support the value of each service provided. This documentation is used as a basis for billing under the Company's contracts. The billing process and documentation submitted under its contracts vary among payers. The timing, amount and collection of the Company's revenues under these contracts are dependent upon its ability to comply with the various billing requirements specified by each payer. Failure to comply with these requirements could delay the collection of amounts due to the Company under a contract or result in adjustments to amounts billed.

The performance of the Company's contracts is subject to the condition that sufficient funds are appropriated, authorized and allocated by each state, city or other local government. If sufficient appropriations, authorizations and allocations are not provided by the respective state, city or other local government, we are at risk of immediate termination or renegotiation of the financial terms of the Company's contracts.

Social Services segment

Fee-for-service contracts. Revenues related to services provided under fee-for-service contracts are recognized as revenue at the time services are rendered and collection is determined to be probable. Such services are provided at established billing rates.

Cost based service contracts. Revenues from the Company's cost based service contracts are recorded based on a combination of direct costs, indirect overhead allocations, and stated contractual margins on those incurred costs. These revenues are compared to annual contract budget limits and, depending on reporting requirements, allowances may be recorded for certain contingencies such as projected costs not incurred, excess cost per service over the allowable contract rate and/or insufficient encounters. This policy results in recognizing revenue from these contracts based on allowable costs incurred. The annual contract amount is based on projected costs to provide services under the contracts with adjustments for changes in the total contract amount. The Company annually submits projected costs for the coming year, which assist the contracting payers in establishing the annual contract amount to be paid for services provided under the contracts. After the contracting payers' year end, the Company submits cost reports which are used by the contracting payers to determine the amount, if any, by which funds paid to the Company for services provided under the contracts were greater than the allowable costs to provide these services. Completion of this review process may range from one month to several years from the date the Company submits the cost report. In cases where funds paid to the Company exceed the allowable costs to provide services under contract, the Company may be required to pay back the excess funds.

The Company's cost reports are routinely audited by payers on an annual basis. The Company periodically reviews its provisional billing rates and allocation of costs and provides for estimated adjustments from the contracting payers. The Company believes that adequate provisions have been made in its consolidated financial statements for any adjustments that might result from the outcome of any cost report audits. Differences between the amounts provided and the settlement amounts, which historically have not been material, are recorded in the Company's consolidated statement of operations in the year of settlement.

Annual block purchase contract. The Company's annual block purchase contract with CPSA requires it to provide or arrange for behavioral health services to eligible populations of beneficiaries as defined in the contract. The Company must provide a complete range of behavioral health clinical, case management, therapeutic and administrative services. The Company is obliged to provide services only to those clients with a demonstrated medical necessity. The annual funding allocation amount is subject to increase when the Company's encounters exceed the contract amount; however, such increases in the annual funding allocation amount are subject to government appropriation and may not be approved. There is no contractual limit to the number of eligible beneficiaries that may be assigned to the Company, or a specified limit to the level of services that may be provided to these beneficiaries if the services are deemed to be medically necessary. Therefore, the Company is at-risk if the costs of providing necessary services exceed the associated reimbursement.

The Company is required to regularly submit service encounters to CPSA electronically. On an on-going basis and at the end of CPSA's June 30 fiscal year, CPSA is obligated to monitor the level of service encounters. If the encounter data is not sufficient to support the year-to-date payments made to the Company, unless waived, CPSA has the right to prospectively reduce or suspend payments to the Company.

For revenue recognition purposes, the Company's service encounter value (which represents the value of actual services rendered) must equal or exceed 90% of the revenue recognized under its annual block purchase contract. The remaining 10% of revenue recognized in each reporting period represents payment for network overhead administrative costs incurred in order to fulfill the Company's obligations under the contract. Administrative costs include, but are not limited to, intake services, clinical liaison oversight for each behavioral health recipient, cultural liaisons, financial assessments and screening, data processing and information systems, staff training, quality and utilization management functions, coordination of care and subcontract administration.

The Company recognizes revenue from its annual block purchase contract corresponding to the service encounter value. If the Company's service encounter value is less than 90% of the amounts received from CPSA, unless waived, the Company recognizes revenue equal to the service encounter value and defers revenue for any excess amounts received. CPSA has not reduced, withheld, or suspended any payments and the Company believes its encounter data is sufficient to have earned all amounts recorded as revenue under this contract.

If the Company's service encounter value equals 90% of the amounts received from CPSA, the Company recognizes revenue at the contract amount, which is one-twelfth of the established annual contract amount each month.

If the Company's service encounter value exceeds 90% of the contract amount, the Company recognizes revenue in excess of the annual funding allocation amount if collection is reasonably assured. The Company evaluates factors such as cash receipt or written confirmation regarding payment probability related to the determination of whether any such additional revenue over the contractual amount is considered to be reasonably assured. For 2008, the Company did not recognize revenue in excess of the contract amount.

The terms of the contract may be reviewed prospectively and amended as necessary to ensure adequate funding of the Company's contractual obligations.

Management agreements. The Company maintains management agreements with a number of not-for-profit social services organizations whereby it provides certain management services for these organizations. In exchange for the Company's services, the Company receives a management fee that is either based on a percentage of the revenues of these organizations or a predetermined fee.

The Company recognizes management fees revenue from its management agreements as such amounts are earned, as defined by the respective management agreements, and collection of such amount is considered reasonably assured. The Company assesses the likelihood of whether any of its management fees may need to be returned to help the Company's managed entities fund their working capital needs. If the likelihood is other than remote, the Company defers the recognition of all or a portion of the management fees received. To the extent the Company defers management fees as a means of funding any of its managed entities' losses from operations, such amounts are not recognized as management fees revenue until they are ultimately collected from the operating income of the managed entities.

The costs associated with generating the Company's management fee revenue are accounted for in client service expense and in general and administrative expense in the accompanying consolidated statements of operations.

NET Services segment

Capitation contracts. Approximately 88% of the Company's non-emergency transportation services revenue is generated under capitated contracts where the Company assumes the responsibility of meeting the transportation needs of a specific geographic population. Revenues under capitation contracts with the Company's payers result from per-member monthly fees based on the number of participants in its payer's program.

Fee-for-service contracts. Revenues earned under fee-for-service contracts are recognized when the service is provided. Revenues under these types of contracts are based upon contractually established billing rates less allowance for contractual adjustments. Estimates of contractual adjustments are based upon payment terms specified in the related agreements.

Stock-Based Compensation

The Company follows the fair value recognition provisions of SFAS No. 123R, "*Share-Based Payment*" ("SFAS 123R"), which requires companies to measure and recognize compensation expense for all share based payments at fair value. The Company adopted the requirements of SFAS 123R using the modified prospective method in which compensation costs are recognized beginning with the effective date based on the requirements of SFAS 123R for all awards granted to individuals prior to the effective date of SFAS 123R that remain unvested on the effective date.

Other Comprehensive Income

Other comprehensive income is defined as the change in equity of a business during a period from transactions and other events and circumstances from non-owner sources, including foreign currency translation adjustments. Other comprehensive income was derived from foreign currency translation adjustments and the change in fair value of the Company's interest rate swap (as more fully described in note 11 below). The components of the ending balances of accumulated other comprehensive income (loss) are as follows:

	December 31, 2007	December 31, 2008
Cumulative foreign currency translation adjustments	$ 1,093,367	$ (3,458,456)
Unrealized losses on cash flow derivative hedges, net	—	(991,091)
	$ 1,093,367	$ (4,449,547)

Income Taxes

Deferred income taxes are determined by the liability method in accordance with SFAS No. 109, *Accounting for Income Taxes*. Under this method, deferred tax assets and liabilities are determined based on differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company records a valuation allowance which includes amounts for state and federal net operating loss carryforwards as more fully described in note 18 below for which the Company has concluded that it is more likely than not that these net operating loss carryforwards will not be realized in the ordinary course of operations. The Company recognizes interest and penalties related to income taxes as a component of income tax expense.

Reinsurance and Self-Funded Insurance Programs

Reinsurance

The Company reinsures a substantial portion of its general and professional liability and workers' compensation costs and the general and professional liability and workers' compensation costs of certain designated entities the Company manages under reinsurance programs through its wholly-owned captive insurance subsidiary, Social Services Providers Captive Insurance Company ("SPCIC"). The Company also provides reinsurance for policies written by a third party insurer for general liability, automobile liability, and automobile physical damage coverage to certain members of the network of subcontracted transportation providers and independent third parties under its NET Services operating segment through Provado Insurance

Services, Inc. ("Provado"). Provado, a wholly-owned subsidiary of Charter LCI Corporation that was acquired by the Company in December 2007, is a licensed captive insurance company domiciled in the State of South Carolina.

SPCIC:

SPCIC reinsures third-party insurers for general and professional liability exposures for the first dollar of each and every loss up to $1.0 million per loss and $3.0 million in the aggregate. The gross written premiums for this policy at December 31, 2007 and 2008 were approximately $1.7 million and $1.1 million, respectively. The cumulative reserve for expected losses since inception in 2005 of this reinsurance program at December 31, 2008 was approximately $769,000. The excess premium over our expected losses may be used to fund SPCIC's operating expenses, fund any deficit arising in workers' compensation liability coverage, provide for surplus reserves, and to fund any other risk management activities.

SPCIC reinsures a third-party insurer for worker's compensation insurance for the first dollar of each and every loss up to $250,000 per occurrence with no annual aggregate limit. The third-party insurer provides a deductible buy back policy with a limit of $250,000 per occurrence that provides coverage for all states where coverage is required. The gross written premium for this policy at December 31, 2007 and 2008 was $1.3 million and $1.5 million, respectively, which was ceded to SPCIC. The cumulative reserve for expected losses since inception in 2005 of this reinsurance program at December 31, 2008 was approximately $2.6 million.

The Company's expected losses related to workers' compensation and general and professional liability in excess of its liability under the Company's associated reinsurance programs at December 31, 2008 were approximately $1.4 million, which has been recorded as a receivable in Prepaid Expenses and Other. The Company recorded a corresponding liability at December 31, 2008 for the total expected losses, which is included in the Reinsurance Liability Reserve.

SPCIC had restricted cash of approximately $8.0 million and $5.0 million at December 31, 2007 and 2008, respectively, which was restricted to secure the reinsured claims losses of SPCIC under the general and professional liability and workers' compensation reinsurance programs. The full extent of claims may not be fully determined for years. Therefore, the estimates of potential obligations are based on recommendations of an independent actuary using historical data, industry data, and the Company's experience. Although the Company believes that the amounts accrued for losses incurred but not reported under the terms of its reinsurance programs are sufficient, any significant increase in the number of claims or costs associated with these claims made under these programs could have a material adverse effect on the Company's financial results.

Provado:

Under a reinsurance agreement with a third party insurer, Provado reinsures the third party insurer for the first $250,000 of each loss for each line of coverage. Provado also reinsures the third party insurer within a finite corridor of $750,000 excess of the $250,000 layer of coverage. The reinsurance agreement is subject to an annual aggregate equal to 120% of gross written premium. The corridor is subject to a $1.1 million aggregate limit. The estimated gross written premium is $6.3 million for the policy year ending January 14, 2009. The third party insurer retains approximately 6.4% of gross written premium and a ceding commission of 18%.

The liabilities for expected losses and loss adjustment expenses are based primarily on individual case estimates for losses reported by claimants. An estimate is provided for losses and loss adjustment expenses incurred but not reported on the basis of claim experience and claim experience of the industry. These estimates are reviewed at least annually by independent consulting actuaries. As experience develops and new information becomes known, the estimates are adjusted as necessary.

Health Insurance

We offer our employees an option to participate in a self-funded health insurance program. With respect to our social services operating segment, health claims were self-funded with a stop-loss umbrella policy with a third party insurer to limit the maximum potential liability for individual claims to $150,000 per person and for a maximum potential claim liability based on member enrollment. With respect to our NET Services operating segment, we offer self-funded health insurance and dental plans to our employees. Health claims under this program are self-funded with a stop-loss umbrella policy with a third party insurer to limit the maximum potential liability to $75,000 per incident and a maximum potential claim liability based on member enrollment.

Health insurance claims are paid as they are submitted to the plan administrator. We maintain accruals for claims that have been incurred but not yet reported to the plan administrator and therefore have not been paid. The incurred but not reported reserve is based on an established cap and current payment trends of health insurance claims. The liability for the self-funded health plan of approximately $1.4 million and $1.5 million as of December 31, 2007 and 2008, respectively, was recorded in "Reinsurance liability reserve" in our consolidated balance sheets.

We charge our employees a portion of the costs of our self-funded group health insurance programs. We determine this charge at the beginning of each plan year based upon historical and projected medical utilization data. Any difference between our projections and our actual experience is borne by us. We estimate potential obligations for liabilities under this program to reserve what we believe to be a sufficient amount to cover liabilities based on our past experience. Any significant increase in the number of claims or costs associated with claims made under this program above what we reserve could have a material adverse effect on our financial results.

Critical Accounting Estimates

The Company has made a number of estimates relating to the reporting of assets and liabilities, revenues and expenses and the disclosure of contingent assets and liabilities to prepare these consolidated financial statements in conformity with accounting principles generally accepted in the United States ("GAAP"). The Company based its estimates on historical experience and on various other assumptions the Company believes to be reasonable under the circumstances. However, actual results may differ from these estimates under different assumptions or conditions. Some of the more significant estimates impact revenue recognition, accounts receivable and allowance for doubtful accounts, accounting for business combinations, goodwill and other intangible assets, accrued transportation costs, accounting for management agreement relationships, loss reserves for reinsurance and self-funded insurance programs, stock-based compensation, foreign currency translation and derivatives.

Reclassifications

Certain amounts have been reclassified in prior periods in order to conform with the current period presentation with no affect on net income or stockholders' equity. Specifically, the 2007 cost of non-emergency transportation services has been segregated from client service expense in the accompanying consolidated statements of operations and the provision for doubtful accounts has been segregated from billed and unbilled accounts receivable in the accompanying consolidated statements of cash flows.

New Accounting Pronouncements

The Financial Accounting Standards Board ("FASB") issued SFAS No. 157, "*Fair Value Measurement*" ("SFAS 157") in September 2006 to define fair value and require that the measurement thereof be determined based on the assumptions that market participants would use in pricing an asset or liability and expand disclosures about fair value measurements. Additionally, SFAS 157 establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from sources independent of the reporting entity and (2) the reporting entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances. SFAS 157 is effective for financial assets and financial liabilities for fiscal years beginning after November 15, 2007. On February 12, 2008, the FASB issued FSP No. FAS 157-2, "*Effective Date of FASB Statement No. 157*", which delays the effective date of SFAS 157 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on at least an annual basis. The statement is effective for fiscal years beginning after December 31, 2008. The Company adopted SFAS 157 as of January 1, 2008, with the exception of the application of the statement to non-recurring nonfinancial assets and nonfinancial liabilities. Non-recurring nonfinancial assets and nonfinancial liabilities for which the Company has not applied the provisions of SFAS 157 include those measured at fair value in goodwill impairment testing and indefinite life intangible assets measured at fair value for impairment testing. Although the adoption of SFAS 157 related to financial assets and financial liabilities did not materially impact its financial condition, results of operations, or cash flow, the Company is now required to provide additional disclosures as part of its financial statements. The Company is currently assessing the impact of SFAS 157 for nonfinancial assets and nonfinancial liabilities on its financial condition, results of operations and cash flow.

In February 2007, the FASB issued SFAS No. 159, "*The Fair Value Option for Financial Assets and Financial Liabilities—Including an Amendment of FASB Statement No. 115*" ("SFAS 159"). This statement permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. The fair value option established by SFAS 159 permits all entities to choose to measure eligible items at fair value at specified election dates. A business entity will report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. SFAS 159 is effective for fiscal years beginning after November 15, 2007. The Company adopted SFAS 159 on January 1, 2008 and there was no material impact on its consolidated financial statements for the year ended December 31, 2008 upon adoption of SFAS 159.

In May 2008, the FASB issued SFAS No. 162, "*Hierarchy of Generally Accepted Accounting Principles*" ("SFAS 162"). This statement is intended to improve financial reporting by identifying a consistent framework, or hierarchy, for selecting accounting principles to be used in preparing financial statements of nongovernmental entities that are presented in conformity with GAAP. This statement became effective 60 days following the Securities and Exchange Commission's approval in September 2008 of the Public Company Accounting Oversight Board amendment to AU Section 411, "*The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles.*" There was no material impact on the Company's consolidated financial statements for the year ended December 31, 2008 upon adoption of SFAS 162.

Pending Accounting Pronouncements

In December 2007, the FASB issued SFAS No. 141 (revised 2007), "*Business Combinations*" ("SFAS 141R"). SFAS 141R establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired. SFAS 141R also establishes disclosure requirements to enable the evaluation of the nature and financial effects of the business combination. SFAS 141R is effective as of the beginning of an entity's fiscal year that begins after December 15, 2008, and will be adopted by the Company in the first quarter of 2009. The Company is currently evaluating the potential impact, if any, of the adoption of SFAS 141R on its consolidated results of operations and financial condition.

In December 2007 the FASB issued SFAS No. 160, "*Noncontrolling Interest in Consolidated Financial Statements an amendment of Accounting Research Bulletin No. 51*" ("SFAS 160"). SFAS 160 establishes accounting and reporting standards for ownership interest in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the noncontrolling interest, changes in a parent's ownership interest and the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated. SFAS 160 also establishes disclosure requirements that clearly identify and distinguish between the interest of the parent and the interests of the noncontrolling owners. SFAS 160 is effective as of the beginning of an entity's fiscal year that begins after December 15, 2008. Had SFAS 160 been effective for the periods covered by this report, the Company would have classified ownership interest in one of its subsidiaries held by the sellers related to the Company's acquisition of WCG of approximately \$7.6 million and \$7.3 million, respectively as of December 31, 2007 and 2008, as equity. The Company will classify this ownership interest as equity in the first quarter of 2009 when the Company adopts SFAS 160. At December 31, 2007 and 2008, this ownership interest was classified as "Non-controlling interest" in the accompanying consolidated balance sheets. The Company is currently evaluating the other potential impacts, if any, of the adoption of SFAS 160 on its consolidated results of operations and financial condition.

In March 2008, the FASB issued SFAS No. 161, "*Disclosures about Derivative Instruments and Hedging Activities*" ("SFAS 161"), which amends SFAS 133. SFAS 161 requires companies with derivative instruments to disclose information about how and why a company uses derivative instruments, how derivative instruments and related hedged items are accounted for under SFAS 133, and how derivative instruments and related hedged items affect a company's financial position, financial performance, and cash flows. The required disclosures include the fair value of derivative instruments and their gains or losses in tabular format, information about credit-risk-related contingent features in derivative agreements, counterparty credit risk, and the company's strategies and objectives for using derivative instruments. SFAS 161 expands the current disclosure framework in SFAS 133. SFAS 161 is effective prospectively for periods beginning on or after November 15, 2008. Early adoption is encouraged. The Company is currently evaluating the potential impact, if any, of the adoption of SFAS 161 on its consolidated financial statements.

In April 2008, the FASB issued FASB Staff Position 142-3, "*Determination of the Useful Life of Intangible Assets*" ("FSP 142-3"). FSP 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142, "*Goodwill and Other Intangible Assets*" ("SFAS 142"). In developing assumptions about renewal or extension used to determine the useful life of a recognized intangible asset, an entity may consider its own historical experience in renewing or extending similar arrangements; however, these assumptions should be adjusted for the entity-specific factors set forth in paragraph 11 of SFAS 142. In addition, FSP 142-3, requires disclosure of information that enables users of financial statements to assess the extent to which the expected future cash flows associated with the asset are affected by the entity's intent and/or ability to renew or extend the arrangement for a recognized intangible asset. FSP 142-3 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Early adoption is prohibited. The Company is currently evaluating the potential impact, if any, of the adoption of FSP 142-3 on its consolidated results of operations and financial condition.

In June 2008, the FASB issued Emerging Issues Task Force ("EITF") Issue 07-5, "*Determining whether an Instrument (or Embedded Feature) is indexed to an Entity's Own Stock*" ("EITF 07-5"). EITF No. 07-5 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Early application is not permitted. Paragraph 11(a) of SFAS 133 specifies that a contract that would otherwise meet the definition of a derivative but is both (a) indexed to the Company's own stock and (b) classified in stockholders' equity in the statement of financial position would not be considered a derivative financial instrument. EITF 07-5 provides a new two-step model to be applied in determining whether a financial instrument or an embedded feature is indexed to an issuer's own stock and thus able to qualify for the SFAS 133 paragraph 11(a) scope exception. The adoption of EITF 07-5 is not anticipated to impact the Company's consolidated financial statements.

In September 2008, FSP No. 133-1 and FIN 45-4, "*Disclosures about Credit Derivatives and Certain Guarantees: An Amendment of FASB Statement No. 133 and FASB Interpretation No. 45; and Clarification of the Effective Date of FASB Statement No. 161*" was issued to improve disclosures about credit derivatives by requiring more information about the potential adverse effects of changes in credit risk on the financial position, financial performance, and cash flows of the sellers of credit derivatives. It amends SFAS 133 to require disclosures by sellers of credit derivatives, including credit derivatives embedded in hybrid instruments. The FSP also amends FASB Interpretation No. 45, "*Guarantor's Accounting and Disclosure Requirements for*

Guarantees, Including Indirect Guarantees of Indebtedness to Others" ("FIN 45") to require an additional disclosure about the current status of payment and performance risk of guarantees. The FSP provisions that amend SFAS 133 and FIN 45 are effective for reporting periods ending after November 15, 2008. The FSP also clarifies the effective date of SFAS 161. The Company is currently evaluating the potential impact, if any, of the adoption of FSP No. 133-1 and FIN 45-4 on its consolidated financial statements.

In October 2008, the FASB issued SFAS No. 157-3, "*Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active*" ("SFAS 157-3"). This standard expands upon the implementation guidance in SFAS 157 for estimating the present value of future cash flows for some hard-to-value financial instruments, such as collateralized debt obligations. This statement became effective upon issuance. The Company doesn't believe that SFAS 157-3 will have a material impact on the Company's consolidated financial statements.

Other accounting standards that have been issued or proposed by the FASB or other standards setting bodies that do not require adoption until a future date are not expected to have a material impact on the Company's consolidated financial statements upon adoption.

2. Fair Value Measurements

SFAS 157 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. SFAS 157 establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. Level 3 inputs are unobservable inputs based on the Company's assumptions used to measure assets and liabilities at fair value. A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The following table provides the assets and liabilities carried at fair value measured on a recurring basis at December 31, 2008:

		Fair Value Measurement Using		
	Total Carrying Value	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Interest rate swap	$ (1,644,332)	$ —	$ (1,644,332)	$ —

The Company's interest rate swap is carried at fair value measured on a recurring basis. The Company has elected to use the income approach to value the derivatives, using observable Level 2 market expectations at measurement date and standard valuation techniques to convert future amounts to a single present amount assuming that participants are motivated, but not compelled to transact. Level 2 inputs for the swap valuations are limited to quoted prices for similar assets or liabilities in active markets (specifically futures contracts) and inputs other than quoted prices that are observable for the asset or liability (e.g., LIBOR cash and swap rates and credit risk at commonly quoted intervals as published by Bloomberg on the last day of the period for financial institutions with the same credit rating as the counterparty). Mid-market pricing is used as a practical expedient for fair value measurements. Key inputs, including the cash rates for short term, futures rates and swap rates beyond the derivative maturity are used to interpolate the spot rates at the three month rate resets specified by each swap. A fair market curve index based on the current credit rating of the counterparty is applied to all cash flows when the swap is in an asset position. The Company uses the floating rate factor related to its variable rate debt to discount derivative liabilities to reflect the potential credit risk to lenders when a swap is in a liability position.

3. Other Receivables

At December 31, 2007 and 2008, insurance premiums of approximately $1.7 million and $2.4 million, respectively, were receivable from third parties related to the reinsurance activities of the Company's two captive subsidiaries. The insurance premiums receivable is classified as "Other receivables" in the accompanying consolidated balance sheets. In addition, the Company's expected losses related to workers' compensation and general and professional liability in excess of the Company's liability under its associated reinsurance programs at December 31, 2008 was approximately $1.4 million, of which approximately $446,000 was classified as "Other receivables" and approximately $1.0 million was classified as "Other assets" in the accompanying consolidated balance sheet. The Company recorded a corresponding liability at December 31, 2008 which offsets these expected losses. This liability was classified as "Reinsurance liability reserve" in current liabilities and "Other long-term liabilities" in the accompanying consolidated balance sheet.

Based on certain provisions of the Company's previous credit agreement with CIT Healthcare LLC, a significant portion of the Company's collections on accounts related to its operating activities were deposited into lockbox accounts to ensure payment of outstanding obligations to CIT Healthcare LLC. As of December 31, 2007, the amount due to the Company from CIT Healthcare LLC under lockbox arrangements totaled approximately $322,000. No such arrangements exist as of December 31, 2008 under the Company's new credit agreement with CIT Capital Securities LLC ("CIT"), entered into in December 2007 in connection with the Company's acquisition of Charter LCI Corporation including its subsidiaries (collectively "LogistiCare"). This receivable was classified in "Other receivables" in the Company's consolidated balance sheet.

4. Prepaid Expenses and Other

Prepaid expenses and other comprised the following:

	December 31, 2007	December 31, 2008
Prepaid payroll	$ 2,094,580	$ 2,703,503
Prepaid insurance	2,309,746	3,381,451
Prepaid taxes	125,676	3,978,742
Prepaid rent	672,852	737,847
Provider advances	640,345	285,020
Prepaid maintenance agreements and copier leases	423,769	608,075
Prepaid bus tokens and passes	712,614	1,133,290
Prepaid commissions and brokerage fees	456,900	548,446
Interest receivable—certificates of deposit	509,337	694,852
Inventory	230,124	75,598
Other	1,377,707	1,230,815
Total prepaid expenses and other	$ 9,553,650	$ 15,377,639

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5. Notes Receivable

Notes receivable included the following:

	Interest Rate	December 31, 2007	December 31, 2008
Unsecured promissory note from The ReDCo Group, a managed entity, with principal and interest due in eight equal quarterly installments beginning October 2007 through September 2009	5.0%	$ 525,000	$ 225,000
Unsecured promissory note from Family Preservation Community Services, Inc., a managed entity, with principal and interest due in sixty equal monthly installments beginning November 2007 through October 2012	4.5%	686,152	272,660
Unsecured promissory note from FCP, Inc., a managed entity, with principal and interest due in thirty-six equal monthly installments beginning February 2007 through January 2010	9.5%	180,991	98,559
Unsecured promissory note from Clearfield Jefferson Community Mental Health Center, Inc., a third-party entity, with principal and accrued but unpaid interest due July 2011	5.0%	51,073	3,622
		1,443,216	599,841
Less current portion		563,513	467,682
		$ 879,703	$ 132,159

Accrued interest receivable related to these notes totaled approximately $36,000 and $33,000 at December 31, 2007 and 2008, respectively, and was classified as "Prepaid expenses and other assets" in the accompanying consolidated balance sheets.

6. Notes Receivable from Related Party

In connection with the acquisition of LogistiCare in 2007, the Company entered into a separate stock option cancellation and exchange agreement with each employee of LogistiCare who held options to purchase shares of Charter LCI Corporation's common stock as of the acquisition date. The terms of these agreements provided for, among other things, a loan to be made by the Company to each optionholder in an amount equal to the optionholders' withholding taxes related to the cancellation and exchange of the optionholders' in-the-money stock options to purchase shares of Charter LCI Corporation common stock for shares of the Company's common stock. Each loan bore interest of 6.0% per annum with principal and accrued interest due within 180 days from the acquisition date. As collateral security for the prompt and complete payment for all obligations under the loans, each optionholder granted a security interest to the Company in the optionholders' right, title and interest in and to 40% of the shares of the Company's common stock granted to the optionholders under the stock option cancellation and exchange agreements. The amount due to the Company under these arrangements at December 31, 2007 totaled approximately $2.4 million. Of this amount, approximately $1.7 million was classified as "Notes receivable from related party" in the accompanying consolidated balance sheet. The remaining balance of $715,000 was classified as "Common stock subscription receivable" in the accompanying consolidated balance sheet. As of December 31, 2008, all amounts had been paid and no amounts remained outstanding under these arrangements.

7. Acquisitions

The following acquisitions have been accounted for using the purchase method of accounting and the results of operations are included in the Company's consolidated financial statements from the date of acquisition. The cost of acquiring AmericanWork, Inc. ("AW") has been allocated to the assets and liabilities acquired based on a preliminary evaluation of its fair value and may change when the final valuation of certain intangible assets is determined.

In 2008, a final valuation has been performed for the assets and liabilities acquired for Raystown Development Services, Inc. ("Raystown"), WCG, the Behavioral Health Rehabilitation Services business of Family & Children's Services, Inc. ("FCS"), LogistiCare and Camelot Community Care, Inc. ("CCC") and the excess of the purchase price over the fair value of the net identifiable assets has been allocated to goodwill.

The purchase agreements related to the acquisition of WCG and LogistiCare described below provide for contingent consideration to be paid by the Company to the seller upon the acquired entity meeting certain contingencies as described in note 19 below.

The synergistic benefits realized in the following acquisitions are the primary drivers for the premium paid by the Company in most cases based on the expected increase in cash flow resulting from revenue enhancements and potential costs savings achievable through the acquisition. These synergies are also the primary driver in the amount of goodwill recognized as a result of these acquisitions.

Effective January 1, 2007, the Company acquired all of the assets of the Behavioral Health Rehabilitation Services business of Raystown. The business provides in-home counseling and school based services in Pennsylvania. The purchase price consisted of cash totaling $500,000. The purchase price was funded by cash flow from operations. This acquisition further expanded the Company's home and community based services in Pennsylvania.

The following represents the Company's allocation of the purchase price and associated acquisition costs:

Consideration:	
Cash	$ 500,000
Costs of acquisition	116,688
	$ 616,688
Allocated to:	
Fixed assets	$ 5,570
Intangibles	166,093
Goodwill	445,025
	$ 616,688

The above goodwill is tax deductible.

On August 1, 2007, PSC of Canada Exchange Corp. ("PSC"), a subsidiary of the Company, acquired all of the equity interest in WCG, a Victoria, British Columbia based workforce initiative company with operations in communities across British Columbia. The purchase price included $10.1 million in cash (less certain adjustments contained in the purchase agreement) and the sellers' investment banking fees which were reimbursed by the Company, and 287,576 exchangeable shares issued by PSC valued at approximately $7.8 million in accordance with the provisions of the purchase agreement ($7.6 million for accounting purposes). For accounting purposes, the value of the exchangeable shares issued by PSC was determined based upon the product of the average market price for the Company's common stock for the five trading days ended August 3, 2007 of $26.59 and 287,576 shares issued. The shares are exchangeable at each shareholder's option, for no additional consideration, into shares of the Company's common stock on a one-for-one basis ("Exchangeable Shares") subject to certain lockup provisions that prohibit the transfer of such shares during the first twelve months after August 1, 2007 with respect to 50% of the shares issued upon exchange and the first twenty four months after August 1, 2007 with respect to the remaining balance of shares issued upon exchange. In addition, half of the Exchangeable Shares were placed into escrow for 18 months after August 1, 2007 for indemnification purposes. The Exchangeable Shares represent ownership in PSC and are accounted for as non-controlling interest. This acquisition expanded the Company's workforce development service offering and extended the Company's geographical service delivery into Canada. The cash portion of the purchase price was funded through the Company's acquisition line of credit.

The following represents the Company's allocation of the purchase price and associated acquisition costs:

Consideration:	
Cash	$ 10,064,900
Exchangeable shares	7,648,946
Costs of acquisition	1,223,729
	$ 18,937,575
Allocated to:	
Working capital	$ 5,080,448
Fixed assets	911,194
Goodwill	9,710,183
Intangibles	4,822,910
Other assets	20,542
Deferred tax liabilities	(1,607,702)
	$ 18,937,575

The above goodwill is not tax deductible.

On October 5, 2007, the Company's wholly-owned subsidiary, Children's Behavioral Health, Inc. ("CBH"), acquired substantially all of the assets of FCS located in Sharon, Pennsylvania. The purchase price consisted of approximately $8.2 million in cash and the balance in a $1.8 million subordinated promissory note that bears a fixed interest rate of 4% per annum. Under the terms of the promissory note, $300,000 is payable in six months and $1.5 million is payable in 30 months from the date of acquisition. This acquisition expanded the Company's home and school based behavioral health rehabilitation services into northwestern Pennsylvania. The cash portion of this acquisition was funded with the Company's operating cash and borrowings under the Company's acquisition line of credit.

The following represents the Company's allocation of the purchase price and associated acquisition costs:

Consideration:	
Cash	$ 8,200,000
Note payable	1,800,000
Costs of acquisition	441,728
	$ 10,441,728
Allocated to:	
Fixed assets	$ 158,772
Intangible assets	7,031,286
Goodwill	2,251,670
Working capital	1,000,000
	$ 10,441,728

Approximately $2.1 million of the above goodwill is tax deductible.

Effective December 7, 2007, the Company acquired all of the outstanding equity of LogistiCare. LogistiCare, based in College Park, Georgia, is the nation's largest case management provider coordinating non-emergency transportation services primarily to Medicaid recipients. The $220 million purchase price consisted primarily of cash but also included 418,952 shares of the Company's common stock valued at approximately $13.2 million in accordance with the provisions of the purchase agreement ($12.3 million for accounting purposes). These shares were issued in exchange for the cancellation of LogistiCare employee stock options. The purchase price was paid with funds drawn down on credit facilities and proceeds received from a private placement of the Company's senior subordinated notes as more fully described in note 10 below. By adding non-emergency transportation services to its service offering, the Company believed it would be able to focus on better managing the front end of the Medicaid service delivery system ultimately saving government payers money through combined transportation case management services and home based social services.

The following represents the Company's allocation of the purchase price and associated acquisition costs:

Consideration:	
Cash	$ 210,496,015
Common stock	12,346,515
Costs of acquisition	4,463,288
	$ 227,305,818
Allocated to:	
Working capital deficit	$ (20,078,651)
Property and equipment	7,265,578
Other assets	734,958
Intangible assets	60,800,000
Goodwill	191,185,510
Net deferred tax liabilities	(12,601,577)
	$ 227,305,818

The above goodwill is not tax deductible.

On September 30, 2008, the Company acquired substantially all of the assets in Illinois and Indiana of CCC. CCC is a Florida not-for-profit tax exempt corporation with operations in Florida, Illinois, Indiana, Ohio and Texas that provides home and community based services and foster care services. The purchase price of approximately $5.4 million consisted of cash in the amount of approximately $573,000 with the remaining $4.8 million credited against the purchase price for all of CCC's indebtedness to the Company for management services rendered by the Company to CCC under several management services agreements.

Historically, the Company provided various management services to CCC for a fee under separate management services agreements for each state in which CCC operated. In connection with the Company's acquisition of the assets of CCC's Illinois and Indiana operations, the Company consolidated its remaining management services agreements with CCC (i.e., Florida, Ohio and Texas) into one administrative service agreement under which the Company will provide a more narrow range of services to CCC as compared to the services historically provided by the Company.

The Company believes this acquisition expands its home and community based services and foster care services into Illinois and further expands its presence in Indiana. The cash portion of the purchase price was funded by the Company's cash generated from operations.

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The following represents the Company's allocation of the purchase price and associated acquisition costs:

Consideration:	
Cash	$ 572,575
Credit for indebtedness of CCC to the Company for management services provided by the Company to CCC	4,827,425
Estimated cost of acquisition	19,681
	$ 5,419,681
Allocated to:	
Goodwill	$ 1,935,264
Intangibles	3,419,539
Fixed assets	39,402
Other assets	25,476
	$ 5,419,681

Currently, the above goodwill is expected to be tax deductible.

Effective September 30, 2008, the Company acquired all of the equity interest in AW, a community based mental health provider operating in 23 Georgia locations. AW provides, among other things, independent living services and training in support of individuals with mental illness, outpatient individual and group behavioral health services, and community based vocational and peer supported vocational and employment services. The total purchase price consisted of cash in the amount of approximately $3.5 million, with approximately $3.0 million paid by the Company at closing on October 14, 2008 and the balance held by the Company for one year to secure potential indemnity obligations. The Company believes this acquisition enhances its community based social services offering, expands its presence in Georgia, and further positions the Company for growth. The purchase price was funded by cash generated from the Company's operations.

The following represents the Company's preliminary allocation of the purchase price and associated acquisition costs:

Consideration:	
Cash	$ 2,975,000
Due to former shareholder	525,000
Estimated cost of acquisition	43,818
	$ 3,543,818
Allocated to:	
Goodwill	$ 491,543
Intangibles	1,387,441
Fixed assets	528,989
Working capital	990,932
Other assets	144,913
	$ 3,543,818

Currently, the above goodwill is expected to be tax deductible.

The following table summarizes the allocation of purchase price to intangible assets at December 31, 2007 and 2008 for intangible assets acquired in 2006, 2007 and 2008:

	Estimated Useful Life	Gross Carrying Amount December 31, 2007	Gross Carrying Amount December 31, 2008
Intangible assets acquired in 2006:			
Management contracts	10 Yrs	$ 6,326,000	$ 6,326,000
Customer relationships	15 Yrs	3,559,594	3,559,594
Customer relationships	10 Yrs	1,417,000	1,417,000
Restrictive covenants	5 Yrs	75,000	75,000
Software license	5 Yrs	337,500	337,500
Total intangible assets acquired in 2006	11.3 Yrs	$ 11,715,094	$ 11,715,094
Intangible assets acquired in 2007:			
Customer relationships	15 Yrs	$ 66,339,063	$ 66,341,777
Developed technologies	6 Yrs	6,000,000	6,000,000
Restrictive covenants	5 Yrs	10,194	9,628
Software license	5 Yrs	496,428	468,884
Total intangible assets acquired in 2007	14.2 Yrs	$ 72,845,685	$ 72,820,289
Intangible assets acquired in 2008:			
Customer relationships	15 Yrs		$ 4,771,980
Restrictive covenants	5 Yrs		35,000
Total intangible assets acquired in 2008	14.9 Yrs		$ 4,806,980

No significant residual value is estimated for these intangible assets. Amortization expense is recognized on a straight-line basis over the estimated useful life. In 2008, approximately $11 million of the customer relationships intangible assets acquired in connection with the Company's acquisition of LogistiCare in 2007 was impaired as more fully described in note 8 below.

The following unaudited pro forma information presents a summary of the consolidated results of operations of the Company as if the acquisition of Raystown, WCG, FCS, LogistiCare, CCC and AW had occurred on January 1, 2007 or 2008. The pro forma financial information is not necessarily indicative of the results of operations that would have occurred had the transaction been effected on January 1, 2007 or 2008.

	December 31, 2007	December 31, 2008
Revenue	$ 637,981,943	$ 708,647,276
Net income (loss)	9,866,595	(154,849,394)
Diluted earnings (loss) per share	$ 0.82	$ (12.36)

8. Goodwill and Intangibles

Changes in goodwill were as follows:

	Social Services	NET Services	Consolidated Total
Balances at December 31, 2006	$ 56,656,263	$ —	$ 56,656,263
Adjustment for the collection of pre-acquisition accounts receivable collected subsequent to the acquisition of Correctional Services	(939,363)	—	(939,363)
Maple Star Nevada earn out payment	569,420	—	569,420
WD Management, L.L.C. estimated earn out payment	8,874,155	—	8,874,155
Raystown acquisition	445,025	—	445,025
WCG acquisition, including foreign currency translation adjustment	10,262,081	—	10,262,081
FCS acquisition	2,104,965	—	2,104,965
LogistiCare acquisition	—	202,868,683	202,868,683
Miscellaneous	(130,932)	—	(130,932)
Balances at December 31, 2007	77,841,614	202,868,683	280,710,297
LogistiCare acquisition cost adjustments, tax adjustments and pre-acquisition cost adjustments	—	(10,803,456)	(10,803,456)
LogistiCare intangible asset valuation adjustment	—	(400,000)	(400,000)
LogistiCare working capital adjustment	—	(479,716)	(479,716)
FCS intangible asset valuation adjustment	142,073	—	142,073
FCS acquisition cost adjustments	4,632	—	4,632
WCG foreign currency translation adjustment	(2,051,519)	—	(2,051,519)
WCG acquisition cost adjustments	(18,932)	—	(18,932)
CCC acquisition	1,935,264	—	1,935,264
AW acquisition	491,543	—	491,543
Maple Star Nevada net operating loss adjustment	(58,769)	—	(58,769)
Impairment charge	(60,700,851)	(96,000,000)	(156,700,851)
Balances at December 31, 2008	$ 17,585,055	$ 95,185,511	$ 112,770,566

On May 14, 2008, the Company paid to the former members of W.D. Management, L.L.C. ("WD Management") approximately $8.9 million under an earn out provision pursuant to a formula specified in the purchase agreement that was based upon the financial performance of WD Management for the year ended December 31, 2007. The contingent consideration was paid in a combination of cash and 78,740 shares of the Company's unregistered common stock, the value of which was approximately $2.2 million. The cash portion of the earn out payment, which amounted to approximately $6.7 million, was funded with the Company's operating cash. The Company recorded the fair value of the additional consideration paid as goodwill as of December 31, 2007. The goodwill amount is tax deductible.

When the Company acquires a business the Company's pricing is typically based upon a multiple of the target entity's historical EBITDA and over the years the Company has been a successful competitor using this basis for determining the value of and price paid for its acquisitions. The Company believes this pricing method is also used by its competitors to value their business combinations and is typical in the mergers and acquisition market. During the six months ended December 31, 2008, the Company believes the market for mergers and acquisitions deteriorated such that by the end of 2008, the EBITDA multiples being used to price acquisitions had dropped to approximately half of what they had been for the Company historically. In addition, during the six months ended December 31, 2008, the Company had a significant and sustained decline in market capitalization due to the decrease in the market price of its common stock. The Company believes this decrease in stock price resulted primarily from its lower than anticipated financial results during such period. These financial results were caused by significant changes in the climate of the Company's business, the uncertainty in the state governmental payer environment, the impact of related budgetary decisions, and by the sharp down turn in the United States economy generally. The $169.9 million non-cash asset impairment charge recorded by the Company for the year ended December 31, 2008, all of which was recorded during the six months ended December 31, 2008, reflects the magnitude of both the decline in its market capitalization and the deterioration of the mergers and acquisitions market (including peer group guideline company multiples of EBITDA) during that six-month period, all as explained further below.

At September 30, 2008, the Company determined that the decline in its market capitalization and significant change in the Company's business climate (each discussed above) during the three months ended September 30, 2008 were indicators that an interim goodwill impairment test was required under SFAS 142 for all of its reporting units that had goodwill balances. In determining whether the Company had goodwill impairment at September 30, 2008, it reduced the total aggregate carrying value of the Company's reporting units to reconcile it to the Company's substantially decreased market capitalization plus a reasonable control premium as of September 30, 2008. The Company estimated the current fair value of each individual reporting unit with a goodwill balance as of September 30, 2008 using a market-based valuation approach. The results of the Company's interim goodwill impairment test indicated that goodwill related to its December 2007 acquisition of LogistiCare, which comprises the Company's NET Services operating segment and reporting unit, and earlier acquisitions assigned to the Company's Social Services operating segment was impaired. As a result, the Company recorded an estimated non-cash goodwill impairment charge of approximately $96.0 million related to the Company's NET Services reporting unit and $34.0 million related to its Social Services operating segment.

The Company's stock price continued to significantly decline due to the reasons outlined above during the three months ended December 31, 2008. As a result of these factors, the Company further reduced the aggregate carrying value of its reporting units in connection with the Company's annual asset impairment analysis to reconcile it to the Company's reduced market capitalization as of December 31, 2008. In subsequently determining whether or not the Company had goodwill impairment to report for the three months ended December 31, 2008, the Company considered both a market-based valuation approach and an income-based valuation approach when estimating the fair values of its reporting units with goodwill balances as of such date. Under the market approach, the fair value of the reporting unit is determined using one or more methods based on current values in the market for similar businesses. Under the income approach, the fair value of the reporting unit is based on the cash flow streams expected to be generated by the reporting unit over an appropriate period and then discounting the cash flow to present value using an appropriate discount rate. The income approach is dependent on a number of significant management assumptions, including estimates of future revenue and expenses, growth rates and discount rates.

In arriving at the fair value of the reporting units in the Company's Social Services operating segment, greater weight was attributed to the market approach due to the continuing market deterioration reflected in current market comparables. For these reporting units, the Company weighted the market-based valuation results at 75% and the income-based valuation results at 25%. In arriving at the fair value for its NET Services operating segment, the Company used the indications of value received by it from potential acquirers of this segment as they represent prices that market participants are willing to offer for this reporting unit under current market conditions. The Company's annual goodwill impairment analysis resulted in an additional non-cash asset impairment charge for the three months ended December 31, 2008 of approximately $26.7 million (net of a $7.7 million adjustment to the estimated interim period goodwill impairment charge recognized at September 30, 2008 as a result of the Company completing the interim goodwill impairment test in the fourth quarter of 2008) related to goodwill in its Social Services operating segment.

As a result of both of the Company's interim and annual impairment tests, it recorded a total goodwill impairment charge for the year ended December 31, 2008 of $156.7 million, which is included in "Asset impairment charges" in the accompanying consolidated statements of operations. Of this non-cash impairment charge, approximately $60.7 million was related to the Company's Social Service operating segment and approximately $96.0 million was related to its NET Services operating segment.

The total amount of goodwill that was deductible for income tax purposes for acquisitions as of December 31, 2007 and 2008 was approximately $23.8 million and $35.2 million, respectively.

Intangible assets are comprised of acquired customer relationships, management contracts, restrictive covenants, software licenses and developed technology. The Company valued customer relationships and the management contracts acquired in these acquisitions based upon expected future cash flows resulting from the underlying contracts with state and local agencies to provide social services in the case of customer relationships, and management and administrative services provided to the managed entity with respect to the acquired management contract.

Intangible assets consisted of the following:

		December 31,			
		2007		2008	
	Estimated Useful Life	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Management contracts	10 Yrs	$ 12,849,562	$ (3,437,319)	$ 13,368,024	$ (4,824,824)
Customer relationships	15 Yrs	84,541,557	(3,658,733)	74,878,448	(8,450,165)
Customer relationships	10 Yrs	1,417,000	(177,125)	1,417,000	(318,825)
Developed technology	6 Yrs	6,000,000	(67,204)	6,000,000	(1,067,204)
Software licenses	5 Yrs	833,928	(125,744)	736,012	(264,787)
Restrictive covenants	5 Yrs	120,194	(41,998)	142,860	(60,952)
Restrictive covenants	3 Yrs	30,000	(30,000)	—	—
Total	13.6 Yrs*	$ 105,792,241	$ (7,538,123)	$ 96,542,344	$ (14,986,757)

* Weighted-average amortization period

No significant residual value is estimated for these intangible assets. Amortization expense was approximately $2.4 million, $3.4 million and $8.2 million for the years ended December 31, 2006, 2007 and 2008, respectively. The total amortization expense is estimated to be approximately $7.7 million for 2009, 2010 and 2011, $7.5 million for 2012, and $7.3 million for 2013, based on completed acquisitions as of December 31, 2008.

In connection with its interim asset impairment analysis conducted as of September 30, 2008, the Company determined that, for the same reasons noted above related to its goodwill impairment analysis as of such date, the value of the customer relationships acquired in connection with the Company's acquisition of LogistiCare was impaired as of September 30, 2008. Consequently, in addition to the interim goodwill impairment charge noted above, the Company recorded an $11.0 million non-cash interim asset impairment charge for the three months ended September 30, 2008 to reflect the excess of the carrying value of customer relationships acquired in connection with its acquisition of LogistiCare over the estimated fair value of such relationships. The Company estimated the fair values of these intangible assets on a projected discounted cash flow basis.

In connection with its annual asset impairment analysis conducted as of December 31, 2008, the Company determined that the same factors that required it to conduct goodwill impairment tests with respect to the Company's reporting units as of December 31, 2008 also required the Company to conduct impairment tests with respect to the other intangible assets in these reporting units. In conducting such tests, the Company compared the undiscounted cash flow associated with each such intangible asset over its remaining life to the carrying value of such asset. If there was an indication of impairment, a discounted cash flow analysis was performed to determine the fair value of the intangible asset as of December 31, 2008, which was then compared to its carrying value. The Company determined, as a result of such comparisons, that there were additional asset impairment losses as of December 31, 2008 in its Social Services operating segment related to these other intangible assets, and, accordingly, the Company recorded an additional impairment charge of $2.2 million for the three months ended December 31, 2008 related to these other intangible assets.

As a result of both of its interim and annual impairment tests, the Company recorded a total asset impairment charge related to other intangible assets for the year ended December 31, 2008 of $13.2 million, which is included in "Asset impairment charges" in the accompanying consolidated statements of operations. This non-cash impairment charge includes the $11.0 million recorded with respect to the Company's NET Services operating segment as of September 30, 2008 and the $2.2 million recorded with respect to its Social Services operating segment as of December 31, 2008.

9. Detail of Other Balance Sheet Accounts

Property and equipment consisted of the following:

	Estimated Useful Life	December 31, 2007	December 31, 2008
Land	—	$ 20,000	$ 20,000
Building	39 years	230,000	230,000
Furniture and equipment	3-7 years	17,060,510	21,709,263
		17,310,510	21,959,263
Less accumulated depreciation		5,748,839	9,975,895
		$ 11,561,671	$ 11,983,368

Depreciation expense was approximately $1.1 million, $1.6 million and $4.5 million for the years ended December 31, 2006, 2007 and 2008, respectively.

Accrued expenses consisted of the following:

	December 31, 2007	December 31, 2008
Accrued compensation	$ 12,364,020	$ 12,720,169
Accrued earnout payment to WD Management	8,894,115	—
Income taxes payable	1,921,086	—
Accrued interest payable	1,484,517	1,591,730
Due to former shareholder	—	625,000
Due to non-emergency transportation services contract payers	2,281,522	434,214
Other	9,503,023	11,861,627
	$ 36,448,283	$ 27,232,740

10. Long-Term Obligations

The Company's long-term obligations were as follows:

	December 31, 2007	December 31, 2008
5% unsecured, subordinated note to former stockholder of acquired company, interest payable semi-annually beginning December 2005 and all unpaid principal and any accrued and unpaid interest due June 2010	$ 618,680	$ 618,680
4% unsecured, subordinated note to former owner of acquired company, interest payable semi-annually beginning April 2008 with principal of $300,000 due April 2008, but withheld due to a dispute, and all remaining unpaid principal and any accrued and unpaid interest due April 2010	1,800,000	1,800,000
5.85% secured, note payable, interest and principal payable monthly beginning January 2009 through September 2009	—	989,925
6.5% convertible senior subordinated notes, interest payable semi-annually beginning May 2008 with principal due May 2014	70,000,000	70,000,000
$40,000,000 revolving loan, LIBOR plus 3.5% (effective rate of 5.7% at December 31, 2008) through December 2012	—	—
$173,000,000 term loan, LIBOR plus 3.5% with principal and interest payable no less frequently than quarterly (as described below) through December 2013	173,000,000	164,350,000
	245,418,680	237,758,605
Less current portion	8,950,000	14,264,925
	$ 236,468,680	$ 223,493,680

Annual maturities of long-term obligations as of December 31, 2008 are as follows:

Year	Amount
2009	$ 14,264,925
2010	19,418,680
2011	21,625,000
2012	25,950,000
2013	86,500,000
Thereafter	70,000,000
Total	$ 237,758,605

Convertible senior subordinated notes.

On November 13, 2007, the Company issued $70.0 million in aggregate principal amount of 6.5% Convertible Senior Subordinated Notes due 2014 (the "Notes"), under the amended note purchase agreement dated November 9, 2007 to the purchasers named therein. The proceeds of $70.0 million were initially placed into escrow and were released on December 7, 2007 to partially fund the cash portion of the purchase price of LogistiCare. The Notes are general unsecured obligations subordinated in right of payment to any existing or future senior debt including the Company's credit facility with CIT described below.

In connection with the Company's issuance of the Notes, the Company entered into an Indenture between the Company, as issuer, and The Bank of New York Trust Company, N.A., as trustee (the "Indenture").

The Company will pay interest on the Notes in cash semiannually in arrears on May 15 and November 15 of each year beginning on May 15, 2008. The Notes will mature on May 15, 2014.

The Notes are convertible, under certain circumstances, into common stock at a conversion rate, subject to adjustment as provided for in the Indenture, of 23.982 shares per $1,000 principal amount of Notes. This conversion rate is equivalent to an initial conversion price of approximately $41.698 per share. On and after the occurrence of a fundamental change (as defined below), the Notes will be convertible at any time prior to the close of business on the business day before the stated maturity date of the Notes. In the event of a fundamental change as described in the Indenture, each holder of the notes shall have the right to require the Company to repurchase the Notes for cash. A fundamental change includes among other things: (i) the acquisition in a transaction or series of transactions of 50% or more of the total voting power of all shares of the Company's capital stock; (ii) a merger or consolidation of the Company with or into another entity, merger of another entity into the Company, or the sale, transfer or lease of all or substantially all of the Company's assets to another entity (other than to one or more of the Company's wholly-owned subsidiaries), other than any such transaction (A) pursuant to which holders of 50% or more of the total voting power of the Company's capital stock entitled to vote in the election of directors immediately prior to such transaction have or are entitled to receive, directly or indirectly, at least 50% or more of the total voting power of the capital stock entitled to vote in the election of directors of the continuing or surviving corporation immediately after such transaction or (B) which is effected solely to change the jurisdiction of incorporation of the Company and results in a reclassification, conversion or exchange of outstanding shares of the Company's common stock into solely shares of common stock; (iii) if, during any consecutive two-year period, individuals who at the beginning of that two-year period constituted the Company's board of directors, together with any new directors whose election to the Company's board of directors or whose nomination for election by the Company's stockholders, was approved by a vote of a majority of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously approved, cease for any reason to constitute a majority of the Company's board of directors then in office; (iv) if a resolution approving a plan of liquidation or dissolution of the Company is approved by its board of directors or the Company's stockholders; and (v) upon the occurrence of a termination of trading as defined in the Indenture.

The Indenture contains customary terms and provisions that provide that upon certain events of default, including, without limitation, the failure to pay amounts due under the Notes when due, the failure to perform or observe any term, covenant or agreement under the Indenture, or certain defaults under other agreements or instruments, occurring and continuing, either the trustee or the holders of not less than 25% in aggregate principal amount of the Notes then outstanding may declare the principal of the Notes and any accrued and unpaid interest through the date of such declaration immediately due and payable. Upon any such declaration, such principal, premium, if any, and interest shall become due and payable immediately. In the case of certain events of bankruptcy or insolvency relating to the Company or any significant subsidiary of the Company, the principal amount of the Notes together with any accrued interest through the occurrence of such event shall automatically become and be immediately due and payable without any declaration or other act of the Trustee or the holders of the Notes.

Credit facility.

On December 7, 2007, the Company entered into a Credit and Guaranty Agreement (the "Credit Agreement") with CIT Healthcare LLC, as administrative agent, Bank of America, N.A. and SunTrust Bank, as co-documentation agents, ING Capital LLC and Royal Bank of Canada, as co-syndication agents, other lenders party thereto, and CIT, as sole lead arranger and bookrunner. The Credit Agreement replaced the Company's previous credit facility with CIT Healthcare LLC.

The Credit Agreement provides the Company with a senior secured first lien credit facility in aggregate principal amount of $213.0 million comprised of a $173.0 million, six year term loan and a $40.0 million, five year revolving credit facility, or the Credit Facility. On December 7, 2007, the Company borrowed the entire amount available under the term loan facility and used the proceeds of the term loan to (i) fund a portion of the purchase price paid by the Company to acquire LogistiCare; (ii) refinance all of the existing indebtedness under its second amended loan agreement with CIT Healthcare LLC in the amount of approximately $17.3 million; and

(iii) pay fees and expenses related to the acquisition of LogistiCare and the financing thereof. The revolving credit facility must be used to (i) provide funds for general corporate purposes of the Company; (ii) fund permitted acquisitions; (iii) fund ongoing working capital requirements; (iv) collateralize letters of credit: and (v) make capital expenditures. The Company intends to draw down on the revolving credit facility from time-to-time for these uses.

Under the Credit Agreement the outstanding principal amount of the loans accrues interest at the per annum rate of LIBOR plus 3.5% or the Base Rate plus 2.5% (as defined in the Credit Agreement) at the Company's election. The Company may, from time-to-time, request to convert the loan (whether borrowed under the term loan facility or the revolving credit facility) from a Base Rate Loan (subject to the per annum rate of the Base Rate plus 2.5%) to a LIBOR Loan (subject to the per annum rate of LIBOR plus 3.5%). The conversion to a LIBOR Loan may be selected for a period of one, two, three or six months with interest payable on the last day of the period selected except where a period of six months is selected by the Company interest is payable quarterly. If not renewed by the Company subject to CIT approval, the loan will automatically convert back to a Base Rate Loan at the end of the conversion period. The interest rate applied to the Company's term loan at December 31, 2008 was 5.7%. In addition, the Company is subject to a 0.75% fee per annum on the unused portion of the available funds as well as other administrative fees. No amounts were borrowed under the revolving credit facility as of December 31, 2008, but the entire amount available under this facility may be allocated to collateralize certain letters of credit. As of December 31, 2007, there were seven letters of credit in the amount of approximately $13.1 million and five letters of credit as of December 31, 2008 in the amount of approximately $6.8 million collateralized under the revolving credit facility. At December 31, 2007 and 2008, the Company's available credit under the revolving credit facility was $26.9 million and $33.2 million, respectively.

The Credit Agreement contains customary representations and warranties, affirmative and negative covenants, yield protection, indemnities, expense reimbursement, material adverse change clauses, and events of default and other terms and conditions. In addition, the Company is required to maintain certain financial covenants under the Credit Agreement. Prior to the amendment to the Credit Agreement described below, the Company anticipated that it would not be in compliance with certain financial covenants as of December 31, 2008. Further, the Company is prohibited from paying cash dividends if there is a default under the facility or if the payment of any cash dividends would result in default.

The Company's obligations under the Credit Facility are guaranteed by all of its present and future domestic subsidiaries (the "Guarantors") other than the Company's insurance subsidiaries and managed entities. The Company's and each Guarantors' obligations under the Credit Facility are secured by a first priority lien, subject to certain permitted encumbrances, on the Company's assets and the assets of each Guarantor, including a pledge of 100% of the issued and outstanding stock of the Company's domestic subsidiaries and 65% of the issued and outstanding stock of its first tier foreign subsidiaries. If an event of default occurs, including, but not limited to, failure to pay any installment of principal or interest when due, failure to pay any other charges, fees, expenses or other monetary obligations owing to CIT when due or particular covenant defaults, as more fully described in the Credit Agreement, the required lenders may cause CIT to declare all unpaid principal and any accrued and unpaid interest and all fees and expenses immediately due. Under the Credit Agreement, the initiation of any bankruptcy or related proceedings will automatically cause all unpaid principal and any accrued and unpaid interest and all fees and expenses to become due and payable. In addition, it is an event of default under the Credit Agreement if the Company defaults on any indebtedness having a principal amount in excess of $5.0 million.

Each extension of credit under the Credit Facility is conditioned upon: (i) the accuracy in all material respects of all representations and warranties in the definitive loan documentation; and (ii) there being no default or event of default at the time of such extension of credit. Under the repayment terms of the Credit Agreement, the Company is obligated to repay the term loan in quarterly installments on the last day of each calendar quarter, which commenced on March 31, 2008, so that the following percentages of the term loan borrowed on the closing date are paid as follows: 5% in 2008, 7.5% in 2009, 10% in 2010, 12.5% in 2011, 15% in 2012 and the remaining balance in 2013. With respect to the revolving credit facility, the Company must repay the outstanding principal balance and any accrued but unpaid interest by December 2012. The Company may at any time and from time-to-time prepay the Credit Facility without premium or penalty, provided that it may not re-borrow any portion of the term loan repaid.

The credit facility also requires the Company to prepay the loan in an aggregate amount equal to 100% of the net cash proceeds of any disposition, or, to the extent the applicable net cash proceeds exceed $500,000. Notwithstanding the foregoing, if at the time of the receipt or application of such net cash proceeds no default or event of default has occurred and is continuing and the Company delivers to the Administrative Agent a certificate, executed by the Company's chief financial officer, that it intends within three hundred sixty-five days after receipt thereof to use all or part of such net cash proceeds either to purchase assets used in the ordinary course of business of the Company and its subsidiaries or to make capital expenditures, the Company may use all or part of such net cash proceeds in the manner set forth in such certificate; provided, however, that, (A) any such net cash proceeds not so used within the period set forth in such certificate shall, on the first business day immediately following such period, be applied as a prepayment and (B) any assets so acquired shall be subject to the security interests under the collateral documents in the same priority (subject to permitted liens) as the assets subject to such disposition or involuntary disposition.

The Company agreed with CIT to subordinate its management fee receivable pursuant to management agreements established with the Company's managed entities, which have stand-alone credit facilities with CIT Healthcare LLC, to the claims of CIT in the event one of these managed entities defaults under its credit facility. Additionally, any other monetary obligations of these managed entities owing to the Company are subordinated to the claims of CIT in the event one of these managed entities defaults under its credit facility with CIT Healthcare LLC. As of December 31, 2007 and 2008, approximately $5.7 million and $733,000 of the Company's management fees receivable related to these managed entities was subject to this subordination agreement.

On March 11, 2009, the Company agreed with its creditors to amend certain terms in the Credit Agreement ("Amendment No. 1 to the Credit Agreement" and, together with the Credit Agreement, the "Amended Credit Agreement") to, among other things:

- decrease the revolving credit facility from $40 million to $30 million;

- increase the interest rate spread on the annual interest rate from LIBOR plus 3.5% to LIBOR plus 6.5% and, with respect to Base Rate Loans (as such term is defined in the Credit Agreement), increase the interest rate spread on the annual interest rate from Base Rate plus 2.5% to Base Rate plus 5.5% effective March 11, 2009; provided the interest rate will be adjusted upwards and the Company will incur a fee if certain consolidated senior leverage ratios exceed the corresponding ratio ceilings set forth in Amendment No. 1 to the Credit Agreement determined as of September 30, 2009 and December 31, 2009;

- amend certain financial covenants to change the requirements to a level where the Company met the requirements for the fourth quarter of 2008 and the Company believes it will meet the requirements for 2009;

- establish a new financial covenant through December 31, 2009 based upon the Company's operations maintaining a minimum earnings before interest, taxes, depreciation and amortization level (as such term is defined in Amendment No. 1 to the Credit Agreement) commencing with the three months ending March 31, 2009; and,

- require the Company to deliver to the lenders monthly consolidated financial statements and a 13-week rolling cash flow forecast each week from the effective date of Amendment No. 1 to the Credit Agreement to December 31, 2009.

In exchange for the amendments described above, the Company agreed to pay an amendment fee to certain lenders equal to $565,000 (0.40% of the aggregate amount of the Revolving Commitment and Term Loan (as such terms are defined in the Amended Credit Agreement)). In addition, in connection with this transaction, the Company incurred costs and expenses of approximately $1.5 million, including arrangement, legal, accounting and other related costs.

11. Interest Rate Swap

On February 27, 2008, the Company entered into an interest rate swap to convert a portion of its floating rate long-term debt to fixed rate debt. The purpose of this instrument is to hedge the variability of the Company's future earnings and cash flows caused by movements in interest rates applied to its floating rate long-term debt. The Company holds this derivative only for the purpose of hedging such risks, not for speculation. The Company entered into the interest rate swap with a notional amount of $86.5 million maturing on February 27, 2010. Under the swap agreement, the Company receives interest equivalent to three-month LIBOR and pays a fixed rate of interest of 3.026% with settlement occurring quarterly. The Company recorded the fair market value of its interest rate swap as a cash flow hedge on its balance sheet and has marked it to fair value through other comprehensive income. The change in fair value of the interest rate swap resulted in a loss, before taxes, of approximately $1.6 million as of December 31, 2008, which is reflected in "Accumulated other comprehensive income, net of tax" and "Current portion of interest rate swap" and "Other long-term liabilities" in the accompanying consolidated balance sheet. The net interest expense that was charged to earnings during 2008 in relation to the interest rate swap was approximately $186,000. The amount of the existing loss recorded in accumulated other comprehensive income that is expected to be reclassified into earnings within the next twelve months is approximately $1.4 million.

12. Business Segments

The Company's operations are organized and reviewed by management along its services lines. After the consummation of the acquisition of LogistiCare in December 2007, the Company operates in two reportable segments: Social Services and NET Services. The Company operates these reportable segments as separate divisions and differentiates the segments based on the nature of the services they offer. The following describes each of the Company's segments and its corporate services area.

Social Services. Social Services includes government sponsored social services that the Company has historically offered. Primary services in this segment include home and community based counseling, foster care and not-for-profit management services. Through Social Services the Company provides services to a common customer group, principally individuals and families. All of the operating entities within Social Services follow similar operating procedures and methods in managing their operations and each operating entity works within a similar regulatory environment, primarily under Medicaid regulations. The Company manages the activities of Social Services by actual to budget comparisons within each operating entity rather than by comparison between entities. The Company's budget related to Social Services is prepared on an entity-by-entity basis which represents the aggregation of individual location operating budgets within each Social Services entity and is comprised of:

- Payer specific revenue streams based upon contracted amounts;
- Payroll and related employee expenses by position corresponding to the contracted revenue streams; and
- Other operating expenses such as facilities costs, employee training, mileage and telephone in support of operations.

The Company's actual operating contribution margins by operating entity related to Social Services range from approximately 2% to 12%. The Company believes that the long term operating contribution margins of its operating entities within Social Services will approximate between 10% and 15% as the respective entities' markets mature, the Company cross sells its services within markets, and its operating model is standardized among entities including recent acquisitions. The Company also believes that its targeted contribution margin of approximately 15% is allowable by its state and local governmental payers over the long term.

In evaluating the financial performance and economic characteristics of Social Services, the Company's chief operating decision maker regularly reviews the following types of financial and non-financial information for each operating entity within Social Services:

- Consolidated financial statements;
- Separate condensed financial statements for each individual operating entity versus their budget;
- Monthly non-financial statistical information;
- Productivity reports; and
- Payroll reports.

While the Company's chief operating decision maker evaluates performance in comparison to budget based on the operating results of the individual operating entities within Social Services, the operating entities are aggregated into one reporting segment for financial reporting purposes because the Company believes that the operating entities exhibit similar long term financial performance. In conjunction with the financial performance trends, the Company believes the similar qualitative characteristics of the operating entities it aggregates within Social Services and budgetary constraints of the Company's payers in each market provide a foundation to conclude that the entities that the Company aggregates within Social Services have similar economic characteristics. Thus, the Company believes the economic characteristics of its operating entities within Social Services meet the criteria for aggregation into a single reporting segment under SFAS No. 131, *Disclosures about Segments of an Enterprise and Related Information*.

Social Services is a separate division of the Company with management and service offerings distinct from the Company's NET Services segment.

NET Services. NET Services includes managing the delivery of non-emergency transportation services. NET Services is a separate division of the Company with operational management and service offerings distinct from the Company's Social Services operating segment.

Corporate. Corporate includes corporate accounting and finance, information technology, internal audit, corporate training, legal and various other overhead costs, all of which are directly allocated to the operating segments.

Segment asset disclosures include property and equipment and other intangible assets. The accounting policies of the Company's segments are the same as those of the consolidated Company described in note 1 above. The Company evaluates performance based on operating income. Operating income is revenue less operating expenses (including client services expense, general and administrative expense, asset impairment charges, and depreciation and amortization) but is not affected by other income/expense or by income taxes. Other income/expense consists principally of interest income and interest expense. In calculating operating income for each segment, general and administrative expenses incurred at the corporate level are allocated to each segment based upon their relative direct expense levels excluding costs for purchased services. All intercompany transactions have been eliminated.

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The following table sets forth certain financial information attributable to the Company's business segments for the years ended December 31, 2007 and 2008. In addition, except for the asset impairment charges recognized for the year ended December 31, 2008 discussed in note 8 above, none of the segments have significant non-cash items other than depreciation and amortization in reported income.

	For the year ended December 31, 2007			
	Social Services(c)	NET Services	Corporate(a)(b)	Consolidated Total
Revenues	$ 262,198,859	$ 22,866,709	$ 101,051	$ 285,166,619
Depreciation and amortization	$ 4,496,197	$ 492,898	$ —	$ 4,989,095
Operating income	$ 23,265,781	$ 2,345,335	$ 101,051	$ 25,712,167
Net interest expense (income)	$ (209,264)	$ 1,810,776	$ —	$ 1,601,512
Total assets	$ 211,109,778	$ 318,945,932	$ 21,927,945	$ 551,983,655
Capital expenditures	$ 1,196,150	$ 158,045	$ 594,843	$ 1,949,038

	For the year ended December 31, 2008			
	Social Services(c)(d)	NET Services(e)	Corporate(a)(b)	Consolidated Total
Revenues	$ 310,529,499	$ 381,106,735	$ 34,036	$ 691,670,270
Depreciation and amortization	$ 5,534,242	$ 7,187,252	$ —	$ 12,721,494
Operating income (loss)	$ (50,975,738)	$ (98,374,986)	$ 34,036	$ (149,316,688)
Net interest expense (income)	$ (506,992)	$ 19,106,519	$ —	$ 18,599,527
Total assets	$ 153,891,688	$ 204,847,944	$ 6,923,601	$ 365,663,233
Capital expenditures	$ 1,470,170	$ 2,487,557	$ 706,280	$ 4,664,007

(a) Corporate costs have been allocated to the Social Services and NET Services operating segments.

(b) At December 31, 2007 and 2008, Corporate assets include cash totaling approximately $18.0 million and $4.6 million, notes receivable totaling approximately $2.2 million and $225,000, property and equipment totaling approximately $1.1 million and $1.4 million, and other assets of approximately $700,000 and $721,000, respectively.

(c) Excludes intersegment revenues of approximately $182,000 that have been eliminated in consolidation for 2008.

(d) Includes a non cash impairment charge to goodwill and certain intangible assets of approximately $60.7 million and $2.2 million, respectively.

(e) Includes a non cash impairment charge to goodwill and certain intangible assets of approximately $96.0 million and $11.0 million, respectively.

The following table details the Company's revenues, net income and long-lived assets by geographic location.

	For the year ended December 31, 2007		
	United States(b)	Canada(b)	Consolidated Total
Revenue	$ 271,853,847	$ 13,312,772	$ 285,166,619
Net income	$ 13,519,068	$ 869,606	$ 14,388,674
Long-lived assets	$ 374,053,183	$ 16,472,903	$ 390,526,086

	For the year ended December 31, 2008		
	United States(a)(b)	Canada(a)(b)	Consolidated Total
Revenue	$ 663,712,020	$ 27,958,250	$ 691,670,270
Net loss	$ (149,039,617)	$ (6,565,056)	$ (155,604,673)
Long-lived assets	$ 199,787,519	$ 6,522,002	$ 206,309,521

(a) Includes a non-cash impairment charge of $163.6 million related to our domestic operations and $6.3 million related to our Canadian operations, respectively.

(b) There was no single payer from which 10% or more of the Company's revenue was derived for the years ended December 31, 2007 and 2008.

13. Stockholders' Equity

The Company's second amended and restated certificate of incorporation provides that the Company's authorized capital stock consists of 40,000,000 shares of common stock, $0.001 par value per share, and 10,000,000 shares of preferred stock, $0.001 par value per share. No shares of preferred stock were outstanding as of December 31, 2008.

During the year ended December 31, 2008, the Company granted a total of 425,912 ten-year options (including 3,334 fully vested options to a former director of the Company under a consulting agreement between the former director and the Company as more fully described in note 17) under the 2006 Long-Term Incentive Plan ("2006 Plan") to purchase the Company's common stock at exercise prices equal to the market value of the Company's common stock on the date of grant. The options were granted to the non-employee members of its board of directors, executive officers and certain key employees. The option exercise price for all options granted was between $0.95 to $26.14 and the options were set to vest in various installments at various times over the next three years prior to the acceleration of vesting described in note 17. The weighted-average fair value of the options granted during the year ended December 31, 2008 totaled $6.85 per share.

The Company granted a total of 426,452 shares of restricted stock (including 380,000 fully vested shares of restricted stock to non-employee directors and executive officers and 667 shares to a former director of the Company under a consulting agreement as more fully described in note 17) to certain executive officers, non-employee directors and key employees of the Company during the year ended December 31, 2008. These awards were set to vest equally and at various times over the next three years prior to the acceleration of vesting described in note 17. The weighted-average fair value of the restricted stock awards granted during the year ended December 31, 2008 totaled $4.00 per share.

The Company issued 567,645 shares of its common stock to its employees upon the vesting of certain restricted stock awards granted in 2006, 2007 and 2008 (which includes 506,473 shares of restricted stock that were fully vested on December 30, 2008 upon the acceleration of vesting described in note 17) under the Company's 2006 Plan. In connection with the vesting of these restricted stock awards (excluding the shares of restricted stock that became fully vested on December 30, 2008), 7,742 shares of the Company's common stock were surrendered to the Company by the recipients to pay their associated taxes due to the Federal and state taxing authorities. These shares were placed in treasury.

During the year ended December 31, 2008, the Company issued 10,304 shares of its common stock in connection with the exercise of employee stock options under the Company's 1997 Stock Option and Incentive Plan ("1997 Plan"), and 23,200 shares of its common stock in connection with the exercise of employee stock options under the Company's 2003 Stock Option Plan ("2003 Plan").

On May 14, 2008, the Company issued an aggregate of 78,740 shares of its unregistered common stock valued at approximately $2.2 million, to the former members of WD Management to partially fund the Company's obligations to these members under earn out provisions of the purchase agreement related to its acquisition of WD Management in 2006.

At December 31, 2007 and 2008, there were 12,756,392 and 13,462,356 shares of the Company's common stock outstanding, respectively, (including 612,026 and 619,768 treasury shares at December 31, 2007 and 2008, respectively) and no shares of preferred stock outstanding.

The following table reflects the total number of shares of the Company's common stock reserved for future issuance as of December 31, 2008:

Shares of common stock reserved for:	
Exercise of stock options and restricted stock awards	1,351,112
Exchangeable shares issued in connection with the acquisition of WCG that are exchangeable into shares of the Company's common stock	273,197
Convertible senior subordinated notes	2,224,320
Total shares of common stock reserved for future issuance	3,848,629

Subject to the rights specifically granted to holders of any then outstanding shares of the Company's preferred stock, the Company's common stockholders are entitled to vote together as a class on all matters submitted to a vote of the Company's stockholders and are entitled to any dividends that may be declared by the Company's board of directors. The Company's common stockholders do not have cumulative voting rights. Upon the Company's dissolution, liquidation or winding up, holders of the Company's common stock are entitled to share ratably in the Company's net assets after payment or provision for all liabilities and any preferential liquidation rights of the Company's preferred stock then outstanding. The Company's common stockholders do not have preemptive rights to purchase shares of the Company's stock. The issued and outstanding shares of the Company's common stock are not subject to any redemption provisions and are not convertible into any other shares of the Company's capital stock. The rights, preferences and privileges of holders of the Company's common stock will be subject to those of the holders of any shares of the Company's preferred stock the Company may issue in the future.

On December 9, 2008, the Board of Directors (the "Board") of the Company declared a dividend of one preferred share purchase right (a "Right") for each outstanding share of the Company's common stock, par value $0.001 per share. The dividend was payable on December 22, 2008 (the "Record Date") to the stockholders of record on that date. Each Right entitles the registered holder to purchase from the Company one one-hundredth of a share of Series A Junior Participating Preferred Stock, par value $0.001 per share (the "Preferred Shares"), of the Company at a price of $15.00 per one one-hundredth of a Preferred Share, subject to adjustment. The description and terms of the Rights are set forth in the Preferred Stock Rights Agreement, dated December 9, 2008 (the "Rights Agreement"), between the Company and Computershare Trust Company, N.A., as Rights Agent, which provides for a stockholder rights plan.

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Initially, the Rights are attached to all outstanding shares of the Company's common stock and no separate Rights certificates will be issued until the distribution date (as defined in the Rights Agreement). The Rights are not exercisable until the distribution date. The Rights will expire on December 9, 2011, unless this date is amended or unless the Rights are earlier redeemed or exchanged by the Company. In addition, the Rights Agreement also provides that the Rights among other things: (i) will not become exercisable in connection with a qualified fully financed offer for any or all of the outstanding shares of the Company's common stock (as described in the Rights Agreement); (ii) permit each holder of a Right to receive, upon exercise, shares of the Company's common stock with a value equal to twice that of the exercise price of the Right if 20% or more of the Company's outstanding common stock is acquired by a person or group; and (iii) in the event that the Company is acquired in a merger or other business combination transaction or 50% or more of its consolidated assets or earning power are sold after a person or group has acquired 20% or more of the Company's outstanding common stock, will allow each holder of a Right to receive, upon the exercise thereof at the then-current exercise price of the Right, that number of shares of common stock of the acquiring company, which at the time of such transaction will have a market value of two times the exercise price of the Right.

The number of outstanding Rights and the number of one one-hundredths of a Preferred Share to be issued upon exercise of each Right are subject to adjustment under certain circumstances. Because of the nature of the Preferred Shares' dividend, liquidation and voting rights, the value of the one one-hundredth interest in a Preferred Share purchasable upon exercise of each Right should approximate the value of one share of the Company's common stock. Until a Right is exercised, the holder thereof, as such, will have no rights as a stockholder of the Company, including, without limitation, the right to vote or to receive dividends. The Rights will not prevent a takeover of the Company. However, the Rights may cause substantial dilution to a person or group that acquires 20% or more of the Company's outstanding common stock. The Rights however, should not interfere with any merger or other business combination approved by the Board.

14. Earnings (Loss) Per Share

The following table details the computation of basic and diluted earnings (loss) per share:

	Year ended December 31,		
	2006	2007	2008
Numerator:			
Net income (loss) available to common stockholders, basic and diluted	$ 9,381,318	$ 14,388,674	$ (155,604,673)
Denominator:			
Denominator for basic earnings (loss) per share—weighted-average shares	11,472,408	11,865,402	12,531,869
Effect of dilutive securities:			
Common stock options and restricted stock awards	203,915	181,719	—
Denominator for diluted earnings (loss) per share—adjusted weighted-average shares assumed conversion	11,676,323	12,047,121	12,531,869
Basic earnings (loss) per share	$ 0.82	$ 1.21	$ (12.42)
Diluted earnings (loss) per share	$ 0.80	$ 1.19	$ (12.42)

All potentially dilutive securities were anti-dilutive for purposes of computing diluted earnings per share for the year ended December 31, 2008 as the Company recorded a net loss available to common stockholders for this period. Potentially dilutive securities included employee stock options to purchase 1,021,508 shares of stock and 1,678,740 shares of common stock on an assumed conversion basis related to the Notes.

For the years ended December 31, 2006 and 2007, employee stock options to purchase 25,850 and 21,826 shares of common stock, respectively, were not included in the computation of diluted earnings per share as the exercise price of these options was greater than the average fair value of the common stock for the period and, therefore, the effect of these options would have been anti-dilutive. In addition, the effect of issuing 1,678,740 shares of common stock on an assumed conversion basis related to the Notes was not included in the computation of diluted earnings per share for the year ended December 31, 2007 as it would have been anti-dilutive.

15. Leases

Sale-leaseback

The Company sold its corporate office building in Tucson, Arizona in 2005 and leased the office space back. As a result of this transaction, a gain of approximately $185,000 was deferred and is being amortized to income in proportion to rent charged over the initial seven year term of the lease. Approximately $27,140 of the realized gain was recognized for each of the years ended December 31, 2006, 2007 and 2008, respectively. At December 31, 2008, the remaining deferred gain of approximately $102,000 is shown as "Deferred revenue" in the Company's consolidated balance sheet. The minimum lease payments required by this lease are reflected in the future minimum payments under the non-cancellable operating leases table below.

Capital leases

The Company acquired leases for certain vehicles classified as capital leases in connection with the acquisition of LogistiCare in December 2007. Additionally, the Company has various capital leases related to office equipment. The cost of vehicles and equipment under capital leases is included in the accompanying consolidated balance sheet at December 31, 2007 and 2008 as property and equipment and was approximately $292,000 and $313,000, respectively. Accumulated amortization of the leased vehicles at December 31, 2007 and 2008 was approximately $5,000 and $88,000, respectively. Amortization of assets under capital leases is included in depreciation and amortization expense in the consolidated statement of operations for the years ended December 31, 2007 and 2008. Capital lease obligations of approximately $226,000 and $100,000 as of December 31, 2007 and 2008, respectively, are included in "Accrued expenses" and "Other long-term liabilities" in the accompanying consolidated balance sheets.

Operating leases

The Company leases many of its operating and office facilities for various terms under non-cancelable operating lease agreements. The leases expire in various years and provide for renewal options. In the normal course of business, it is expected that these leases will be renewed or replaced by leases on other properties.

The operating leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases. Several of these lease agreements contain provisions for periods in which rent payments are reduced. The total amount of rental payments due over the lease term is being charged to rent expense on a straight-line basis over the term of the lease. The difference between rent expense recorded and the amount paid is credited or charged to "Deferred rent obligation," which is included in current liabilities in the accompanying consolidated balance sheets. Also, the lease agreements generally require the Company to pay executory costs such as real estate taxes, insurance, and repairs.

Future minimum payments under capital leases and non-cancelable operating leases with initial terms of one year or more consisted of the following at December 31, 2008:

	Capital Leases	Operating Leases
2009	$ 88,909	$ 12,081,325
2010	7,240	9,183,664
2011	7,240	6,016,238
2012	5,800	2,974,850
2013	2,242	1,170,482
Thereafter	—	15,470
Total future minimum lease payments	111,431	$ 31,442,029
Less: amount representing interest	11,853	
Present value of net minimum lease payments (including current portion of $83,150)	$ 99,578	

Rent expense related to operating leases was approximately $7.0 million, $10.0 million and $15.1 million, for the years ended December 31, 2006, 2007 and 2008, respectively.

16. Retirement Plan

Social Services

The Company maintains qualified defined contribution plans under Section 401(k) of the Internal Revenue Code of 1986, as amended ("IRC"), for all employees of its Social Services operating segment as well as corporate personnel. The Company, at its discretion, may make a matching contribution to the plans. The Company's contributions to the plans were approximately $154,000, $115,000 and $375,000, for the years ended December 31, 2006, 2007 and 2008, respectively.

On August 31, 2007, the Company's board of directors adopted The Providence Service Corporation Deferred Compensation Plan (the "Deferred Compensation Plan") for the Company's eligible employees and independent contractors or a participating employer (as defined in the Deferred Compensation Plan). Under the Deferred Compensation Plan participants may defer all or a portion of their base salary, service bonus, performance-based compensation earned in a period of 12 months or more, commissions and, in the case of independent contractors, compensation reportable on Form 1099. As of December 31, 2008, there were 7 participants in the Deferred Compensation Plan.

NET Services

The Company maintains a qualified defined contribution plan under Section 401(k) of the IRC for all employees of its NET Services operating segment. Under this plan, the Company may contribute an amount equal to 25% of the first 5% of participant elective contributions. At the end of each plan year, the Company may also make a contribution on a discretionary basis on behalf of participants who have made elective contributions for the plan year. In no event will participant shares of the Company's matching contribution exceed 1.25% of participants' compensation for the plan year. For the period from December 7, 2007 (effective date of the LogistiCare acquisition) to December 31, 2007, the Company made contributions to this plan in the amount of approximately $6,000 and for the year ended December 31, 2008, the Company made contributions to this plan totaling approximately $107,000.

The Company also maintains a 409 (A) Deferred Compensation Rabbi Trust Plan for highly compensated employees of its NET Services operating segment. This plan was put in place to compensate for the inability of highly compensated employees to take full advantage of the Company's 401(k) plan. As of December 31, 2008, there were 17 highly compensated employees who participated in this plan.

17. Stock-Based Compensation Arrangements

The Company provides stock-based compensation under the Company's 1997 Plan, 2003 Plan and 2006 Plan to employees, non-employee directors, consultants and advisors. These plans have contributed significantly to the success of the Company by providing for the grant of stock-based and other incentive awards to enhance the Company's ability to attract and retain employees, directors, consultants, advisors and others who are in a position to make contributions to the success of the Company and any entity in which the Company owns, directly or indirectly, 50% or more of the outstanding capital stock as determined by aggregate voting rights or other voting interests and encourage such persons to take into account the long-term interests of the Company and its stockholders through ownership of the Company's common stock or securities with value tied to the Company's common stock. The Company, upon stockholder approval of the 2006 Plan in 2006, replaced the 1997 Plan and 2003 Plan with the 2006 Plan. While all awards outstanding under the 1997 Plan and 2003 Plan remain in effect in accordance with their terms, no additional grants or awards will be made under either plan.

To achieve the purposes of the Company's stock-based compensation program described above, the 2006 Plan allows the flexibility to grant or award stock options, stock appreciation rights, restricted stock, unrestricted stock, stock units including restricted stock units and performance awards to eligible persons.

Stock option awards granted under the 1997 Plan, 2003 Plan and 2006 Plan were generally ten year options granted at fair market value on the date of grant with time based vesting over a period determined at the time the options are granted, ranging from one to four years (which is equal to the requisite service period) prior to the acceleration of vesting noted below. The Company does not intend to pay dividends on unexercised options. New shares of the Company's common stock are issued when the options are exercised.

The following table summarizes the activity under the 1997 Plan, 2003 Plan and 2006 Plan as of December 31, 2008:

	Number of shares of the Company's common stock authorized for issuance	Number of shares of the Company's common stock remaining available for future grants	Number of shares of the Company's common stock subject to	
			Options	Stock Grants
1997 Plan	428,572	—	12,434	—
2003 Plan	1,400,000	—	760,366	—
2006 Plan	1,800,000(1)	180,628	578,312	—
Total	3,628,572	180,628	1,351,112	—

(1) On May 21, 2008, the Company's stockholders approved an amendment to the 2006 Plan to increase the number of shares of the Company's common stock authorized for issuance under the 2006 Plan by 1,000,000 shares from 800,000 shares to 1,800,000 shares.

On December 30, 2008, a former non-employee director of the Company was awarded an option to purchase 3,334 shares of the Company's common stock under the 2006 Plan. This award was made pursuant to a consulting agreement between the Company and its former non-employee director for consulting services rendered to the Company in 2008 by the former non-employee director. This action will not result in future additional stock-based compensation expense as this option is a 10 year, fully vested option with an exercise price equal to the closing market price of the Company's common stock on the date of grant of $1.33. In addition, the former non-employee director was awarded 667 shares of restricted stock, each non-employee director was awarded 30,000 shares of restricted stock and the executive officers as a group were granted an aggregate of 260,000 shares of restricted stock under the 2006 Plan on December 30, 2008. The purpose of awarding the restricted stock to non-employee directors and the executive officers in December 2008 was to better align the interests of the Company, its executives and its stockholders. Further, this action will not result in future additional stock-based compensation expense as these awards are fully vested and the associated stock-based compensation expense of approximately $509,000 was recorded by the Company in 2008 as noted below.

On December 30, 2008, the Compensation Committee of the Board approved, effective as of that date, the acceleration of the vesting dates of all outstanding unvested stock options and restricted stock previously awarded to eligible employees, directors and consultants, including stock options and restricted stock granted to executive officers and non-employee directors, under the Company's 2006 Plan; provided the equity holder was actively an employee, director or consultant of the Company on December 30, 2008. All other terms of the stock options and restricted stock previously awarded remained the same.

As a result of this action, options to purchase approximately 515,712 shares of the Company's common stock and restricted stock awards representing 506,473 shares of the Company's common stock vested in full effective December 30, 2008 as follows:

	Stock Options		
	Aggregate number of shares issuable under accelerated options	Weighted-average exercise price per share	Aggregate number of restricted stock shares vested
Non-employee Directors	66,668	$ 25.52	133,336
Executive Officers as a group	125,743	$ 26.14	346,944
Other employees	323,301	$ 13.18	26,193
Total	515,712		506,473

The closing market price of the Company's common stock on December 30, 2008 was $1.33 and approximately 59,000 options subject to this acceleration have economic value to the holder. Upon the acceleration of all of the options described above effective December 30, 2008 there were options to purchase approximately 578,312 shares of the Company's common stock exercisable with a weighted-average exercise price of $18.83 per share outstanding under the 2006 Plan.

As a result of the acceleration of vesting of these stock options and restricted stock awards including the grants of restricted stock awards on December 30, 2008, the Company recorded stock-based compensation expense of approximately $5.8 million in 2008, of which approximately $3.8 million is attributable to stock options and restricted stock held by executive management and non-employee directors. The stock-based compensation expense for 2008 is expected to be tax deductible. In determining the amount of stock-based compensation expense related to the acceleration of vesting of the options, the Company applied the actual forfeiture rate for non-employee directors, consultants and executive officers as a group as of December 30, 2008 of 0%.

In connection with the approval of the acceleration of these unvested stock options and restricted stock awards, the Compensation Committee of the Board considered, among other things, the anticipated boost to employee morale expected to result from such action. The Compensation Committee also noted that such acceleration would eliminate the Company's recognition of any stock compensation expense with respect to these options and awards in future fiscal years. As a result of the vesting acceleration, the Company estimates that it will avoid recognizing a stock-based compensation expense of approximately $3.1 million in 2009, $2.0 million in 2010 and $695,000 in 2011.

SFAS 123R indicates that for purposes of calculating the pool of excess tax benefits available to absorb tax deficiencies recognized subsequent to the adoption of Statement 123R ("APIC pool"), an entity shall include the net excess tax benefits that would have qualified as such had the entity adopted SFAS No. 123, "*Accounting for Stock-Based Compensation*", for recognition purposes. For this purpose, the Company chose to follow the short-cut method prescribed by FASB Staff Position No. FAS 123(R)-3 – "*Transition Election Related to Accounting for the Tax Effects of Share-Based Payment Awards*" to calculate its APIC pool amount. There was no effect on the Company's financial results for 2006, 2007 or 2008 related to the application of the short-cut method to determine its APIC pool balance.

The Company calculates the fair value of stock options using the Black-Scholes-Merton option-pricing formula. Stock-based compensation expense for stock options granted prior to December 31, 2005 is not reflected in the Company's consolidated statements of operations for the years ended December 31, 2006, 2007 and 2008 as all of the outstanding stock options granted prior to December 31, 2005 were vested at December 31, 2005.

Stock-based compensation expense charged against income for stock options and stock grants awarded subsequent to December 31, 2005 for the years ended December 31, 2006, 2007 and 2008 was based on the grant-date fair value adjusted for estimated forfeitures based on awards expected to vest in accordance with the provisions of SFAS 123R and amounted to approximately $192,000 (net of tax of $131,000), $1.4 million (net of tax of $996,000) and $6.3 million (net of tax of $2.5 million), respectively. SFAS 123R requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if the actual forfeitures differ from those estimates.

Under SFAS 123R, the benefits of tax deductions in excess of the estimated tax benefits of compensation costs resulting from the exercise of stock-based awards are classified as financing cash flows in the consolidated statement of cash flows. For the years ended December 31, 2006 and 2007, the amount of excess tax benefits resulting from the exercise of stock options was approximately $1.9 million and $680,000, respectively. For the year ended December 31, 2008, the Company had a net tax shortfall resulting from the exercise of stock options of approximately $1.3 million (net of approximately $185,000 in excess tax benefits resulting from the exercise of stock options). The excess tax benefit amounts for the years ended December 31, 2006, 2007 and 2008 are reflected as cash flows from financing activities in the accompanying consolidated statements of cash flows.

Prior to the acceleration of vesting in December 2008, stock-based compensation expense was amortized over the vesting period of three to four years with approximately 23%, 30% and 32% recorded as client services expense, and 77%, 70% and 68% as general and administrative expense in the Company's consolidated statements of operations for the years ended December 31, 2006, 2007 and 2008, respectively.

The following table summarizes the stock option activity for the year ended December 31, 2008:

	Year ended December 31, 2008			
	Number of Shares Under Option	Weighted-average Exercise Price	Weighted-average Remaining Contractual Term	Aggregate Intrinsic Value
Balance at beginning of period	994,562	$ 23.55		
Granted	425,912	16.16		
Exercised	(33,504)	14.01		
Forfeited or expired	(35,858)			
Outstanding at end of period	1,351,112	$ 21.45	7.5	$ 29,900
Vested or expected to vest at end of period	1,351,112	$ 21.45	7.5	$ 29,900
Exercisable at end of period	1,351,112	$ 21.45	7.5	$ 29,900

The weighted-average grant-date fair value for options granted, total intrinsic value and cash received by the Company related to options exercised during the years ended December 31, 2006, 2007 and 2008 were as follows:

	Year ended December 31,		
	2006	2007	2008
Weighted-average grant date fair value	$ 11.04	$ 10.75	$ 6.85
Options exercised:			
Total intrinsic value	$ 4,893,878	$ 1,269,993	$ 488,921
Cash received	$ 6,485,547	$ 2,353,495	$ 469,320

The following table summarizes the activity of the shares and weighted-average grant date fair value of the Company's non-vested common stock during the year ended December 31, 2008:

	Shares	Weighted-average grant date fair value
Non-vested at December 31, 2007	143,696	$ 26.78
Granted	426,452	$ 4.00
Vested	(567,645)	$ 9.67
Forfeited	(2,503)	$ 25.50
Non-vested at December 31, 2008	—	$ —

Stock grants were not made prior to the approval of the 2006 Plan on May 25, 2006. The fair value of a non-vested stock grant is determined based on the closing market price of the Company's common stock on the date of grant.

As of December 31, 2008, there was no unrecognized compensation cost related to non-vested stock-based compensation arrangements granted under the 2006 Plan. The total fair value of shares vested was $0, $1.6 million and $10.0 million for the years ended December 31, 2006, 2007 and 2008, respectively.

The fair value of each stock option awarded during the years ended December 31, 2006, 2007 and 2008 was estimated on the date of grant using the Black-Scholes-Merton option-pricing formula and amortized over the option's vesting periods with the following assumptions:

	Year ended December 31,		
	2006	2007	2008
Expected dividend yield	0.0%	0.0%	0.0%
Expected stock price volatility	33.9%	34.1%-34.5%	34.7%-89.3%
Risk-free interest rate	5.0%	4.7%-4.9%	1.6%-3.5%
Expected life of options	5	6	5-6

The risk-free interest rate was based on the U.S. Treasury security rate in effect as of the date of grant. The expected lives of options were based upon the "simplified method" as that term is defined in Staff Accounting Bulleting No. 107, "*Share-Based Payment*". The expected stock price volatility was based on the Company's historical data. Implied volatility was not considered due to the low volume of traded options on the Company's common stock.

18. Income Taxes

The federal and state income tax provision is summarized as follows:

	Year ended December 31,		
	2006	2007	2008
Federal:			
Current	$ 5,211,611	$ 5,471,148	$ 287,101
Deferred	(123,194)	1,515,996	(10,274,362)
	5,088,417	6,987,144	(9,987,261)
State			
Current	$ 1,594,316	$ 1,793,575	$ 2,199,934
Deferred	(21,741)	267,529	(4,092,234)
	1,572,575	2,061,104	(1,892,300)
Foreign			
Current	$ —	$ 701,401	$ (245,018)
Deferred	—	(27,668)	(186,963)
	—	673,733	(431,981)
Total provision for income taxes	$ 6,660,992	$ 9,721,981	$ (12,311,542)

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A reconciliation of the provision for income taxes with amounts determined by applying the statutory U.S. federal income tax rate to income before income taxes is as follows:

	Year Ended December 31,		
	2006	2007	2008
Federal statutory rates	35%	35%	35%
Federal income tax at statutory rates	$ 5,614,810	$ 8,438,731	$ (58,790,996)
Goodwill impairment	—	—	46,634,045
Change in valuation allowance	69,307	60,000	54,165
State income taxes, net of federal benefit	909,497	1,237,604	(1,229,995)
Difference between federal statutory and foreign tax rate	—	(68,083)	29,340
Stock option expense	—	—	837,047
Meals and Entertainment	—	124,138	95,619
Other	67,378	(70,409)	59,233
Provision for income taxes	$ 6,660,992	$ 9,721,981	$ (12,311,542)
Effective income tax rate	42%	40%	7%

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows:

	December 31,	
	2007	2008
Deferred tax assets:		
Net operating loss carryforwards	$ 4,800,000	$ 4,563,000
Accounts receivable	770,000	1,492,000
Property and equipment	136,000	213,000
Accrued items and prepaids	996,000	1,186,000
Nonqualified stock options	828,000	1,032,000
Start up costs	6,000	5,000
AMT credit carryforward	113,000	333,000
Interest rate swap	—	653,000
Other		198,000
	7,649,000	9,675,000
Deferred tax liabilities:		
Cash to accrual adjustment for acquired entity	117,000	
Prepaids	811,000	767,000
Property and equipment	494,000	337,000
Goodwill and intangibles	31,304,000	13,214,000
Other	61,000	274,000
	32,787,000	14,592,000
Net deferred tax (liabilities)	(25,138,000)	(4,917,000)
Less valuation allowance	(368,000)	(422,000)
Net deferred tax (liabilities)	$ (25,506,000)	$ (5,339,000)
Current deferred tax assets, net of $296,000 and $252,000 valuation allowance for 2007 and 2008, respectively	$ 5,094,000	$ 4,757,000
Noncurrent deferred tax liabilities, net of $72,000 and $170,000 valuation allowance for 2007 and 2008, repectively	(30,600,000)	(10,096,000)
	$ (25,506,000)	$ (5,339,000)

During the year ended December 31, 2008, $16.5 million of federal net operating losses were utilized.

At December 31, 2008, the Company had approximately $8.8 million of federal net operating loss carryforwards which expire in years 2011 through 2026 and $34.8 million of state net operating loss carryforwards which expire as follows:

2011	108,729
2012	1,252,993
2013	563,950
Thereafter	32,885,159
	$ 34,810,831

As a result of statutory "ownership changes" (as defined for purposes of Section 382 of the IRC), the Company's ability to utilize its net operating losses is restricted, however the Company has determined that it will ultimately be able to utilize the full amount of the net operating loss carryforwards prior to their expiration.

The net change in the total valuation allowance for the year ended December 31, 2008 was $54,000. The valuation allowance includes $9.2 million of state net operating loss carryforwards for which the Company has concluded that it is more likely than not that these net operating loss carryforwards will not be realized in the ordinary course of operations. The Company will continue to assess the valuation allowance and to the extent it is determined that the valuation allowance should be adjusted an appropriate adjustment will be recorded.

The Company recognized certain excess tax benefits related to stock option plans for the years ended December 31, 2006 and 2007 in the amount of $1.9 million and $680,000, respectively. Such benefits were recorded as a reduction of income taxes payable and an increase in additional paid-in-capital and are included in "Exercise of employee stock options" in the accompanying statements of stockholders' equity.

The Company recognized a net tax shortfall related to stock option plans for the year ended December 31, 2008 in the amount of $1.3 million. This was recorded as a reduction of deferred tax assets and a decrease to additional paid-in-capital and is included in "Exercise of employee stock options" in the accompanying statements of stockholders' equity.

The Company adopted FIN 48 on January 1, 2007. Upon adoption of FIN 48, the Company had no unrecognized tax benefits. The Company is not aware of any issues that would cause a significant amount of unrecognized tax benefits to be recognized during the next twelve months. The Company recognizes interest and penalties as a component of income tax expense. The Company has not included any amounts of interest and penalties in income tax expense for the fiscal years 2007 and 2008 and has not accrued interest and penalties as of December 31, 2007 and 2008. A reconciliation of the liability for unrecognized income tax benefit is as follows:

	December 31, 2007	December 31, 2008
Unrecognized tax benefits, beginning of year	$ —	$ —
Increase (decrease) related to prior year positions		169,000
Increase related to current year tax positions	—	—
Settlements	—	—
Unrecognized tax benefits, end of year	—	169,000

As of December 31, 2008, $50,000 of the unrecognized tax benefits would impact the Company's effective tax rate if recognized.

The Company is subject to taxation in the United States, Canada and various state jurisdictions. The statute of limitations is generally three years for the United States, four years for Canada, and between eighteen months and four years for states. The Company is subject to the following material taxing jurisdictions: United States, Canada, California, and Virginia. The tax years that remain open for examination by the United States, and Virginia jurisdictions are years ended December 31, 2005, 2006, 2007 and 2008; the California filings that remain open to examination are years ended December 31, 2004, 2005, 2006, 2007 and 2008.

Residual United States income taxes have not been provided on undistributed earnings of the Company's foreign subsidiary. These earnings are considered to be indefinitely reinvested and, accordingly, no provision for United States federal and state income taxes has been provided thereon. Upon distribution of those earnings in the form or dividends or otherwise, the Company would be subject to both United States income taxes and withholding taxes payable to Canada less an adjustment for foreign tax credits.

19. Commitments and Contingencies

The Company is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's consolidated financial position, results of operations, or liquidity.

In accordance with an earn out provision in the purchase agreement related to the acquisition of WCG, the Company agreed to make an earn out payment up to a total of approximately CAD $10.8 million (determined as of December 31, 2008) in the first quarter of 2009 based on the financial performance of WCG during the period from August 1, 2007 to December 31, 2008 ("Earn Out Period"). As of December 31, 2008, the Company determined that the financial performance of WCG during the Earn Out Period did not meet the requirements of the earn out provision. Accordingly, the Company believes it is not obligated to make an earn out payment to the sellers.

The Company agreed to pay an additional amount under an earn out provision contained in the merger agreement related to the purchase of LogistiCare based on certain consolidated financial earnings results of LogistiCare for fiscal years 2007 and 2008. As of December 31, 2008, the Company determined that the consolidated financial earnings results of LogistiCare for fiscal years 2007 and 2008 did not meet the requirements of the earn out provision; accordingly, the Company believes it has no obligation to make additional payments to the seller under the merger agreement.

The Company has two deferred compensation plans for management and highly compensated employees as more fully described in note 16 above. These deferred compensation plans are unfunded; therefore, benefits are paid from the general assets of the Company. The total of participant deferrals, which is reflected in "Other long-term liabilities" in the accompanying consolidated balance sheets, was approximately $190,000 and $273,000 at December 31, 2007 and 2008, respectively.

20. Transactions with Related Parties

Mr. Geringer, one of the Company's directors, resigned from his position as a member of the Board on April 10, 2008. Prior to his resignation the following transaction was deemed to be a related party transaction. Mr. Geringer is a holder of capital stock and the non-executive chairman of the board of Qualifacts Systems, Inc. ("Qualifacts"). Qualifacts is a specialized healthcare information technology provider that entered into a software license, maintenance and servicing agreement with the Company. This agreement became effective on March 1, 2002 and was to continue for five years. Effective January 10, 2006, a new software license, maintenance and servicing agreement between the Company and Qualifacts was signed and continues for five years. This agreement replaces the agreement which began on March 1, 2002 and may be terminated by either party without cause upon 90 days written notice and for cause immediately upon written notice. The new agreement grants the Company access to additional software functionality and licenses for additional sites. Qualifacts provided the Company services and the Company incurred expenses in the amount of approximately $87,000, $230,000 and $245,000 for the years ended December 31, 2006, 2007 and 2008, respectively, under the agreement.

Upon the Company's acquisition of Maple Services, LLC in August 2005, Mr. McCusker, the Company's chief executive officer, Mr. Deitch, the Company's chief financial officer, and Mr. Norris, the Company's chief operating officer, became members of the board of directors of the not-for-profit organization (Maple Star Colorado, Inc.) formerly managed by Maple Services, LLC. Maple Star Colorado, Inc. is a non-profit member organization governed by its board of directors and the state laws of Colorado in which it is incorporated. Maple Star Colorado, Inc. is not a federally tax exempt organization and neither the Internal Revenue Service rules governing IRC Section 501(c)(3) exempt organizations, nor any other IRC sections applicable to tax exempt organizations, apply to this organization. The Company provided management services to Maple Star Colorado, Inc. under a management agreement for consideration in the amount of approximately $273,000, $393,000 and $509,000 for the years ended December 31, 2006, 2007 and 2008, respectively. Amounts due to the Company from Maple Star Colorado, Inc. for management services provided to it by the Company at December 31, 2007 and 2008 were approximately $221,000 and $448,000, respectively.

The Company is using a twin propeller KingAir airplane operated by Las Montanas Aviation, LLC for business travel purposes on an as needed basis. Las Montanas Aviation, LLC is owned by Mr. McCusker. Prior to August 2008, the Company reimbursed Las Montanas Aviation, LLC for the actual cost of use of $1,400 per flight hour. Beginning in August 2008, the Company pays a flat monthly fee of $9,000 plus the cost of fuel per use. For the years ended December 31, 2006, 2007 and 2008, the Company paid Las Montanas Aviation, LLC approximately $149,000, $133,000 and $76,000, respectively, for use of the airplane for business travel purposes.

21. Subsequent Events

On March 11, 2009, the Company entered into Amendment No. 1 to the Credit Agreement with CIT and the lenders named therein as more fully described in note 10 above.

Item 9. ***Changes in and Disagreements With Accountants on Accounting and Financial Disclosure***

On April 14, 2008, the Audit Committee of our Board of Directors dismissed McGladrey & Pullen, LLP, or M&P, as our independent auditor effective April 14, 2008.

During its tenure, M&P issued reports on our consolidated balance sheets as of December 31, 2007, 2006 and 2005, and the related consolidated statements of income, stockholders' equity and cash flows for each of the years ended December 31, 2007, 2006, 2005 and 2004. The reports of M&P on the foregoing financial statements did not contain any adverse opinion or disclaimer of opinion, nor were they qualified or modified as to any uncertainty, audit scope or accounting principles.

During the two fiscal years ended December 31, 2007 and through April 14, 2008, there were no disagreements between us and M&P on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreement(s), if not resolved to the satisfaction of M&P would have caused them to make reference to the subject matter of the disagreement in connection with their reports on our financial statements.

During the two fiscal years ended December 31, 2007 and through April 14, 2008 , there were no reportable events with M&P as set forth in Item 304 (a)(1)(v) of Regulation S-K.

On April 22, 2008, we, upon the approval of the Audit Committee of our Board of Directors, engaged KPMG LLP, or KPMG, as our new independent accountants to audit our financial statements for the year ended December 31, 2008. At the time of their appointment, KPMG has not audited our financial statements in the two most recent fiscal years or any interim period. During our two most recent fiscal years and the subsequent interim period through April 22, 2008, we consulted with KPMG regarding the application of accounting principles covering our purchase price accounting and issuance of convertible senior subordinated notes in connection with our acquisition of Charter LCI Corporation in December 2007. Due to the size and complexity of this transaction,

Item 8. ***Financial Statements and Supplementary Data.***

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Management's Report on Internal Control Over Financial Reporting

Our management has the responsibility for establishing and maintaining adequate internal control over financial reporting for the registrant, as such term is defined in the Securities Exchange Act of 1934 Rule 13a-15(f). Under the supervision and with the participation of our principal executive officer and principal financial officer, we conducted an assessment, as of December 31, 2009, of the effectiveness of our internal control over financial reporting based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control–Integrated Framework.

We designed our internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Based on our assessment, we concluded our internal control over financial reporting is effective as of December 31, 2009.

KPMG LLP, an independent registered public accounting firm, which audited our consolidated financial statements included in this report on Form 10-K has issued an attestation report on the effectiveness of our internal control over financial reporting. KPMG LLP's attestation report is also included in this report on Form 10-K.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
The Providence Service Corporation:

We have audited The Providence Service Corporation's internal control over financial reporting as of December 31, 2009, based on criteria established in *Internal Control—Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Providence Service Corporation's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying management's annual report on internal control over financial reporting. Our responsibility is to express an opinion on the effectiveness of The Providence Service Corporation's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, The Providence Service Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009, based on criteria established in *Internal Control—Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of The Providence Service Corporation and subsidiaries as of December 31, 2009 and 2008, and the related consolidated statements of operations, stockholders' equity and comprehensive income (loss), and cash flows for each of the years in the two-year period ended December 31, 2009, and our report dated March 12, 2010 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

Phoenix, Arizona
March 12, 2010

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
The Providence Service Corporation:

We have audited the accompanying consolidated balance sheets of The Providence Service Corporation and subsidiaries (the Company) as of December 31, 2009 and 2008, and the related consolidated statements of operations, stockholders' equity and comprehensive income (loss), and cash flows for each of the years in the two-year period ended December 31, 2009. In connection with our audits of the consolidated financial statements, we have also audited the financial statement schedules contained in Item 15(a)(2). These consolidated financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Providence Service Corporation and subsidiaries as of December 31, 2009 and 2008, and the results of their operations and their cash flows for each of the years in the two-year period ended December 31, 2009, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedules, when considered in relation to the consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

As discussed in note 1 to the consolidated financial statements, effective January 1, 2008, the Company adopted the disclosure provisions of SFAS No. 157, *Fair Value Measurements* (included in FASB ASC Topic 320, *Investments-Debt and Equity Securities*).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2009, based on criteria established in *Internal Control—Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated March 12, 2010 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

Phoenix, Arizona
March 12, 2010

Report of Independent Registered Public Accounting Firm

To the Board of Directors
The Providence Service Corporation and Subsidiaries
Tucson, Arizona

We have audited the accompanying consolidated statements of operations, stockholders' equity and comprehensive income (loss) and cash flows of The Providence Service Corporation and Subsidiaries for the year ended December 31, 2007. Our audit also included the financial statement schedules for the year ended December 31, 2007 of The Providence Service Corporation and Subsidiaries contained in Item 15(a)(2). These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the results of operations and cash flows of The Providence Service Corporation and Subsidiaries for the year ended December 31, 2007, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule for the year ended December 31, 2007, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

/s/ McGladrey & Pullen, LLP

Phoenix, Arizona
March 13, 2008

The Providence Service Corporation

Consolidated Balance Sheets

	December 31, 2008	December 31, 2009
Assets		
Current assets:		
Cash and cash equivalents	$ 29,364,247	$ 51,157,429
Accounts receivable—billed, net of allowance of $3.4 million in 2008 and $2.9 million in 2009	72,617,418	80,458,245
Accounts receivable—unbilled	423,817	329,577
Management fee receivable(1)	7,702,608	7,160,001
Other receivables	3,148,970	4,118,213
Notes receivable	467,682	—
Restricted cash	7,803,808	8,153,610
Prepaid expenses and other(2)	15,377,639	12,439,613
Deferred tax assets	4,757,535	3,558,034
Total current assets	141,663,724	167,374,722
Property and equipment, net	11,983,368	11,166,272
Notes receivable, less current portion	132,159	—
Goodwill	112,770,566	113,672,945
Intangible assets, net	81,555,587	73,963,261
Restricted cash, less current portion	5,207,132	5,941,924
Other assets	12,350,697	10,987,542
Total assets	$ 365,663,233	$ 383,106,666
Liabilities and stockholders' equity		
Current liabilities:		
Current portion of long-term obligations	$ 14,264,925	$ 17,480,918
Accounts payable	3,004,608	4,010,560
Accrued expenses	27,232,740	33,389,729
Accrued transportation costs	32,051,325	40,907,527
Deferred revenue	3,375,231	8,347,258
Current portion of interest rate swap	1,431,036	372,408
Reinsurance liability reserve	8,846,910	12,644,670
Total current liabilities	90,206,775	117,153,070
Long-term obligations, less current portion	223,493,680	186,732,342
Other long-term liabilities	3,975,278	5,143,322
Deferred tax liabilities	10,096,297	11,740,340
Total liabilities	327,772,030	320,769,074
Commitments, contingencies and subsequent events (Notes 15, 18 and 20)		
Stockholders' equity		
Common stock: Authorized 40,000,000 shares; $0.001 par value; 13,462,356 and 13,521,959 issued and outstanding (including treasury shares)	13,462	13,522
Additional paid-in capital	169,698,598	170,551,301
Retained deficit	(123,253,836)	(102,128,229)
Accumulated other comprehensive loss, net of tax	(4,449,547)	(1,675,572)
Treasury shares, at cost, 619,768 shares	(11,383,967)	(11,383,967)
Total Providence stockholders' equity	30,624,710	55,377,055
Non-controlling interest	7,266,493	6,960,537
Total stockholders' equity	37,891,203	62,337,592
Total liabilities and stockholders' equity	$ 365,663,233	$ 383,106,666

(1) Includes related party management fee receivable of approximately $448,000 and $281,000 at December 31, 2008 and 2009, respectively.

(2) Includes related party prepaid travel expenses of approximately $108,000 at December 31, 2009.

See accompanying notes to the consolidated financial statements

The Providence Service Corporation

Consolidated Statements of Operations

	Year ended December 31, 2007	2008	2009
Revenues:			
Home and community based services	$ 216,582,678	$ 258,003,077	$ 289,006,655
Foster care services	25,648,163	32,343,247	37,283,711
Management fees(1)	20,069,069	20,217,211	14,447,586
Non-emergency transportation services	22,866,709	381,106,735	460,275,314
	285,166,619	691,670,270	801,013,266
Operating expenses:			
Client service expense(2)	204,020,707	253,652,123	275,126,619
Cost of non-emergency transportation services	19,569,740	356,271,344	415,299,812
General and administrative expense(2)	30,874,910	48,411,826	44,009,666
Asset impairment charges	—	169,930,171	—
Depreciation and amortization	4,989,095	12,721,494	12,852,107
Total operating expenses	259,454,452	840,986,958	747,288,204
Operating income (loss)	25,712,167	(149,316,688)	53,725,062
Other (income) expense:			
Interest expense	3,071,537	19,578,404	20,798,250
Interest income	(1,470,025)	(978,877)	(365,853)
Income (loss) before income taxes	24,110,655	(167,916,215)	33,292,665
Provision (benefit) for income taxes	9,721,981	(12,311,542)	12,167,058
Net income (loss)	$ 14,388,674	$ (155,604,673)	$ 21,125,607
Earnings (loss) per common share:			
Basic	$ 1.21	$ (12.42)	$ 1.61
Diluted	$ 1.19	$ (12.42)	$ 1.60
Weighted-average number of common shares outstanding:			
Basic	11,865,402	12,531,869	13,130,092
Diluted	12,047,121	12,531,869	13,211,393

(1) Includes related party management fees of approximately $393,000, $509,000 and $292,000 for the years ended December 31, 2007, 2008 and 2009, respectively.

(2) Includes related party expenses of approximately $363,000, $321,000 and $119,000 for the years ended December 31, 2007, 2008 and 2009, respectively.

See accompanying notes to the consolidated financial statements

The Providence Service Corporation
Consolidated Statements of Stockholders' Equity and Comprehensive Income (Loss)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Common Stock Subscription Receivable	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Treasury Stock Shares	Treasury Stock Amount	Non-Controlling Interest	Total
Balance at December 31, 2006	12,171,127	$ 12,171	$ 141,380,761	$ —	$ 17,962,163	$ —	146,905	$ (298,746)	$ —	$ 159,056,349
Stock based compensation	—	—	2,406,616	—	—	—	—	—	—	2,406,616
Exercise of employee stock options including tax benefit of $680,000	123,546	124	3,033,609	—	—	—	—	—	—	3,033,733
Restricted stock issued	54,468	54	—	—	—	—	2,621	(73,744)		(73,690)
Issuance of PSC of Canada Exchange Corp. shares	—	—	—	—	—	—	—	—	7,648,946	7,648,946
Stock option cancellation & exchange—Logisticare	407,251	407	12,346,108	—	—	—	—	—	—	12,346,515
Capital contribution	—	—	9,500	—	—	—	—	—	—	9,500
Stock repurchase	—	—	—	—	—	—	462,500	(10,886,717)		(10,886,717)
Common stock subscription receivable	—	—	—	(714,654)	—	—	—	—	—	(714,654)
Foreign currency translation adjustment	—	—	—	—	—	1,093,367	—	—	—	1,093,367
Net income	—	—	—	—	14,388,674	—	—	—	—	14,388,674
Total comprehensive income										15,482,041
Balance at December 31, 2007	12,756,392	12,756	159,176,594	(714,654)	32,350,837	1,093,367	612,026	(11,259,207)	7,648,946	188,308,639
Stock-based compensation	—	—	8,760,435	—	—	—	—	—	—	8,760,435
Restricted stock issued/withheld	567,645	567	(567)	—	—	—	7,742	(124,760)		(124,760)
Exercise of employee stock options including income tax shortfall of $1.3 million	33,504	34	(843,672)	—	—	—	—	—	—	(843,638)
Unregistered stock issued to former members of WD Management, L.L.C.	78,740	79	2,223,381	—	—	—	—	—	—	2,223,460
PSC of Canada Exchange Corp. shares exchanged	14,379	14	382,439	—	—	—	—	—	(382,453)	—
Stock option cancellation and exchange—Logisticare	11,696	12	(12)	—	—	—	—	—	—	—
Common stock subscription receivable	—	—	—	714,654	—	—	—	—	—	714,654
Change in fair value of derivative, net of income tax benefit of $653,241	—	—	—	—	—	(991,091)	—	—	—	(991,091)
Foreign currency translation adjustments	—	—	—	—	—	(4,551,823)	—	—	—	(4,551,823)
Net loss	—	—	—	—	(155,604,673)	—	—	—	—	(155,604,673)
Total comprehensive loss										(161,147,587)
Balance at December 31, 2008	13,462,356	13,462	169,698,598	—	(123,253,836)	(4,449,547)	619,768	(11,383,967)	7,266,493	37,891,203
Stock-based compensation	—	—	302,071	—	—	—	—	—	—	302,071
Exercise of employee stock options, including net tax benefit of $95,068	48,100	48	244,688		—	—	—	—	—	244,736
PSC of Canada Exchange Corp. shares exchanged	11,503	12	305,944	—	—	—	—	—	(305,956)	—
Change in fair value of derivative and	—	—	—	—	—	820,121	—	—	—	820,121

impact of de-designation, net of income tax of $543,929										
Foreign currency translation adjustments	—	—	—	—	—	1,953,854	—	—	—	1,953,854
Net income	—	—	—	—	21,125,607	—	—	—	—	21,125,607
Total comprehensive income										23,899,582
Balance at December 31, 2009	13,521,959	$ 13,522	$ 170,551,301	$ —	$ (102,128,229)	$ (1,675,572)	619,768	$ (11,383,967)	$ 6,960,537	$ 62,337,592

See accompanying notes to the consolidated financial statements

The Providence Service Corporation

Consolidated Statements of Cash Flows

	Year ended December 31, 2007	2008	2009
Operating activities			
Net income (loss)	$ 14,388,674	$ (155,604,673)	$ 21,125,607
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation	1,577,675	4,505,214	4,689,709
Amortization	3,411,420	8,216,280	8,162,398
Amortization of deferred financing costs	291,529	2,698,184	2,979,515
Provision for doubtful accounts	702,071	4,084,333	4,479,094
Deferred income taxes	(501,657)	(14,553,560)	2,299,614
Stock based compensation	2,406,616	8,760,435	302,071
Excess tax benefit upon exercise of stock options	(680,115)	(184,908)	(140,312)
Asset impairment charges	—	169,930,171	—
Other	100,000	27,878	109,212
Changes in operating assets and liabilities, net of effects of acquisitions:			
Billed and unbilled accounts receivable	(944,952)	(9,276,794)	(10,542,465)
Management fee receivable	(3,594,613)	(2,364,483)	542,357
Other receivables	(157,394)	(417,295)	(1,109,999)
Restricted cash	—	(214,098)	112,043
Reinsurance liability reserve	1,165,655	2,621,087	4,114,560
Prepaid expenses and other	(823,048)	(5,828,653)	3,005,629
Accounts payable and accrued expenses	9,146,327	(6,680,776)	7,046,947
Accrued transportation costs	(6,292,737)	7,474,815	8,856,202
Deferred revenue	(1,991,172)	(702,259)	4,885,641
Other long-term liabilities	—	(104,912)	183,519
Net cash provided by operating activities	18,204,279	12,385,986	61,101,342
Investing activities			
Purchase of property and equipment, net	(1,949,038)	(4,664,007)	(3,699,385)
Acquisition of businesses, net of cash acquired	(233,876,782)	(3,597,766)	(1,037,650)
Acquisition of management agreement	—	(418,462)	(100,000)
Acquisition earnout payments	(8,299,460)	(6,670,655)	—
Restricted cash for contract performance	(1,287,401)	2,506,353	(1,196,637)
Purchase of short-term investments, net	(320,368)	(185,515)	(194,304)
Advances to related parties	(2,533,882)	—	—
Collection of notes receivable	685,435	3,291,943	599,841
Net cash used in investing activities	(247,581,496)	(9,738,109)	(5,628,135)
Financing activities			
Repurchase of common stock, for treasury	(10,960,461)	(124,760)	—
Proceeds from common stock issued pursuant to stock option exercise	2,363,172	469,320	149,667
Excess tax benefit upon exercise of stock options	680,115	184,908	140,312
Proceeds from long-term debt	243,000,000	—	—
Repayment of long-term debt	(332,379)	(8,650,000)	(33,545,345)
Debt financing costs	(10,887,536)	(88,775)	(802,329)
Capital lease payments	—	(1,012)	(69,413)
Net cash provided by (used in) financing activities	223,862,911	(8,210,319)	(34,127,108)
Effect of exchange rate changes on cash	190,221	(451,956)	447,083
Net change in cash	(5,324,085)	(6,014,398)	21,793,182
Cash at beginning of period	40,702,730	35,378,645	29,364,247
Cash at end of period	$ 35,378,645	$ 29,364,247	$ 51,157,429

See accompanying notes to the consolidated financial statements

The Providence Service Corporation

Supplemental Cash Flow Information

	Year ended December 31, 2007	2008	2009
Supplemental cash flow information			
Cash paid for interest	$ 1,377,676	$ 16,773,008	$ 17,789,734
Cash paid for income taxes	$ 9,222,405	$ 4,177,798	$ 7,066,871
Note receivable issued for management fees receivable	$ 299,917	$ —	$ —
Note payable obtained to finance prepaid insurance	$ —	$ 989,925	$ —
Stock issued to former members of WD Management, L.L.C.	$ —	$ 2,223,460	$ —
PSC of Canada Exchange Corp. shares exchanged	$ —	$ 382,453	$ 305,956
Change in fair value of derivative and impact of de-designation	$ —	$ (991,091)	$ 820,121
Business acquisitions:			
Purchase price	$ 251,536,092	$ 8,900,000	$ 29,478
Costs of acquisition	6,998,826	599,291	213,193
Less:			
Notes payable issued for acquisition of business	(1,800,000)	—	—
Common stock issued for acquisition of business	(12,346,515)	—	—
Exchangeable shares of subsidiary issued for acquisition of business	(7,648,946)	—	—
Cash (received) paid for working capital adjustment	—	(479,716)	269,979
Amount due to former shareholder	—	(525,000)	525,000
Credit for indebtedness of management fees	—	(4,827,425)	—
Cash acquired	(2,862,675)	(69,384)	—
Acquisition of business, net of cash acquired	$ 233,876,782	$ 3,597,766	$ 1,037,650

See accompanying notes to the consolidated financial statements

The Providence Service Corporation

Notes to Consolidated Financial Statements

December 31, 2009

1. Description of Business and Summary of Critical Accounting Policies and Estimates

Description of Business

The Providence Service Corporation (the "Company") is a government outsourcing privatization company. The Company operates in the following two segments: Social Services and Non-Emergency Transportation Services ("NET Services"). As of December 31, 2009, the Company operated in 43 states, and the District of Columbia, United States, and British Columbia, Canada.

The Social Services operating segment responds to governmental privatization initiatives in adult and juvenile justice, corrections, social services, welfare systems, education and workforce development by providing home-based and community-based counseling services and foster care services to at-risk families and children. These services are purchased primarily by state, county and city levels of government, and are delivered under block purchase, cost based and fee-for-service arrangements. The Company also contracts with not-for-profit organizations to provide management services for a fee.

The NET Services operating segment provides non-emergency transportation management services, primarily to Medicaid beneficiaries. The entities that pay for non-emergency medical transportation services primarily include state Medicaid programs, health maintenance organizations and commercial insurers. Most of the Company's non-emergency medical transportation services are delivered under capitated contracts where the Company assumes the responsibility of meeting the transportation needs of a specific geographic population.

Seasonality

The Company's quarterly operating results and operating cash flows normally fluctuate as a result of seasonal variations in its business. In the Company's Social Services operating segment, lower client demand for its home and community based services during the holiday and summer seasons generally results in lower revenue during those periods; however, the Company's expenses related to the Social Services operating segment do not vary significantly with these changes. As a result, the Company's Social Services operating segment experiences lower operating margins during the holiday and summer seasons. The Company's NET Services operating segment also experiences fluctuations in demand for its non-emergency transportation services during the summer, winter and holiday seasons. Due to higher demand in the summer months and lower demand in the winter and holiday seasons, coupled with a fixed revenue stream based on a per member per month base structure, the Company's NET Services operating segment experiences lower operating margins in the summer season and higher operating margins in the winter and holiday seasons.

The Company expects quarterly fluctuations in operating results and operating cash flows to continue as a result of the seasonal demand for its home and community based services and non-emergency transportation services. As the Company enters new markets, it could be subject to additional seasonal variations along with any competitive response by other social services and transportation providers.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and all of its subsidiaries, including its foreign wholly-owned subsidiary WCG International Ltd. ("WCG"). All intercompany accounts and transactions have been eliminated in consolidation.

Basis of Presentation

The Company follows accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB establishes accounting principles generally accepted in the United States ("GAAP") that the Company follows. Rules and interpretive releases of the Securities and Exchange Commission ("SEC") under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants, which the Company is required to follow. References to GAAP issued by the FASB in these footnotes are to the FASB *Accounting Standards Codification* ("ASC"), which serves as a single source of authoritative non-SEC accounting and reporting standards to be applied by nongovernmental entities. The FASB finalized the ASC effective for periods ending on or after September 15, 2009. Prior FASB standards like FASB Statement of Accounting Standards and FASB Staff Positions are no longer being issued by the FASB. For further discussion of the ASC, see "FASB Codification Discussion" in Management's Discussion and Analysis of Financial Condition and Results of Operations elsewhere in this report.

Liquidity Matters

On March 11, 2009, the Company entered into an amendment to the credit and guaranty agreement with its creditors to, among other things, change the financial covenant requirements to address its liquidity concerns related to the Company's ability to meet its financial covenant obligations related to its long-term debt for the three months ended December 31, 2008 and year ended December 31, 2009. Accordingly, the Company met the financial covenant requirements under the amended credit and guaranty agreement for the three months ended December 31, 2008 and was in compliance with these requirements as of December 31, 2009. The amendment provisions are more fully described in note 9 below.

The Company's board of directors ("Board") authorized a prepayment of $20.0 million of the Company's term loan debt under the credit and guaranty agreement, as amended, with its creditors in October 2009. The prepayment was made in two installments; the first of which, in the amount of $15.0 million, was made on October 9, 2009 and the second installment in the amount of $5.0 million was made on November 9, 2009. The Company's operating performance for 2009 and the $20.0 million prepayment noted above improved the Company's financial covenant ratios for 2009. In addition, the Board authorized an additional prepayment of $5.0 million of the Company's term loan debt under the credit and guaranty agreement, as amended, with its creditors in January 2010. The additional prepayment was made on January 11, 2010.

The Company believes that it will meet the financial covenant requirements for 2010 and that the Company has sufficient resources to fund its normal operations for the year ending December 31, 2010.

Foreign Currency Translation

The financial position and results of operations of WCG are measured using WCG's local currency (Canadian Dollar) as the functional currency. Revenues and expenses of WCG have been translated into U.S. dollars at average exchange rates prevailing during the period. Assets and liabilities have been translated at the rates of exchange on the balance sheet date. The resulting translation gain and loss adjustments are recorded directly as a separate component of stockholders' equity. At present and for the foreseeable future, the Company intends to reinvest any undistributed earnings of its foreign subsidiary in foreign operations. As a result, the Company is not providing for U.S. or additional foreign withholding taxes on its foreign subsidiary's undistributed earnings. Generally, such earnings become subject to U.S. tax upon the remittance of dividends and under certain other circumstances. It is not practicable to estimate the amount of unrecognized deferred tax liability for temporary differences that are essentially permanent in duration on such undistributed earnings.

Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with an initial maturity of three months or less. Investments in cash equivalents are carried at cost, which approximates fair value. The Company places its temporary cash investments with high credit quality financial institutions. At times such investments may be in excess of the Federal Deposit Insurance Corporation (FDIC) and the Canada Deposit Insurance Corporation (CDIC) insurance limits.

At December 31, 2009, approximately $4.4 million of cash was held by WCG and is not freely transferable without unfavorable tax consequences between the Company and WCG.

Restricted Cash

The Company had approximately $13.0 million and $14.1 million of restricted cash at December 31, 2008 and 2009 as follows:

	December 31,	
	2008	2009
Collateral for letters of credit—Contractual obligations	$ 175,000	$ 418,000
Contractual obligations	898,844	786,801
Subtotal restricted cash for contractual obligations	1,073,844	1,204,801
Collateral for letters of credit—Reinsured claims losses	3,311,000	4,041,000
Escrow—Reinsured claims losses	8,626,096	8,849,733
Subtotal restricted cash for reinsured claims losses	11,937,096	12,890,733
Total restricted cash	13,010,940	14,095,534
Less current portion	7,803,808	8,153,610
	$ 5,207,132	$ 5,941,924

Of the restricted cash amount at December 31, 2008 and 2009:

- $175,000 and $418,000 served as collateral for irrevocable standby letters of credit that provide financial assurance that the Company will fulfill certain contractual obligations;

- approximately $899,000 and $787,000 was held to fund the Company's obligations under arrangements with various governmental agencies through the correctional services business acquired by the Company in 2006 ("Correctional Services");

- approximately $3.3 million and $4.0 million served as collateral for irrevocable standby letters of credit to secure any reinsured claims losses under the Company's general and professional liability and workers' compensation reinsurance programs and was classified as noncurrent assets in the accompanying consolidated balance sheets;

- approximately $1.6 million was restricted and held in trust for reinsurance claims losses under the Company's general and professional liability reinsurance program; and

- approximately $7.0 million and $7.2 million was restricted in relation to the services provided by a captive insurance subsidiary (acquired by the Company in connection with the acquisition of Charter LCI Corporation in 2007).

At December 31, 2009, approximately $4.5 million, $1.7 million, $6.9 million and $250,000 of the restricted cash was held in custody by the Bank of Tucson, Wells Fargo, Fifth Third Bank and Bank of America. The cash is restricted as to withdrawal or use and is currently invested in certificates of deposit or short-term marketable securities. The remaining balance of approximately $787,000 is also restricted as to withdrawal or use, and is currently held in various non-interest bearing bank accounts related to Correctional Services.

Short-Term Investments

As part of its cash management program, the Company from time to time maintains short-term investments. These investments have a term to earliest maturity of less than one year and are comprised of certificates of deposit. These investments are carried at cost, which approximates market and are classified as "Prepaid expenses and other" in the accompanying consolidated balance sheets.

Derivative Instruments and Hedging Activities

The Company holds a derivative financial instrument for the purpose of hedging interest rate risk. The type of risk hedged relates to the variability of future earnings and cash flows caused by movements in interest rates applied to the Company's floating rate long-term debt. The Company documented its risk management strategy and hedge effectiveness at the inception of the hedge and will continue to assess its effectiveness during the term of the hedge. The Company has designated the interest rate swap as a cash flow hedge under ASC Topic 815-*Derivatives and Hedging* ("ASC 815").

Derivatives that have been designated and qualify as cash flow hedging instruments are reported at fair value. The Company measures hedge effectiveness by formally assessing, at least quarterly, the correlation of the expected future cash flows of the hedged item and the derivative hedging instrument. The gain or loss on the effective portion of the hedge (i.e. change in fair value) is reported as a component of other comprehensive loss. The remaining gain or loss of the ineffective portion of the hedge, if any, is recognized in earnings. The fair value of the cash flow hedging instrument was a liability of approximately $1.6 million and $372,000 as of December 31, 2008 and 2009, respectively, which was classified as "Current portion of interest rate swap" and "Other long-term liabilities" in the accompanying consolidated balance sheet with respect to the balance at December 31, 2008 and as "Current portion of interest rate swap" in the accompanying consolidated balance sheet at December 31, 2009.

Concentration of Credit Risk

Contracts with governmental agencies and other entities that contract with governmental agencies accounted for approximately 79%, 85% and 82% of the Company's revenue for the years ended December 31, 2007, 2008 and 2009, respectively. The related contracts are subject to possible statutory and regulatory changes, rate adjustments, administrative rulings, rate freezes and funding reductions. Reductions in amounts paid under these contracts for the Company's services or changes in methods or regulations governing payments for the Company's services could materially adversely affect its revenue and profitability.

For the years ended December 31, 2007, 2008 and 2009, the Company conducted a portion of its operations in Canada through WCG. At December 31, 2008 and 2009, approximately $11.3 million, or 29.7%, and $13.9 million, or 22.2%, of the Company's net assets, respectively, were located in Canada. Additionally, approximately $13.3 million, or 4.7%, $28.0 million, or 4.0%, and $22.5 million, or 2.8%, of the Company's consolidated revenue for the years ended December 31, 2007, 2008 and 2009, respectively, was generated from the Company's Canadian operations. The Company is subject to the risks inherent in conducting business across national boundaries, any one of which could adversely impact its business. In addition to currency fluctuations, these risks include, among other things: (i) economic downturns; (ii) changes in or interpretations of local law, governmental policy or regulation; (iii) restrictions on the transfer of funds into or out of the country; (iv) varying tax systems; (v) delays from doing business with governmental agencies; (vi) nationalization of foreign assets; and (vii) government protectionism. The Company intends to continue to evaluate opportunities to establish additional operations in Canada. One or more of the foregoing factors could impair the Company's current or future operations and, as a result, harm its overall business.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, restricted cash, accounts receivable, notes receivable, management fee receivable and accounts payable approximate their fair value because of the relatively short-term maturity of these instruments. The fair value of the Company's long-term obligations is estimated based on interest rates for the same or similar debt offered to the Company having same or similar remaining maturities and collateral requirements. The carrying amount of the long-term obligations approximates its fair value.

Accounts Receivable and Allowance for Doubtful Accounts

Clients are referred to the Company through governmental social services programs and it only provides services at the direction of a payer under a contractual arrangement. These circumstances have historically minimized any uncollectible amounts for services rendered. However, the Company recognizes that not all amounts recorded as accounts receivable will ultimately be collected.

The Company records all accounts receivable amounts at their contracted amount, less an allowance for doubtful accounts. The Company maintains an allowance for doubtful accounts at an amount it estimates to be sufficient to cover the risk that an account will not be collected. The Company regularly evaluates its accounts receivable, especially receivables that are past due, and reassesses its allowance for doubtful accounts based on specific client collection issues. The Company pays particular attention to amounts outstanding for 365 days and longer. Any account receivable older than 365 days is generally deemed uncollectible and written off or fully reserved unless the Company has specific information from the payer that payment for those amounts is forthcoming or has other evidence which the Company believes supports that amounts older than 365 days will be collected. In circumstances where the Company is aware of a specific payer's inability to meet its financial obligation, the Company records a specific addition to its allowance for doubtful accounts to reduce the net recognized receivable to the amount the Company reasonably expects to collect.

Under certain of the Company's contracts, billings do not coincide with revenue recognized on the contract due to payer administrative issues. These unbilled accounts receivable represent revenue recorded for which no amount has been invoiced and for which the Company expects an invoice will not be provided to the payer within the normal billing cycle. Unbilled amounts are considered current when billed, which generally occurs within one year from the date of service.

The Company's write-off experience for the years ended December 31, 2007, 2008 and 2009 was approximately 2%, 1% and 1%, respectively, of the Company's revenue.

Property and Equipment

Property and equipment are stated at historical cost, or at fair value if acquired by acquisition. Depreciation is provided using the straight-line method over the estimated useful life of the assets. Maintenance and repairs are charged to expense when they are incurred. Upon the disposition of any asset, its accumulated depreciation is deducted from the original cost, and any gain or loss is reflected in operating expense.

Impairment of Long-Lived Assets

Goodwill

The Company analyzes the carrying value of goodwill at the end of each fiscal year and between annual valuations if events occur or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying value. Such circumstances could include, but are not limited to: (1) a significant adverse change in legal factors or in business climate, (2) unanticipated competition, or (3) an adverse action or assessment by a regulator. In connection with its analysis of the carrying value of goodwill, the Company reconciles the aggregate fair value of its reporting units to the Company's market capitalization including a reasonable control premium. When determining whether goodwill is impaired, the Company compares the fair value of the reporting unit to which the goodwill is assigned to the reporting unit's carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, then the amount of the impairment loss must be measured. The impairment loss would be calculated by comparing the implied fair value of reporting unit goodwill to its carrying amount. In calculating the implied fair value of the reporting unit goodwill, the fair value of the reporting unit is allocated to all of the other assets and liabilities of that unit based on their fair values. The excess of the fair value of a reporting unit over the amount assigned to its other assets and liabilities is the implied fair value of goodwill. An impairment loss would be recognized when the carrying amount of goodwill exceeds its implied fair value. The Company's annual evaluation of goodwill completed as of December 31, 2009 resulted in no impairment loss.

Intangible assets subject to amortization

The Company separately values all acquired identifiable intangible assets apart from goodwill. The Company allocated a portion of the purchase consideration to management contracts, customer relationships, restrictive covenants, software licenses and developed technology acquired in the years 2006—2008 based on the expected direct or indirect contribution to future cash flows on a discounted cash flow basis over the useful life of the assets.

The Company assesses whether any relevant factors limit the period over which acquired assets are expected to contribute directly or indirectly to future cash flows for amortization purposes. With respect to acquired management contracts, the useful life is limited by the stated terms of the agreements. The Company determines an appropriate useful life for acquired customer relationships based on the expected period of time it will provide services to the payer.

While the Company uses discounted cash flows to value the acquisition of intangible assets, the Company has elected to use the straight-line method of amortization to determine amortization expense. If applicable, the Company assesses the recoverability of the unamortized balance of its long-lived assets based on undiscounted expected future cash flows. Should this analysis indicate that the carrying value is not fully recoverable, the excess of the carrying value over the fair value of any intangible asset is recognized as an impairment loss.

Accrued Transportation Costs

Transportation costs are estimated and accrued in the month the services are rendered by outsourced providers utilizing gross reservations for transportation services less cancellations and average costs per transportation service by customer contract. Average costs per contract are derived by utilizing historical cost trends. Actual costs relating to a specific accounting period are monitored and compared to estimated accruals. Adjustments to those accruals are made based on reconciliations with actual costs incurred. Accrued transportation costs amounted to approximately $32.1 million and $40.9 million at December 31, 2008 and 2009, respectively.

Deferred Financing Costs

The Company capitalizes expenses incurred in connection with its long-term debt obligations and amortizes them over the term of the respective debt agreements. The Company incurred approximately $10.6 million in deferred financing costs in connection with the credit facility with its senior creditor entered into in December 2007 and the amendment to the credit facility in March 2009, as described in note 9 below. In addition, the Company incurred approximately $2.3 million in deferred financing costs in connection with its senior subordinated notes issued in November 2007. Deferred financing costs are amortized to interest expense on a straight-line basis or the effective interest method over the term of the credit facility. Deferred financing costs, net of amortization, totaling approximately $9.7 million and $7.5 million at December 31, 2008 and 2009, are included in "Other assets" in the accompanying consolidated balance sheets.

Revenue Recognition

The Company recognizes revenue at the time services are rendered at predetermined amounts stated in its contracts and when the collection of these amounts is considered to be reasonably assured.

At times the Company may receive funding for certain services in advance of services actually being rendered. These amounts are reflected in the accompanying consolidated balance sheets as deferred revenue until the actual services are rendered.

As services are rendered, documentation is prepared describing each service, time spent, and billing code under each contract to determine and support the value of each service provided. This documentation is used as a basis for billing under the Company's contracts. The billing process and documentation submitted under its contracts vary among payers. The timing, amount and collection of the Company's revenues under these contracts are dependent upon its ability to comply with the various billing requirements specified by each payer. Failure to comply with these requirements could delay the collection of amounts due to the Company under a contract or result in adjustments to amounts billed.

The performance of the Company's contracts is subject to the condition that sufficient funds are appropriated, authorized and allocated by each state, city or other local government. If sufficient appropriations, authorizations and allocations are not provided by the respective state, city or other local government, we are at risk of immediate termination or renegotiation of the financial terms of the Company's contracts.

Social Services segment

Fee-for-service contracts. Revenues related to services provided under fee-for-service contracts are recognized as revenue at the time services are rendered and collection is determined to be probable. Such services are provided at established billing rates.

Cost based service contracts. Revenues from the Company's cost based service contracts are recorded based on a combination of direct costs, indirect overhead allocations, and stated contractual margins on those incurred costs. These revenues are compared to annual contract budget limits and, depending on reporting requirements, allowances may be recorded for certain contingencies such as projected costs not incurred, excess cost per service over the allowable contract rate and/or insufficient encounters. This policy results in recognizing revenue from these contracts based on allowable costs incurred. The annual contract amount is based on projected costs to provide services under the contracts with adjustments for changes in the total contract amount. The Company annually submits projected costs for the coming year, which assist the contracting payers in establishing the annual contract amount to be paid for services provided under the contracts. After the contracting payers' year end, the Company submits cost reports which are used by the contracting payers to determine the amount, if any, by which funds paid to the Company for services provided under the contracts were greater than the allowable costs to provide these services. Completion of this review process may range from one month to several years from the date the Company submits the cost report. In cases where funds paid to the Company exceed the allowable costs to provide services under contract, the Company may be required to pay back the excess funds.

The Company's cost reports are routinely audited by payers on an annual basis. The Company periodically reviews its provisional billing rates and allocation of costs and provides for estimated adjustments from the contracting payers. The Company believes that adequate provisions have been made in its consolidated financial statements for any adjustments that might result from the outcome of any cost report audits. Differences between the amounts provided and the settlement amounts, which historically have not been material, are recorded in the Company's consolidated statement of operations in the year of settlement.

Annual block purchase contract. The Company's annual block purchase contract with CPSA requires it to provide or arrange for behavioral health services to eligible populations of beneficiaries as defined in the contract. The Company must provide a complete range of behavioral health clinical, case management, therapeutic and administrative services. The Company is obliged to provide services only to those clients with a demonstrated medical necessity. The annual funding allocation amount is subject to increase when the Company's encounters exceed the contract amount; however, such increases in the annual funding allocation amount are subject to government appropriation and may not be approved. There is no contractual limit to the number of eligible beneficiaries that may be assigned to the Company, or a specified limit to the level of services that may be provided to these beneficiaries if the services are deemed to be medically necessary. Therefore, the Company is at-risk if the costs of providing necessary services exceed the associated reimbursement.

The Company is required to regularly submit service encounters to CPSA electronically. On an on-going basis and at the end of CPSA's June 30 fiscal year, CPSA is obligated to monitor the level of service encounters. If the encounter data is not sufficient to support the year-to-date payments made to the Company, unless waived, CPSA has the right to prospectively reduce or suspend payments to the Company.

For revenue recognition purposes, the Company's service encounter value (which represents the value of actual services rendered) must equal or exceed 90% of the revenue recognized under its annual block purchase contract for the contract year. The remaining 10% of revenue recognized in each reporting period represents payment for network overhead administrative costs incurred in order to fulfill the Company's obligations under the contract. Administrative costs include, but are not limited to, intake services, clinical liaison oversight for each behavioral health recipient, cultural liaisons, financial assessments and screening, data processing and information systems, staff training, quality and utilization management functions, coordination of care and subcontract administration.

The Company recognizes revenue from its annual block purchase contract corresponding to the service encounter value. If the Company's service encounter value is less than 90% of the amounts received from CPSA for the contract year, unless waived, the Company recognizes revenue equal to the service encounter value and defers revenue for any excess amounts received. CPSA has not reduced, withheld, or suspended any payments that have not been subsequently reimbursed. The Company believes its encounter data is sufficient to have earned all amounts recorded as revenue under this contract.

If the Company's service encounter value equals 90% of the amounts received from CPSA for the contract year, the Company recognizes revenue at the contract amount, which is one-twelfth of the established annual contract amount each month.

If the Company's service encounter value exceeds 90% of the contract amount, the Company recognizes revenue in excess of the annual funding allocation amount if collection is reasonably assured. The Company evaluates factors such as cash receipt and written confirmation regarding payment probability related to the determination of whether any such additional revenue over the contractual amount is considered to be reasonably assured. The terms of the contract may be reviewed prospectively and amended as necessary to ensure adequate funding of the Company's contractual obligations, however, we cannot guaranty that amendments will be completed.

Management agreements. The Company maintains management agreements with a number of not-for-profit social services organizations whereby it provides certain management services for these organizations. In exchange for the Company's services, the Company receives a management fee that is either based on a percentage of the revenues of these organizations or a predetermined fee.

The Company recognizes management fees revenue from its management agreements as such amounts are earned, as defined by the respective management agreements, and collection of such amount is considered reasonably assured. The Company assesses the likelihood of whether any of its management fees may need to be returned to help the Company's managed entities fund their working capital needs. If the likelihood is other than remote, the Company defers the recognition of all or a portion of the management fees received. To the extent the Company defers management fees as a means of funding any of its managed entities' losses from operations, such amounts are not recognized as management fees revenue until they are ultimately collected from the operating income of the managed entities.

The costs associated with generating the Company's management fee revenue are accounted for in client service expense and in general and administrative expense in the accompanying consolidated statements of operations.

NET Services segment

Capitation contracts. Approximately 89% of the Company's non-emergency transportation services revenue is generated under capitated contracts where the Company assumes the responsibility of meeting the transportation needs of a specific geographic population. Revenues under capitation contracts with the Company's payers result from per-member monthly fees based on the number of participants in its payer's program.

Fee-for-service contracts. Revenues earned under fee-for-service contracts are recognized when the service is provided. Revenues under these types of contracts are based upon contractually established billing rates less allowance for contractual adjustments. Estimates of contractual adjustments are based upon payment terms specified in the related agreements.

Non-Controlling Interest

In connection with the Company's acquisition of WCG in August 2007, PSC of Canada Exchange Corp. ("PSC"), a subsidiary established by the Company to facilitate the purchase of all of the equity interest in WCG, issued 287,576 exchangeable shares as part of the purchase price consideration. The exchangeable shares were valued at approximately $7.8 million in accordance with the provisions of the purchase agreement ($7.6 million for accounting purposes). For accounting purposes, the value of the exchangeable shares issued by PSC was determined based upon the product of the average market price for the Company's common stock for the five trading days ended August 3, 2007 of $26.59 and 287,576 shares issued. The shares are exchangeable at each shareholder's option, for no additional consideration, into shares of the Company's common stock on a one-for-one basis ("Exchangeable Shares"). Of the 287,576 Exchangeable Shares, 25,882 were exchanged as of December 31, 2009.

The Exchangeable Shares are non-participating such that they are not entitled to any allocation of income or loss of PSC. The Exchangeable Shares represent ownership in PSC and are accounted for as "Non-controlling interest" included in stockholders' equity in the accompanying consolidated balance sheets at December 31, 2008 and 2009. In accordance with the provisions of ASC Topic 810-*Consolidation* ("ASC 810") as they relate to non-controlling interest in consolidated financial statements (adopted by the Company on January 1, 2009), the Company reclassified the ownership interest in PSC (represented by the Exchangeable Shares) held by the WCG sellers of approximately $7.3 million and $7.0 million, respectively, as of December 31, 2008 and 2009, as equity. Prior to January 1, 2009, the Company classified this ownership interest as "Non-controlling interest" included in liabilities and stockholders' equity in its consolidated balance sheets.

The Exchangeable Shares and the 25,882 shares of the Company's common stock issued upon the exchange of the same number of Exchangeable Shares noted above are subject to a Settlement and Indemnification Agreement dated November 17, 2009 ("Indemnification Agreement") by and between the Company and the sellers of WCG. The Indemnification Agreement secures the Company's claims for indemnification and associated rights and remedies provided by the Share Purchase Agreement (under which the Company acquired all of the equity interest in WCG on August 1, 2007) arising from actions taken by British Columbia to strictly enforce a contractually imposed revenue cap on a per client basis and contractually mandated pass-throughs subsequent to August 1, 2007. The actions taken by British Columbia resulted in an approximate CAD $3.0 million dispute and termination of one of its six provincial contracts with WCG, which the Company is disputing. Under the Indemnification Agreement, the sellers have agreed to transfer their rights to the Exchangeable Shares and 25,882 shares of the Company's common stock issued upon the exchange of the same number of Exchangeable Shares to the Company to indemnify the Company against any losses suffered by the Company as the result of an unfavorable ruling upon the conclusion of arbitration.

Stock-Based Compensation

The Company follows the fair value recognition provisions of ASC Topic 718-*Compensation-Stock Compensation* ("ASC 718"), which requires companies to measure and recognize compensation expense for all share based payments at fair value.

Other Comprehensive Loss

Other comprehensive loss is defined as the change in equity of a business during a period from transactions and other events and circumstances from non-owner sources, including foreign currency translation adjustments. Other comprehensive loss was derived from foreign currency translation adjustments and the change in fair value of the Company's interest rate swap (as more fully described in note 10 below). The components of the ending balances of accumulated other comprehensive loss are as follows:

	December 31,	
	2008	2009
Cumulative foreign currency translation adjustments	$ (3,458,456)	$ (1,504,602)
Unrealized losses on cash flow derivative hedges, net	(991,091)	(170,970)
	$ (4,449,547)	$ (1,675,572)

Income Taxes

Deferred income taxes are determined by the liability method in accordance with ASC Topic 740-*Income Taxes* ("ASC 740"). Under this method, deferred tax assets and liabilities are determined based on differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company records a valuation allowance which includes amounts for state net operating loss carryforwards, as more fully described in note 17 below, for which the Company has concluded that it is more likely than not that these net operating loss carryforwards will not be realized in the ordinary course of operations. The Company recognizes interest and penalties related to income taxes as a component of income tax expense.

Loss Reserves for Certain Reinsurance and Self-funded Insurance Programs

The Company reinsures a substantial portion of its general and professional liability and workers' compensation costs under reinsurance programs though the Company's wholly-owned subsidiary Social Services Providers Captive Insurance Company ("SPCIC"). SPCIC is a licensed captive insurance company domiciled in the State of Arizona. SPCIC maintains reserves for obligations related to the Company's reinsurance programs for its general and professional liability and workers' compensation coverage.

As of December 31, 2008 and 2009, the Company had reserves of approximately $3.4 million and $4.6 million, respectively, for the general and professional liability and workers' compensation programs.

In addition, Provado Insurance Services, Inc., ("Provado"), a wholly-owned subsidiary of Charter LCI Corporation that was acquired by the Company in December 2007, is a licensed captive insurance company domiciled in the State of South Carolina. Provado provides reinsurance for policies written by a third party insurer for general liability, automobile liability, and automobile physical damage coverage to various members of the network of subcontracted transportation providers and independent third parties within the Company's NET Services operating segment.

Provado maintains reserves for obligations related to the reinsurance programs for general liability, automobile liability, and automobile physical damage coverage. As of December 31, 2008 and 2009, Provado had reserves of approximately $5.0 million and $7.2 million, respectively.

These reserves are reflected in the Company's consolidated balance sheets as reinsurance liability reserves. The Company utilizes analyses prepared by third party administrators and independent actuaries based on historical claims information with respect to the general and professional liability coverage, workers' compensation coverage, automobile liability, automobile physical damage, and health insurance coverage to determine the amount of required reserves.

The Company also maintains a self-funded health insurance program provided to its employees. With respect to this program, the Company considers historical and projected medical utilization data when estimating its health insurance program liability and related expense. As of December 31, 2008 and 2009, the Company had approximately $1.5 million and $1.6 million, respectively, in reserve for its self-funded health insurance programs.

The Company continually analyzes its reserves for incurred but not reported claims, and for reported but not paid claims related to its reinsurance and self-funded insurance programs. The Company believes its reserves are adequate. However, significant judgment is involved in assessing these reserves such as assessing historical paid claims, average lags between the claims' incurred date, reported dates and paid dates, and the frequency and severity of claims. The Company is at risk for differences between actual settlement amounts and recorded reserves and any resulting adjustments are included in expense once a probable amount is known. There were no significant adjustments recorded in the periods covered by this report. Any significant increase in the number of claims or costs associated with claims made under these programs above the Company's reserves could have a material adverse effect on its financial results.

Critical Accounting Estimates

The Company has made a number of estimates relating to the reporting of assets and liabilities, revenues and expenses and the disclosure of contingent assets and liabilities to prepare these consolidated financial statements in conformity with GAAP. The Company based its estimates on historical experience and on various other assumptions the Company believes to be reasonable under the circumstances. However, actual results may differ from these estimates under different assumptions or conditions. Some of the more significant estimates impact revenue recognition, accounts receivable and allowance for doubtful accounts, accounting for business combinations, goodwill and other intangible assets, accrued transportation costs, accounting for management agreement relationships, loss reserves for reinsurance and self-funded insurance programs, stock-based compensation, foreign currency translation, derivative instruments and hedging activities and income taxes.

New Accounting Pronouncements

ASC Topic 820-*Fair Value Measurements and Disclosures* ("ASC 820") defines fair value and requires that the measurement thereof be determined based on the assumptions that market participants would use in pricing an asset or liability and expands disclosures about fair value measurements. Additionally, ASC 820 establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from sources independent of the reporting entity and (2) the reporting entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances. ASC 820 is effective for financial assets and financial liabilities for fiscal years beginning after November 15, 2007. The transition guidance of ASC 820 provides that the provisions of ASC 820 relate to all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on at least an annual basis and are effective for fiscal years beginning after December 31, 2008. The Company adopted ASC 820 as of January 1, 2008, with the exception of the application of this topic to non-recurring nonfinancial assets and nonfinancial liabilities, which was subsequently adopted by the Company on January 1, 2009. Non-recurring nonfinancial assets and nonfinancial liabilities for which the Company had not applied the provisions of ASC 820 prior to January 1, 2009 included those measured at fair value in goodwill impairment testing and indefinite life intangible assets measured at fair value for impairment testing. Although the adoption of ASC 820 related to financial assets and financial liabilities did not materially impact its financial condition, results of operations, or cash flow, the Company is required to provide additional disclosures as part of its financial statements. The Company has determined that there was no material impact of adopting the provisions of ASC 820 relating to non-recurring nonfinancial assets and nonfinancial liabilities on its financial condition, results of operations and cash flow.

ASC Topic 805-*Business Combinations* ("ASC 805") establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired. ASC 805 also establishes disclosure requirements to enable the evaluation of the nature and financial effects of the business combination. ASC 805 is effective as of the beginning of an entity's fiscal year that begins after December 15, 2008. On January 1, 2009, the Company adopted ASC 805. In addition, the Company determined that there was no material impact of the adoption of ASC 805 on its consolidated financial results of operations and financial condition.

ASC 810 establishes accounting and reporting standards for ownership interest in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the noncontrolling interest, changes in a parent's ownership interest and the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated. ASC 810 also establishes disclosure requirements that clearly identify and distinguish between the interest of the parent and the interests of the noncontrolling owners. ASC 810 is effective as of the beginning of an entity's fiscal year that begins after December 15, 2008. The Company adopted the provisions of ASC 810 on January 1, 2009 and as a result reclassified the ownership interest in PSC (represented by the Exchangeable Shares) held by the sellers related to the Company's acquisition of WCG of approximately $7.3 million and $7.0 million, respectively, as of December 31, 2008 and 2009, as equity. Prior to January 1, 2009, the Company classified this ownership interest as "Non-controlling interest" in its consolidated balance sheets. The Company determined that the adoption of the other provisions of ASC 810 did not have a material impact on its consolidated results of operations and financial condition.

In March 2008, the FASB expanded the current disclosure framework in ASC 815. This amendment requires companies with derivative instruments to disclose information about how and why a company uses derivative instruments, how derivative instruments and related hedged items are accounted for under ASC 815, and how derivative instruments and related hedged items affect a company's financial position, financial performance, and cash flows. The required disclosures include the fair value of derivative instruments and their gains or losses in tabular format, information about credit-risk-related contingent features in derivative agreements, counterparty credit risk, and the company's strategies and objectives for using derivative instruments. The expanded disclosure framework provisions of ASC 815 are effective prospectively for periods beginning on or after November 15, 2008. On January 1, 2009, the Company adopted these provisions and determined that, other than the additional disclosures related to its interest rate swap the Company is now required to make, the adoption of the expanded disclosure framework in ASC 815 did not have a material impact on its consolidated financial statements.

In April 2008, the FASB amended the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under ASC Topic 350-*Intangibles-Goodwill and Other* ("ASC 350"). In developing assumptions about renewal or extension used to determine the useful life of a recognized intangible asset, an entity may consider its own historical experience in renewing or extending similar arrangements; however, these assumptions should be adjusted for the entity-specific factors set forth in ASC Section 350-30-35-*Determining the Useful Life of an Intangible Asset*. In addition, the amendment to ASC 350 requires disclosure of information that enables users of financial statements to assess the extent to which the expected future cash flows associated with the asset are affected by the entity's intent and/or ability to renew or extend the arrangement for a recognized intangible asset. The amended requirements of ASC 350 are effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Early adoption is prohibited. On January 1, 2009, the Company adopted the amended requirements of ASC 350 noted above. The adoption of these requirements did not have a material impact on the Company's consolidated results of operations and financial condition.

In June 2008, the FASB amended the guidance in ASC 815 regarding evaluating whether an instrument involving a contingency is considered indexed to an entity's own stock. The amended guidance in ASC 815 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Early application is not permitted. Paragraph 815-10-15-74(a) of ASC 815 specifies that a contract that would otherwise meet the definition of a derivative but is both (a) indexed to the company's own stock and (b) classified in stockholders' equity in the statement of financial position would not be considered a derivative financial instrument. The amended guidance in ASC 815 provides a new two-step model to be applied in determining whether a financial instrument or an embedded feature is indexed to an issuer's own stock and thus able to qualify for the scope exception provided for in paragraph ASC 815-10-15-74(a). The Company's 6.5% Convertible Senior Subordinated Notes due 2014 (the "Notes") are subject to the amended guidance in ASC 815 since the notes are indexed to the Company's own stock and are convertible, under certain circumstances, into common stock at a specified conversion rate. Based on the Company's analysis of the Notes under ASC 815 and other related guidance, the Company concluded that the embedded conversion option qualifies for the scope exception in paragraph ASC 815-10-15-74(a) because it is both (1) indexed to the Company's own stock because all of the triggering conversion events are contingencies that are not based on an observable market or an observable index and that the only variables that affect the settlement amount of the conversion in each case would be inputs to the fair value of a fixed-for-fixed option on equity shares as they relate to stock price and (2) would be classified in stockholders' equity if it were a freestanding instrument. The Notes including the embedded conversion option are classified as a liability in the accompanying consolidated balance sheets. ASC 815 requires issuers of convertible notes that protect holders from declines in the issuer's stock price ("down-round" protection) to account for these instruments as derivatives. The Notes do not contain any "down-round" protection, therefore the adoption of the amended guidance in ASC 815 as of January 1, 2009 did not impact the Company's consolidated financial statements.

In April 2009, FASB amended the provisions of ASC 805 related to the initial recognition and measurement, subsequent measurement and accounting, and disclosures for assets and liabilities arising from contingencies in business combinations. No subsequent accounting guidance is provided in the amended guidance, and the FASB expects an acquirer to develop a systematic and rational basis for subsequently measuring and accounting for acquired contingencies depending on their nature. The amended provisions of ASC 805 noted above are effective for contingent assets or contingent liabilities acquired in business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The Company has determined that the adoption of the amended provisions of ASC 805 did not have a material impact on its consolidated financial statements.

On April 9, 2009, FASB provided additional guidance for estimating fair value in accordance with ASC 820 when the volume and level of activity for the asset or liability have significantly decreased. In addition, this supplemental guidance includes guidance on identifying circumstances that indicate a transaction is not orderly. Further, the supplemental guidance emphasizes that even if there has been a significant decrease in the volume and level of activity for the asset or liability and regardless of the valuation technique(s) used, the objective of a fair value measurement remains the same. The supplemental guidance in ASC 820 described above is effective for interim and annual reporting periods ending after June 15, 2009, and is to be applied prospectively. Early adoption is permitted. The Company adopted the supplemental guidance in ASC 820 beginning with the quarterly period ended June 30, 2009 and determined that the adoption of this guidance did not have a material impact on its consolidated financial statements.

On April 9, 2009, FASB amended ASC Topic 825-*Financial Instruments* ("ASC 825") to require disclosures about fair value of financial instruments for interim reporting periods of publicly traded companies as well as in annual financial statements. This guidance also amends ASC Topic 270-*Interim Reporting* to require those disclosures in summarized financial information at interim reporting periods. The amended requirements of ASC 825 described above are effective for interim reporting periods ending after June 15, 2009. The Company adopted the amended requirements of ASC 825 beginning with the quarterly period ended June 30, 2009 and determined that, other than the additional disclosures related to the fair value of financial instruments the Company is now required to make, the adoption of the amended requirements of ASC 825 did not have a material impact on its consolidated financial statements.

ASC 855-*Subsequent Events* ("ASC 855") establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. Specifically, ASC 855 sets forth the period and circumstances during and under which an entity should evaluate events or transactions occurring after the balance sheet date for potential recognition and disclosure in the financial statements. ASC 855 also provides guidance regarding the disclosures that an entity should make about events or transactions that occurred after the balance sheet date. The Company adopted the provisions of ASC 855 beginning with the quarterly period ended June 30, 2009 in accordance with ASC 855's effective date and the effects of subsequent events have been evaluated by the Company through the date on which the Company's reports on Forms 10-Q and 10-K are filed. The adoption of ASC 855 impacts only disclosures in the Company's consolidated financial statements.

In February 2010, the FASB issued Accounting Standards Update ("ASU") 2010-09-*Subsequent Events (Topic 855): Amendments to Certain Recognition and Disclosure Requirements* ("ASU 2010-09"). The amendments in ASU 2010-09 remove the requirement for an SEC filer to disclose a date through which subsequent events have been evaluated in both issued and revised financial statements. Revised financial statements include financial statements revised as a result of either correction of an error or retrospective application of GAAP. The FASB also clarified that if the financial statements have been revised, then an entity that is not an SEC filer should disclose both the date that the financial statements were issued or available to be issued and the date the revised financial statements were issued or available to be issued. The FASB believes these amendments remove potential conflicts with the SEC's literature. All of the amendments in ASU 2010-09 were effective upon issuance except for the use of the issued date for conduit debt obligors. That amendment is effective for interim or annual periods ending after June 15, 2010. The Company adopted the provisions of ASU 2010-09 upon issuance. The adoption only impacted disclosures in the Company's consolidated financial statements.

In June 2009, the FASB issued ASU 2009-01-*Generally Accepted Accounting Principles* ("ASU 2009-01"). FASB issued ASU 2009-01 (ASC Topic 105) to establish the ASC as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with GAAP and to identify the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements of nongovernmental entities that are presented in conformity with GAAP. ASU 2009-01 does not affect the rules and interpretive releases of the SEC, which are also sources of authoritative GAAP for SEC registrants. ASU 2009-01 is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The Company adopted the provisions of ASU 2009-01 beginning with the quarterly period ended September 30, 2009 and determined that the adoption of ASU 2009-01 did not have an impact on its consolidated financial statements because it only codifies existing non-SEC accounting literature.

In August 2009, the FASB issued ASU 2009-05-*Measuring Liabilities at Fair Value* ("ASU 2009-05"), an amendment of ASC 820. ASU 2009-05 addresses practice difficulties caused by the tension between fair value measurements based on the price that would be paid to transfer a liability to a new obligor and contractual or legal requirements that prevent such transfers from taking place. ASU 2009-05 provides clarification that in circumstances in which a quoted price in an active market for the identical liability is not available, a reporting entity is required to measure fair value using valuation techniques that incorporate: (1) the quoted price of the identical liability when the liability is traded as an asset; (2) quoted prices for similar liabilities or similar liabilities when the liabilities are traded as assets; or (3) other valuation techniques that are consistent with the principles of ASC 820 (e.g. a present value technique based on the income approach). The guidance provided in ASU 2009-05 is effective for interim and annual periods beginning after August 27, 2009. The Company adopted the provisions of ASU 2009-05 beginning with the quarterly period ended September 30, 2009 and determined that the adoption of ASU 2009-05 did not have an impact on its consolidated financial statements.

Pending Accounting Pronouncements

In October, 2009, the FASB issued ASU No. 2009-13-*Revenue Recognition (Topic 605), Multiple-Deliverable Revenue Arrangements a consensus of the FASB Emerging Issues Task Force (*"ASU 2009-13'). ASU 2009-13 amends ASC Subtopic 650-25 to eliminate the requirement that all undelivered elements have vendor specific objective evidence ("VSOE") or third party evidence ("TPE") before an entity can recognize the portion of an overall arrangement fee that is attributable to items that already have been delivered. In the absence of VSOE or TPE of the standalone selling price for one or more delivered or undelivered elements in a multiple-element arrangement, entities will be required to estimate the selling prices of those elements. The overall arrangement fee will be allocated to each element (both delivered and undelivered items) based on their relative selling prices, regardless of whether those selling prices are evidenced by VSOE or TPE or are based on the entity's estimated selling price. Application of the "residual method" of allocating an overall arrangement fee between delivered and undelivered elements will no longer be permitted upon adoption of ASU 2009-13. Additionally, the new guidance will require entities to disclose more information about their multiple-element revenue arrangements. The ASU is effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. Early adoption is permitted. If a company elects early adoption and the period of adoption is not the beginning of its fiscal year, the requirements must be applied retrospectively to the beginning of the fiscal year. Retrospective application to prior years is an option, but is not required. In the initial year of application, companies are required to make qualitative and quantitative disclosures about the impact of the changes. The Company is currently evaluating the potential impact, if any, of the adoption of ASU 2009-13 on its consolidated financial statements.

In December 2009, the FASB issued ASU No. 2009-17-*Consolidations (Topic 810): Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities* ("ASU 2009-17"). ASU 2009-17 amends the guidance on variable interest entities in ASC Topic 810 related to the consolidation of variable interest entities. It requires reporting entities to evaluate former qualifying special purpose entities (" QSPEs") for consolidation, changes the approach to determining a variable interest entities ("VIEs") primary beneficiary from a quantitative assessment to a qualitative assessment designed to identify a controlling financial interest, and increases the frequency of required reassessments to determine whether a company is the primary beneficiary of a VIE. It also clarifies, but does not significantly change, the characteristics that identify a VIE. This ASU requires additional year-end and interim disclosures for public and nonpublic companies that are similar to the disclosures required by ASC paragraphs 810-10-50-8 through 50-19 and 860-10-50-3 through 50-9. ASU No. 2009-17 is effective as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period, and for interim and annual reporting period thereafter. The Company is currently evaluating the potential impact, if any, of the adoption of ASU 2009-17 on its consolidated financial statements.

In January 2010, the FASB issued ASU 2010-06-*Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements* ("ASU 2010-06"). ASU 2010-06 amends certain disclosure requirements of Subtopic 820-10 and provides additional disclosures for transfers in and out of Levels I and II and for activity in Level III. This ASU also clarifies certain other existing disclosure requirements including level of desegregation and disclosures around inputs and valuation techniques. The final amendments to the ASC will be effective for annual or interim reporting periods beginning after December 15, 2009, except for the requirement to provide the Level 3 activity for purchases, sales, issuances, and settlements on a gross basis. That requirement will be effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. Early adoption is permitted. ASU 2010-06 does not require disclosures for earlier periods presented for comparative purposes at initial adoption. The Company does not believe that ASU 2010-06 will have a material impact on the Company's consolidated financial statements.

In February 2010, the FASB issued ASU No. 2010-08-*Technical Corrections to Various Topics* ("ASU 2010-08"). ASU 2010-08 is the result of the FASB's review of its standards to determine if any provisions are outdated, contain inconsistencies, or need clarifications to reflect the FASB's original intent. The FASB believes the amendments do not fundamentally change U.S. GAAP. However, certain clarifications on embedded derivatives and hedging (Subtopic 815-15) may cause a change in the application of that Subtopic and special transition provisions are provided for those amendments. The ASU contains various effective dates. The clarifications of the guidance on embedded derivatives and hedging (Subtopic 815-15) are effective for fiscal years beginning after December 15, 2009. The amendments to the guidance on accounting for income taxes in a reorganization (Subtopic 852-740) applies to reorganizations for which the date of the reorganization is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. All other amendments are effective as of the first reporting period (including interim periods) beginning after February 2, 2010. The Company does not believe that ASU 2010-08 will have a material impact on the Company's consolidated financial statements.

2. Fair Value Measurements

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. Level 3 inputs are unobservable inputs based on the Company's assumptions used to measure assets and liabilities at fair value. A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The following table provides the assets and liabilities carried at fair value measured on a recurring basis at December 31, 2009:

		Fair Value Measurement Using		
	Total Carrying Value	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Interest rate swap	$ (372,408)	$ —	$ (372,408)	$ —

The Company's interest rate swap is carried at fair value measured on a recurring basis. The Company has elected to use the income approach to value the derivatives, using observable Level 2 market expectations at the measurement date and standard valuation techniques to convert future amounts to a single present amount assuming that participants are motivated, but not compelled to transact. Level 2 inputs for the swap valuations are limited to quoted prices for similar assets or liabilities in active markets (specifically futures contracts) and inputs other than quoted prices that are observable for the asset or liability (e.g., LIBOR cash and swap rates and credit risk at commonly quoted intervals as published by Bloomberg on the last day of the period for financial institutions with the same credit rating as the counterparty). Mid-market pricing is used as a practical expedient for fair value measurements. Key inputs, including the cash rates for short term, futures rates and swap rates beyond the derivative maturity are used to interpolate the spot rates at the three month rate resets specified by each swap. A credit default swap rate based on the current credit rating of the counterparty is applied to all cash flows when the swap is in an asset position. The Company uses the floating rate factor related to its variable rate debt (6.5%) to discount all cash flows when the derivative is in a liability position to reflect the potential credit risk to lenders.

3. Other Receivables

At December 31, 2008 and 2009, insurance premiums of approximately $2.4 million and $3.3 million, respectively, were receivable from third parties related to the reinsurance activities of the Company's two captive subsidiaries. The insurance premiums receivable is classified as "Other receivables" in the accompanying consolidated balance sheets. In addition, the Company's expected losses related to workers' compensation and general and professional liability in excess of the Company's liability under its associated reinsurance programs at December 31, 2009 were approximately $2.3 million, of which approximately $805,000 was classified as "Other receivables" and approximately $1.5 million was classified as "Other assets" in the accompanying consolidated balance sheet. The Company's expected losses related to workers' compensation and general and professional liability in excess of the Company's liability under its associated reinsurance programs at December 31, 2008 was approximately $1.4 million, of which approximately $446,000 was classified as "Other receivables" and approximately $1.0 million was classified as "Other assets" in the accompanying consolidated balance sheets. The Company recorded a corresponding liability, which offset these expected losses. This liability was classified as "Reinsurance liability reserve" in current liabilities and "Other long-term liabilities" in the accompanying consolidated balance sheet.

4. Prepaid Expenses and Other

Prepaid expenses and other comprised the following:

	December 31, 2008	December 31, 2009
Prepaid payroll	$ 2,703,503	$ 2,578,670
Prepaid insurance	3,381,451	2,242,499
Prepaid taxes	3,978,742	1,576,956
Prepaid rent	737,847	743,402
Provider advances	285,020	83,265
Prepaid maintenance agreements and copier leases	608,075	634,474
Prepaid bus tokens and passes	1,133,290	1,076,377
Prepaid commissions and brokerage fees	548,446	608,566
Interest receivable—certificates of deposit	694,852	889,156
Other	1,306,413	2,006,248
Total prepaid expenses and other	$ 15,377,639	$ 12,439,613

5. Notes Receivable

Notes receivable included the following:

	Interest Rate	December 31, 2008	December 31, 2009
Unsecured promissory note from The ReDCo Group, a managed entity, with principal and interest due in eight equal quarterly installments beginning October 2007 through September 2009	5.0%	$ 225,000	$ —
Unsecured promissory note from Family Preservation Community Services, Inc., a managed entity, with principal and interest due in sixty equal monthly installments beginning November 2007 through October 2012	4.5%	272,660	—
Unsecured promissory note from FCP, Inc., a managed entity, with principal and interest due in thirty-six equal monthly installments beginning February 2007 through January 2010	9.5%	98,559	—
Unsecured promissory note from Clearfield Jefferson Community Mental Health Center, Inc., a third-party entity, with principal and accrued but unpaid interest due July 2011	5.0%	3,622	—
		599,841	—
Less current portion		467,682	—
		$ 132,159	$ —

Accrued interest receivable related to these notes totaled approximately $33,000 at December 31, 2008, and was classified as "Prepaid expenses and other assets" in the accompanying consolidated balance sheets.

6. Acquisitions

The following acquisitions have been accounted for using the purchase method of accounting and the results of operations are included in the Company's consolidated financial statements from the date of acquisition.

The synergistic benefits realized in the following acquisitions are the primary drivers for the premium paid by the Company based on the expected increase in cash flow resulting from revenue enhancements and potential cost savings achievable through the acquisitions. These synergies are also the primary driver in the amount of goodwill recognized as a result of these acquisitions.

A final valuation was performed in 2008 with respect to the assets and liabilities acquired for Camelot Community Care, Inc. ("CCC") and in 2009 with respect to the assets and liabilities acquired for AmericanWork, Inc. ("AW") and the excess of the purchase price over the fair value of the net identifiable assets has been allocated to goodwill.

On September 30, 2008, the Company acquired substantially all of the assets in Illinois and Indiana of CCC. CCC is a Florida not-for-profit tax exempt corporation with operations in Florida, Illinois, Indiana, Ohio and Texas that provides home and community based services and foster care services. The purchase price of approximately $5.4 million consisted of cash in the amount of approximately $573,000 with the remaining $4.8 million credited against the purchase price for all of CCC's indebtedness to the Company for management services rendered by the Company to CCC under several management services agreements.

Historically, the Company provided various management services to CCC for a fee under separate management services agreements for each state in which CCC operated. In connection with the Company's acquisition of the assets of CCC's Illinois and Indiana operations, the Company consolidated its remaining management services agreements with CCC (i.e., Florida, Ohio and Texas) into one administrative service agreement under which the Company will provide a more narrow range of services to CCC as compared to the services historically provided by the Company.

The Company believes this acquisition expands its home and community based services and foster care services into Illinois and further expands its presence in Indiana. The cash portion of the purchase price was funded by the Company's cash generated from operations.

The following represents the Company's allocation of the purchase price and associated acquisition costs:

Consideration:	
Cash	$ 572,575
Credit for indebtedness of CCC to the Company for management services provided by the Company to CCC	4,827,425
Estimated cost of acquisition	20,832
	$ 5,420,832
Allocated to:	
Goodwill	$ 1,936,415
Intangibles	3,419,539
Fixed assets	39,402
Other assets	25,476
	$ 5,420,832

The above goodwill is tax deductible.

Effective September 30, 2008, the Company acquired all of the equity interest in AW, a community based mental health provider operating in 19 Georgia locations as of December 31, 2009. AW provides, among other things, independent living services and training in support of individuals with mental illness, outpatient individual and group behavioral health services, and community based vocational and peer supported vocational and employment services. The total purchase price consisted of cash in the amount of approximately $3.5 million, with approximately $3.0 million paid by the Company at closing on October 14, 2008 and the balance held by the Company for one year to secure potential indemnity obligations. The remaining balance was paid by the Company on November 24, 2009.

In April 2009, the purchase price adjustment as provided for in the associated purchase agreement was finalized resulting in an additional amount payable by the Company of approximately $270,000, which the

Company paid to the seller on April 14, 2009. In addition, the Company paid amounts to the seller during the three months ended September 30, 2009 totaling approximately $196,000 for tax related items. The Company believes this acquisition enhances its community based social services offering, expands its presence in Georgia, and further positions the Company for growth. The purchase price and the additional amount resulting from the final working capital adjustment were funded by cash generated from the Company's operations.

The following represents the Company's allocation of the purchase price and associated acquisition costs:

Consideration:	
Cash	$ 3,966,048
Estimated cost of acquisition	59,790
	$ 4,025,838
Allocated to:	
Goodwill	$ 1,045,621
Intangibles	1,387,441
Fixed assets	528,989
Working capital	944,979
Other assets	118,808
	$ 4,025,838

The above goodwill is tax deductible.

The following table summarizes the allocation of purchase price to intangible assets at December 31, 2008 and 2009 for intangible assets acquired during the years 2006—2008:

	Estimated Useful Life	Gross Carrying Amount December 31, 2008	Gross Carrying Amount December 31, 2009
Intangible assets acquired in 2006:			
Management contracts	10 Yrs	$ 6,326,000	$ 6,326,000
Customer relationships	15 Yrs	3,559,594	3,559,594
Customer relationships	10 Yrs	1,417,000	1,417,000
Restrictive covenants	5 Yrs	75,000	75,000
Software license	5 Yrs	337,500	337,500
Total intangible assets acquired in 2006	11.3 Yrs	$ 11,715,094	$ 11,715,094
Intangible assets acquired in 2007:			
Customer relationships	15 Yrs	$ 66,341,777	$ 66,341,777
Developed technologies	6 Yrs	6,000,000	6,000,000
Restrictive covenants	5 Yrs	9,628	9,628
Software license	5 Yrs	468,884	468,884
Total intangible assets acquired in 2007	14.2 Yrs	$ 72,820,289	$ 72,820,289
Intangible assets acquired in 2008:			
Customer relationships	15 Yrs	$ 4,771,980	$ 4,771,980
Restrictive covenants	5 Yrs	35,000	35,000
Total intangible assets acquired in 2008	14.9 Yrs	$ 4,806,980	$ 4,806,980

No significant residual value is estimated for these intangible assets. Amortization expense is recognized on a straight-line basis over the estimated useful life. In 2008, approximately $11.0 million of the customer relationships intangible assets acquired in connection with the Company's acquisition of Charter LCI Corporation, including its subsidiaries, ("LogistiCare") in 2007, was considered impaired and written off.

The following unaudited pro forma information presents a summary of the consolidated results of operations of the Company as if the acquisition of CCC and AW had occurred on January 1, 2008. The pro forma financial information is not necessarily indicative of the results of operations that would have occurred had the transaction been effective on January 1, 2008.

	December 31, 2008
Revenue	$ 708,647,276
Net income (loss)	$ (154,849,394)
Diluted earnings (loss) per share	$ (12.36)

7. Goodwill and Intangibles

Changes in goodwill were as follows:

	Social Services	NET Services	Consolidated Total
Balances at December 31, 2007			
Goodwill	$ 77,841,614	$ 202,868,683	$ 280,710,297
Accumulated impairment losses	—	—	—
	77,841,614	202,868,683	280,710,297
LogistiCare acquisition cost adjustments, tax adjustments and pre-acquisition cost adjustments	—	(10,803,456)	(10,803,456)
LogistiCare intangible asset valuation adjustment	—	(400,000)	(400,000)
LogistiCare working capital adjustment	—	(479,716)	(479,716)
Family & Children's Services, Inc. intangible asset valuation adjustment	142,073	—	142,073
Family & Children's Services, Inc. acquisition cost adjustments	4,632	—	4,632
WCG foreign currency translation adjustment	(2,051,519)	—	(2,051,519)
WCG acquisition cost adjustments	(18,932)	—	(18,932)
CCC acquisition	1,935,264	—	1,935,264
AW acquisition	491,543	—	491,543
Maple Star Nevada net operating loss adjustment	(58,769)	—	(58,769)
Impairment charge	(60,700,851)	(96,000,000)	(156,700,851)
Balances at December 31, 2008			
Goodwill	78,285,906	191,185,511	269,471,417
Accumulated impairment losses	(60,700,851)	(96,000,000)	(156,700,851)
	17,585,055	95,185,511	112,770,566
AW working capital true-up and other adjustments	554,078	—	554,078
WCG foreign currency translation adjustment	317,672	—	317,672
CCC additional acquisition costs	1,151	—	1,151
Safecar Services, LLC acquisition	—	29,478	29,478
Balances at December 31, 2009			
Goodwill	79,158,807	191,214,989	270,373,796
Accumulated impairment losses	(60,700,851)	(96,000,000)	(156,700,851)
	$ 18,457,956	$ 95,214,989	$ 113,672,945

When the Company acquires a business the Company's pricing is typically based upon a multiple of the target entity's historical earnings before interest, taxes, depreciation and amortization ("EBITDA") and over the years the Company has been a successful competitor using this basis for determining the value of and price paid for its acquisitions. The Company believes this pricing method is also used by its competitors to value their business combinations and is typical in the mergers and acquisition market. During the six months ended December 31, 2008, the Company believes the market for mergers and acquisitions deteriorated such that by the end of 2008, the EBITDA multiples being used to price acquisitions had dropped to approximately half of what they had been for the Company historically. In addition, during the six months ended December 31, 2008, the Company had a significant and sustained decline in market capitalization due to the decrease in the market price of its common stock. The Company believes this decrease in stock price resulted primarily from its lower than anticipated financial results during such period. These financial results were caused by significant changes in the climate of the Company's business, the uncertainty in the state governmental payer environment, the impact of related budgetary decisions, and by the sharp down turn in the United States economy generally. The $169.9 million non-cash asset impairment charge recorded by the Company for the year ended December 31, 2008, all of which was recorded during the six months ended December 31, 2008, reflects the magnitude of both the decline in its market capitalization and the deterioration of the mergers and acquisitions market (including peer group guideline company multiples of EBITDA) during that six-month period, all as explained further below.

At September 30, 2008, the Company determined that the decline in its market capitalization and significant change in the Company's business climate (each discussed above) during the three months ended September 30, 2008 were indicators that an interim goodwill impairment test was required under ASC 350 for all of its reporting units that had goodwill balances. In determining whether the Company had goodwill impairment at September 30, 2008, it reduced the total aggregate carrying value of the Company's reporting units to reconcile it to the Company's substantially decreased market capitalization plus a reasonable control premium as of September 30, 2008. The Company estimated the current fair value of each individual reporting unit with a goodwill balance as of September 30, 2008 using a market-based valuation approach. The results of the Company's interim goodwill impairment test indicated that goodwill related to its December 2007 acquisition of LogistiCare, which comprises the Company's NET Services operating segment and reporting unit, and earlier acquisitions assigned to the Company's Social Services operating segment was impaired. As a result, the Company recorded an estimated non-cash goodwill impairment charge of approximately $96.0 million related to the Company's NET Services operating segment and $34.0 million related to its Social Services operating segment.

The Company's stock price continued to significantly decline due to the reasons outlined above during the three months ended December 31, 2008. As a result of these factors, the Company further reduced the aggregate carrying value of its reporting units in connection with the Company's annual asset impairment analysis to reconcile it to the Company's reduced market capitalization as of December 31, 2008. In subsequently determining whether or not the Company had goodwill impairment to report for the three months ended December 31, 2008, the Company considered both a market-based valuation approach and an income-based valuation approach when estimating the fair values of its reporting units with goodwill balances as of such date. Under the market approach, the fair value of the reporting unit is determined using one or more methods based on current values in the market for similar businesses. Under the income approach, the fair value of the reporting unit is based on the cash flow streams expected to be generated by the reporting unit over an appropriate period and then discounting the cash flow to present value using an appropriate discount rate. The income approach is dependent on a number of significant management assumptions, including estimates of future revenue and expenses, growth rates and discount rates.

In arriving at the fair value of the reporting units in the Company's Social Services operating segment, greater weight was attributed to the market approach due to the continuing market deterioration reflected in current market comparables. For these reporting units, the Company weighted the market-based valuation results at 75% and the income-based valuation results at 25%. In arriving at the fair value for its NET Services operating segment, the Company used the indications of value received by it from potential acquirers of this segment as they represent prices that market participants are willing to offer for this reporting unit under current market conditions. The Company's annual goodwill impairment analysis resulted in an additional non-cash asset impairment charge for the three months ended December 31, 2008 of approximately $26.7 million (net of a $7.7 million adjustment to the estimated interim period goodwill impairment charge recognized at September 30, 2008 as a result of the Company completing the interim goodwill impairment test in the fourth quarter of 2008) related to goodwill in its Social Services operating segment.

As a result of both of the Company's interim and annual impairment tests, it recorded a total goodwill impairment charge for the year ended December 31, 2008 of $156.7 million, which is included in "Asset impairment charges" in the accompanying consolidated statements of operations. Of this non-cash impairment charge, approximately $60.7 million was related to the Company's Social Service operating segment and approximately $96.0 million was related to its NET Services operating segment.

The total amount of goodwill that was deductible for income tax purposes for acquisitions as of December 31, 2008 and 2009 was approximately $35.2 million and $35.6 million, respectively.

Intangible assets are comprised of acquired customer relationships, management contracts, restrictive covenants, software licenses and developed technology. The Company valued customer relationships and the management contracts acquired in these acquisitions based upon expected future cash flows resulting from the underlying contracts with state and local agencies to provide social services in the case of customer relationships, and management and administrative services provided to the managed entity with respect to the acquired management contract.

Intangible assets consisted of the following:

		December 31,			
		2008		2009	
	Estimated Useful Life	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Management contracts	10 Yrs	$ 13,368,024	$ (4,824,824)	$ 12,849,562	$ (6,169,122)
Customer relationships	15 Yrs	74,878,448	(8,450,165)	75,487,152	(13,505,600)
Customer relationships	10 Yrs	1,417,000	(318,825)	1,417,000	(460,525)
Developed technology	6 Yrs	6,000,000	(1,067,204)	6,000,000	(2,067,204)
Software licenses	5 Yrs	736,012	(264,787)	801,708	(443,742)
Restrictive covenants	5 Yrs	142,860	(60,952)	144,209	(90,177)
Total	13.6 Yrs*	$ 96,542,344	$ (14,986,757)	$ 96,699,631	$ (22,736,370)

* Weighted-average amortization period

No significant residual value is estimated for these intangible assets. Amortization expense was approximately $3.4 million, $8.2 million and $8.2 million for the years ended December 31, 2007, 2008 and 2009, respectively. The total amortization expense is estimated to be approximately $7.7 million for 2010, $7.6 million for 2011, $7.5 million for 2012, $7.3 million for 2013 and $6.2 million for 2014, based on completed acquisitions as of December 31, 2009.

In connection with its interim asset impairment analysis conducted as of September 30, 2008, the Company determined that, for the same reasons noted above related to its goodwill impairment analysis as of such date, the value of the customer relationships acquired in connection with the Company's acquisition of LogistiCare was impaired as of September 30, 2008. Consequently, in addition to the interim goodwill impairment charge noted above, the Company recorded an $11.0 million non-cash interim asset impairment charge for the three months ended September 30, 2008 to reflect the excess of the carrying value of customer relationships acquired in connection with its acquisition of LogistiCare over the estimated fair value of such relationships. The Company estimated the fair values of these intangible assets on a projected discounted cash flow basis.

In connection with its annual asset impairment analysis conducted as of December 31, 2008, the Company determined that the same factors that required it to conduct goodwill impairment tests with respect to the Company's reporting units as of December 31, 2008 also required the Company to conduct impairment tests with respect to the other intangible assets in these reporting units. In conducting such tests, the Company compared the undiscounted cash flow associated with each such intangible asset over its remaining life to the carrying value of such asset. If there was an indication of impairment, a discounted cash flow analysis was performed to determine the fair value of the intangible asset as of December 31, 2008, which was then compared to its carrying value. The Company determined, as a result of such comparisons, that there were additional asset impairment losses as of December 31, 2008 in its Social Services operating segment related to these other intangible assets, and, accordingly, the Company recorded an additional impairment charge of $2.2 million for the three months ended December 31, 2008 related to these other intangible assets.

As a result of both of its interim and annual impairment tests, the Company recorded a total asset impairment charge related to other intangible assets for the year ended December 31, 2008 of $13.2 million, which is included in "Asset impairment charges" in the accompanying consolidated statements of operations. This non-cash impairment charge includes the $11.0 million recorded with respect to the Company's NET Services operating segment as of September 30, 2008 and the $2.2 million recorded with respect to its Social Services operating segment as of December 31, 2008.

8. Detail of Other Balance Sheet Accounts

Property and equipment consisted of the following:

	Estimated Useful Life	December 31, 2008	December 31, 2009
Land	—	$ 20,000	$ 20,000
Building	39 years	230,000	230,000
Furniture and equipment	3-7 years	21,709,263	25,571,835
		21,959,263	25,821,835
Less accumulated depreciation		9,975,895	14,655,563
		$ 11,983,368	11,166,272

Depreciation expense was approximately $1.6 million, $4.5 million and $4.7 million for the years ended December 31, 2007, 2008 and 2009, respectively.

Accrued expenses consisted of the following:

	December 31, 2008	December 31, 2009
Accrued compensation	$ 12,720,169	$ 18,168,094
Income taxes payable	—	2,155,109
Accrued interest payable	1,591,730	1,528,605
Due to former shareholder	625,000	—
Other	12,295,841	11,537,921
	$ 27,232,740	$ 33,389,729

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9. Long-Term Obligations

The Company's long-term obligations were as follows:

	December 31, 2008	December 31, 2009
5% unsecured, subordinated note to former stockholder of acquired company, interest payable semi-annually beginning December 2005 and all unpaid principal and any accrued and unpaid interest due June 2010	$ 618,680	$ 618,680
4% unsecured, subordinated note to former owner of acquired company, interest payable semi-annually beginning April 2008 with principal of $300,000 due April 2008, but withheld due to a dispute, and all remaining unpaid principal and any accrued and unpaid interest due April 2010	1,800,000	1,800,000
5.85% secured, note payable, interest and principal payable monthly beginning January 2009 through September 2009	989,925	—
6.5% convertible senior subordinated notes, interest payable semi-annually beginning May 2008 with principal due May 2014	70,000,000	70,000,000
$30,000,000 revolving loan, LIBOR plus 6.5% (effective rate of 6.74% at December 31, 2009) through December 2012	—	—
$173,000,000 term loan, LIBOR plus 6.5% with principal and interest payable quarterly (as described below) through December 2013	164,350,000	131,794,580
	237,758,605	204,213,260
Less current portion	14,264,925	17,480,918
	$ 223,493,680	$ 186,732,342

The carrying amount of the long-term obligations approximated its fair value at December 31, 2008 and 2009. The fair value of the Company's long-term obligations was estimated based on interest rates for the same or similar debt offered to the Company having same or similar remaining maturities and collateral requirements.

Annual maturities of long-term obligations as of December 31, 2009 are as follows:

Year	Amount
2010	$ 17,480,918
2011	18,827,797
2012	22,593,357
2013	75,311,188
Thereafter	70,000,000
Total	$ 204,213,260

Convertible senior subordinated notes.

On November 13, 2007, the Company issued $70.0 million in aggregate principal amount of 6.5% Convertible Senior Subordinated Notes due 2014 (the "Notes"), under the amended note purchase agreement dated November 9, 2007 to the purchasers named therein. The proceeds of $70.0 million were initially placed into escrow and were released on December 7, 2007 to partially fund the cash portion of the purchase price of LogistiCare. The Notes are general unsecured obligations subordinated in right of payment to any existing or future senior debt including the Company's credit facility with CIT Capital Securities LLC ("CIT") described below.

In connection with the Company's issuance of the Notes, the Company entered into an Indenture between the Company, as issuer, and The Bank of New York Trust Company, N.A., as trustee (the "Indenture").

The Company will pay interest on the Notes in cash semiannually in arrears on May 15 and November 15 of each year beginning on May 15, 2008. The Notes will mature on May 15, 2014.

The Notes are convertible, under certain circumstances, into common stock at a conversion rate, subject to adjustment as provided for in the Indenture, of 23.982 shares per $1,000 principal amount of Notes. This conversion rate is equivalent to an initial conversion price of approximately $41.698 per share. On and after the occurrence of a fundamental change (as defined below), the Notes will be convertible at any time prior to the close of business on the business day before the stated maturity date of the Notes. In the event of a fundamental change as described in the Indenture, each holder of the notes shall have the right to require the Company to repurchase the Notes for cash. A fundamental change includes among other things: (i) the acquisition in a transaction or series of transactions of 50% or more of the total voting power of all shares of the Company's capital stock; (ii) a merger or consolidation of the Company with or into another entity, merger of another entity into the Company, or the sale, transfer or lease of all or substantially all of the Company's assets to another entity (other than to one or more of the Company's wholly-owned subsidiaries), other than any such transaction (A) pursuant to which holders of 50% or more of the total voting power of the Company's capital stock entitled to vote in the election of directors immediately prior to such transaction have or are entitled to receive, directly or indirectly, at least 50% or more of the total voting power of the capital stock entitled to vote in the election of directors of the continuing or surviving corporation immediately after such transaction or (B) which is effected solely to change the jurisdiction of incorporation of the Company and results in a reclassification, conversion or exchange of outstanding shares of the Company's common stock into solely shares of common stock; (iii) if, during any consecutive two-year period, individuals who at the beginning of that two-year period constituted the Company's board of directors, together with any new directors whose election to the Company's board of directors or whose nomination for election by the Company's stockholders, was approved by a vote of a majority of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously approved, cease for any reason to constitute a majority of the Company's board of directors then in office; (iv) if a resolution approving a plan of liquidation or dissolution of the Company is approved by its board of directors or the Company's stockholders; and (v) upon the occurrence of a termination of trading as defined in the Indenture.

The Indenture contains customary terms and provisions that provide that upon certain events of default, including, without limitation, the failure to pay amounts due under the Notes when due, the failure to perform or observe any term, covenant or agreement under the Indenture, or certain defaults under other agreements or instruments, occurring and continuing, either the trustee or the holders of not less than 25% in aggregate principal amount of the Notes then outstanding may declare the principal of the Notes and any accrued and unpaid interest through the date of such declaration immediately due and payable. Upon any such declaration, such principal, premium, if any, and interest shall become due and payable immediately. In the case of certain events of bankruptcy or insolvency relating to the Company or any significant subsidiary of the Company, the principal amount of the Notes together with any accrued interest through the occurrence of such event shall automatically become and be immediately due and payable without any declaration or other act of the Trustee or the holders of the Notes.

Credit facility.

On December 7, 2007, the Company entered into a Credit and Guaranty Agreement (the "Credit Agreement") with CIT Healthcare LLC, as administrative agent, Bank of America, N.A. and SunTrust Bank, as co-documentation agents, ING Capital LLC and Royal Bank of Canada, as co-syndication agents, other lenders party thereto, and CIT, as sole lead arranger and bookrunner. The Credit Agreement replaced the Company's previous credit facility with CIT Healthcare LLC.

The Credit Agreement, as amended, provides the Company with a senior secured first lien credit facility in aggregate principal amount of $213.0 million comprised of a $173.0 million, six year term loan and a $30.0 million, five year revolving credit facility ("Credit Facility"). On December 7, 2007, the Company borrowed the entire amount available under the term loan facility and used the proceeds of the term loan to (i) fund a portion of the purchase price paid by the Company to acquire LogistiCare; (ii) refinance all of the then existing indebtedness under its second amended loan agreement with CIT Healthcare LLC in the amount of approximately $17.3 million; and (iii) pay fees and expenses related to the acquisition of LogistiCare and the financing thereof. The revolving credit facility must be used to (i) provide funds for general corporate purposes of the Company; (ii) fund permitted acquisitions; (iii) fund ongoing working capital requirements; (iv) collateralize letters of credit; and (v) make capital expenditures. The Company intends to draw down on the revolving credit facility from time-to-time for these uses.

The Credit Agreement contains customary representations and warranties, affirmative and negative covenants, yield protection, indemnities, expense reimbursement, material adverse change clauses, and events of default and other terms and conditions. In addition, the Company is required to maintain certain financial covenants under the amendment to the Credit Agreement described below. As of December 31, 2009, the Company was in compliance with all of the financial covenants under the amendment to the Credit Agreement. Further, the Company is prohibited from paying cash dividends if there is a default under the facility or if the payment of any cash dividends would result in default.

On March 11, 2009, the Company agreed with its creditors to amend certain terms in the Credit Agreement ("Amendment No. 1 to the Credit Agreement" and, together with the Credit Agreement, the "Amended Credit Agreement") to, among other things:

- decrease the revolving credit facility from $40 million to $30 million;

- increase the interest rate spread on the annual interest rate from LIBOR plus 3.5% to LIBOR plus 6.5% and, with respect to Base Rate Loans (as such terms are defined in the Credit Agreement), increase the interest rate spread on the annual interest rate from Base Rate plus 2.5% to Base Rate plus 5.5% effective March 11, 2009; provided the interest rate will be adjusted upwards and the Company will incur a fee if certain consolidated senior leverage ratios exceed the corresponding ratio ceilings set forth in Amendment No. 1 to the Credit Agreement determined as of September 30, 2009 and December 31, 2009;

- amend certain financial covenants to change the requirements to a level where the Company met the requirements for the fourth quarter of 2008 and would likely meet the requirements for the fiscal year 2009;

- establish a new financial covenant through December 31, 2009 based upon the Company's operations maintaining a minimum earnings before interest, taxes, depreciation and amortization level (as such term is defined in Amendment No. 1 to the Credit Agreement) commencing with the three months ending March 31, 2009; and,

- require the Company to deliver to the lenders monthly consolidated financial statements and a 13-week rolling cash flow forecast each week from the effective date of Amendment No. 1 to the Credit Agreement to December 31, 2009.

In exchange for the amendments described above, the Company paid an amendment fee to certain lenders equal to $565,000 (0.40% of the aggregate amount of the Revolving Commitment and Term Loan outstanding related to those lenders (as such terms are defined in the Amended Credit Agreement)), which was capitalized as deferred financing fees and is included in "Other assets" in the accompanying consolidated balance sheet at December 31, 2009. In addition, in connection with this transaction, the Company incurred fees and expenses of approximately $2.0 million, including arrangement, legal, accounting and other related costs. These fees and expenses are reflected in "General and administrative expense" in the amount of approximately $1.7 million and "Interest expense" in the amount of approximately $348,000 in the accompanying consolidated statement of operations for the year ended December 31, 2009.

Under the Amended Credit Agreement the outstanding principal amount of the loans accrues interest at the per annum rate of LIBOR plus 6.5% or the Base Rate plus 5.5% at the Company's election. The Company may, from time-to-time, request to convert the loan (whether borrowed under the term loan facility or the revolving credit facility) from a Base Rate Loan (subject to the per annum rate of the Base Rate plus 5.5%) to a LIBOR Loan (subject to the per annum rate of LIBOR plus 6.5%). The conversion to a LIBOR Loan may be selected for a period of one, two, three or six months with interest payable on the last day of the period selected except where a period of six months is selected by the Company interest is payable quarterly. If not renewed by the Company subject to CIT approval, the loan will automatically convert back to a Base Rate Loan at the end of the conversion period. The interest rate applied to the Company's term loan at December 31, 2009 was 6.74%. In addition, the Company is subject to a 0.75% fee per annum on the unused portion of the available funds as well as other administrative fees. No amounts were borrowed under the revolving credit facility as of December 31, 2009, but the entire amount available under this facility may be allocated to collateralize certain letters of credit. As of December 31, 2008, there were five letters of credit in the amount of approximately $6.8 million and five letters of credit as of December 31, 2009 in the amount of approximately $7.3 million collateralized under the revolving credit facility. At December 31, 2008 and 2009, the Company's available credit under the revolving credit facility was $33.2 million and $22.7 million, respectively.

The Company's obligations under the Credit Facility are guaranteed by all of its present and future domestic subsidiaries (the "Guarantors") other than the Company's insurance subsidiaries and managed entities. The Company's and each Guarantors' obligations under the Credit Facility are secured by a first priority lien, subject to certain permitted encumbrances, on the Company's assets and the assets of each Guarantor, including a pledge of 100% of the issued and outstanding stock of the Company's domestic subsidiaries and 65% of the issued and outstanding stock of its first tier foreign subsidiaries. If an event of default occurs, including, but not limited to, failure to pay any installment of principal or interest when due, failure to pay any other charges, fees, expenses or other monetary obligations owing to CIT when due or particular covenant defaults, as more fully described in the Credit Agreement, the required lenders may cause CIT to declare all unpaid principal and any accrued and unpaid interest and all fees and expenses immediately due. Under the Credit Agreement, the initiation of any bankruptcy or related proceedings will automatically cause all unpaid principal and any accrued and unpaid interest and all fees and expenses to become due and payable. In addition, it is an event of default under the Credit Agreement if the Company defaults on any indebtedness having a principal amount in excess of $5.0 million.

Each extension of credit under the Credit Facility is conditioned upon: (i) the accuracy in all material respects of all representations and warranties in the definitive loan documentation; and (ii) there being no default or event of default at the time of such extension of credit. Under the repayment terms of the Credit Agreement, the Company is obligated to repay the term loan in quarterly installments on the last day of each calendar quarter, which commenced on March 31, 2008, so that the following percentages of the term loan borrowed on the closing date are paid as follows: 5% in 2008, 7.5% in 2009, 10% in 2010, 12.5% in 2011, 15% in 2012 and the remaining balance in 2013. With respect to the revolving credit facility, the Company must repay the outstanding principal balance and any accrued but unpaid interest by December 2012. The Company may at any time and from time-to-time prepay the Credit Facility without premium or penalty, provided that it may not re-borrow any portion of the term loan repaid.

The Credit Facility also requires the Company to prepay the loan in an aggregate amount equal to 100% of the net cash proceeds of any disposition, or, to the extent the applicable net cash proceeds exceed $500,000. Notwithstanding the foregoing, if at the time of the receipt or application of such net cash proceeds no default or event of default has occurred and is continuing and the Company delivers to the Administrative Agent a certificate, executed by the Company's chief financial officer, that it intends within three hundred sixty-five days after receipt thereof to use all or part of such net cash proceeds either to purchase assets used in the ordinary course of business of the Company and its subsidiaries or to make capital expenditures, the Company may use all or part of such net cash proceeds in the manner set forth in such certificate; provided, however, that, (A) any such net cash proceeds not so used within the period set forth in such certificate shall, on the first business day immediately following such period, be applied as a prepayment and (B) any assets so acquired shall be subject to the security interests under the collateral documents in the same priority (subject to permitted liens) as the assets subject to such disposition or involuntary disposition.

The Company agreed with CIT to subordinate its management fee receivable pursuant to management agreements established with the Company's managed entities, which have stand-alone credit facilities with CIT Healthcare LLC, to the claims of CIT in the event one of these managed entities defaults under its credit facility. As of December 31, 2008, approximately $733,000 of the Company's management fees receivable related to these managed entities was subject to this subordination agreement. During 2009, these entities obtained stand-alone credit facilities from other lenders and, as of December 31, 2009, none of these entities had stand-alone credit facilities with CIT Healthcare LLC. As a result, as of December 31, 2009, the Company's management fee receivable related to these managed entities was not subject to the subordination agreement.

10. Interest Rate Swap

In February 2008, the Company entered into an interest rate swap to convert a portion of its floating rate long-term debt expense to fixed rate debt expense. The purpose of this instrument is to hedge the variability of the Company's future earnings and cash flows caused by movements in interest rates applied to its floating rate long-term debt. The Company holds this derivative only for the purpose of hedging such risks, not for speculation. Under the swap agreement, the Company will pay 3.026% and receive three-month LIBOR on a notional amount of $86.5 million through February 2010. The Company designated the interest rate swap as a cash flow hedge under ASC 815. Prior to Amendment No. 1 to the Credit Agreement described in note 9, the Company anticipated that it would not be in compliance with certain financial covenants as of December 31, 2008. As a result, during the first quarter of 2009, the Company's long-term debt was converted from a LIBOR Loan to a Base Rate Loan in accordance with the terms of the Credit Agreement beginning February 27, 2009 through April 1, 2009. The swap was de-designated and all changes in the fair value of the swap from the last effective date (January 31, 2009) were recognized in earnings. Additionally, the balance in other comprehensive loss at January 31, 2009 will be recognized to income ratably through the maturity date of the swap in February 2010. On March 31, 2009, the swap was re-designated as a cash flow hedge under ASC 815 and beginning April 2, 2009 the Company's long-term debt was converted from a Base Rate Loan to a LIBOR Loan. The swap's effectiveness is evaluated monthly and effective gains and losses are accumulated in other comprehensive loss until the hedged interest expense is accrued.

The fair value amounts in the consolidated balance sheet at December 31, 2009, related to the Company's interest rate swap were as follows:

	Liability Derivatives	
	December 31, 2009	
	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments under ASC 815		
Interest rate contracts	Current portion of interest rate swap	$ 372,408
Total derivatives designated as hedging instruments under ASC 815		372,408
Total derivatives		$ 372,408

The derivative gains and losses in the consolidated statement of operations for the year ended December 31, 2009, related to the Company's interest rate swap were as follows:

Derivatives in ASC 815 cash flow hedging relationship	Pretax loss recognized in Other Comprehensive Income on effective portion of derivative	Pretax loss on effective portion of derivative reclassified from Accumulated Other Comprehensive Loss into Income		Ineffective portion of loss on derivative and amount excluded from effectiveness testing recognized in income	
	Amount	Location	Amount	Location	Amount
Interest rate contract	$ 246,256	Interest expense	$ 1,610,306	Interest expense	$ 177,848

Derivatives not designated as hedging instruments under ASC 815	Location of amounts recognized in income on derivative	Amount of loss recognized in income on derivative
Interest rate contract	Interest expense	$ 132,029

Additional information regarding the Company's interest rate swap is included in notes 1 and 2 above and note 20 below.

11. Business Segments

The Company's operations are organized and reviewed by management along its services lines. After the consummation of the acquisition of LogistiCare, the Company operates in two reportable segments: Social Services and NET Services. The Company operates these reportable segments as separate divisions and differentiates the segments based on the nature of the services they offer. The following describes each of the Company's segments and its corporate services area.

Social Services. Social Services includes government sponsored social services consisting of home and community based counseling, foster care and not-for-profit management services. Through Social Services the Company provides services to a common customer group, principally individuals and families. All of the operating entities within Social Services follow similar operating procedures and methods in managing their operations and each operating entity works within a similar regulatory environment, primarily under Medicaid regulations. The Company manages the activities of Social Services by actual to budget comparisons within each operating entity rather than by comparison between entities. The Company's budget related to Social Services is prepared on an entity-by-entity basis which represents the aggregation of individual location operating budgets within each Social Services entity and is comprised of:

- Payer specific revenue streams based upon contracted amounts;
- Payroll and related employee expenses by position corresponding to the contracted revenue streams; and
- Other operating expenses such as facilities costs, employee training, mileage and communications in support of operations.

The Company's actual operating contribution margins by operating entity related to Social Services ranged from approximately 4% to 16% as of December 31, 2009. The Company believes that its targeted contribution margin of approximately 10% is allowable by its state and local governmental payers over the long term.

In evaluating the financial performance and economic characteristics of Social Services, the Company's chief operating decision maker regularly reviews the following types of financial and non-financial information for each operating entity within Social Services:

- Consolidated financial statements;
- Separate condensed financial statements for each individual operating entity versus their budget;

- Monthly non-financial statistical information;
- Productivity reports; and
- Payroll reports.

While the Company's chief operating decision maker evaluates performance in comparison to budget based on the operating results of the individual operating entities within Social Services, the operating entities are aggregated into one reporting segment for financial reporting purposes because the Company believes that the operating entities exhibit similar long term financial performance. In conjunction with the financial performance trends, the Company believes the similar qualitative characteristics of the operating entities it aggregates within Social Services and budgetary constraints of the Company's payers in each market provide a foundation to conclude that the entities that the Company aggregates within Social Services have similar economic characteristics. Thus, the Company believes the economic characteristics of its operating entities within Social Services meet the criteria for aggregation into a single reporting segment under ASC Topic 280-*Segment Reporting*.

NET Services. NET Services includes managing the delivery of non-emergency transportation services. The Company operates NET Services as a separate division of the Company with operational management and service offerings distinct from the Company's Social Services operating segment. Financial and operating performance reporting is conducted at a contract level and reviewed weekly at both the operating entity level as well as the corporate level by the Company's chief operating decision maker. Gross margin performance of individual contracts is consolidated under the associated operating entity and direct general and administrative expenses are allocated to the operating entity.

Corporate. Corporate includes corporate accounting and finance, information technology, internal audit, employee training, legal and various other overhead costs, all of which are directly allocated to the operating segments.

Segment asset disclosures include property and equipment and other intangible assets. The accounting policies of the Company's segments are the same as those of the consolidated Company. The Company evaluates performance based on operating income. Operating income is revenue less operating expenses (including client services expense, cost of non-emergency transportation services, general and administrative expense and depreciation and amortization) but is not affected by other income/expense or by income taxes. Other income/expense consists principally of interest income and interest expense. In calculating operating income for each segment, general and administrative expenses incurred at the corporate level are allocated to each segment based upon their relative direct expense levels excluding costs for purchased services. All intercompany transactions have been eliminated.

The following table sets forth certain financial information attributable to the Company's business segments for the years ended December 31, 2007, 2008 and 2009. In addition, none of the segments have significant non-cash items other than depreciation, amortization and asset impairment charges in reported income.

	For the year ended December 31, 2007			
	Social Services(c)	NET Services	Corporate(a)	Consolidated Total
Revenues	$ 262,198,859	$ 22,866,709	$ 101,051	$ 285,166,619
Depreciation and amortization	$ 4,496,197	$ 492,898	$ —	$ 4,989,095
Operating income	$ 23,265,781	$ 2,345,335	$ 101,051	$ 25,712,167
Net interest expense (income)	$ (209,264)	$ 1,810,776	$ —	$ 1,601,512
Total assets	$ 211,109,778	$ 318,945,932	$ 21,927,945	$ 551,983,655
Capital expenditures	$ 1,196,150	$ 158,045	$ 594,843	$ 1,949,038

	For the year ended December 31, 2008			
	Social Services(c)(d)	NET Services(e)	Corporate(a)(b)	Consolidated Total
Revenues	$ 310,529,499	$ 381,106,735	$ 34,036	$ 691,670,270
Depreciation and amortization	$ 5,534,242	$ 7,187,252	$ —	$ 12,721,494
Operating income (loss)	$ (50,975,738)	$ (98,374,986)	$ 34,036	$ (149,316,688)
Net interest expense (income)	$ (506,992)	$ 19,106,519	$ —	$ 18,599,527
Total assets	$ 153,891,688	$ 204,847,944	$ 6,923,601	$ 365,663,233
Capital expenditures	$ 1,470,170	$ 2,487,557	$ 706,280	$ 4,664,007

	For the year ended December 31, 2009			
	Social Services(c)	NET Services	Corporate(a)(b)	Consolidated Total
Revenues	$ 340,737,952	$ 460,275,314	$ —	$ 801,013,266
Depreciation and amortization	$ 6,443,423	$ 6,408,684	$ —	$ 12,852,107
Operating income	$ 24,219,690	$ 29,505,372	$ —	$ 53,725,062
Net interest expense (income)	$ (178,110)	$ 20,610,507	$ —	$ 20,432,397
Total assets	$ 148,459,757	$ 219,928,437	$ 14,718,472	$ 383,106,666
Capital expenditures	$ 1,606,453	$ 1,621,783	$ 471,149	$ 3,699,385

(a) Corporate costs have been allocated to the Social Services and NET Services operating segments.

(b) Corporate assets as of December 31, 2008 and 2009 include cash totaling approximately $4.6 million and $12.2 million, notes receivable totaling approximately $225,000 and $0, property and equipment totaling approximately $1.4 million and $1.3 million, and other assets of approximately $721,000 and $403,000, respectively. In addition, corporate assets as of December 31, 2009 included prepaid expenses totaling approximately $768,000.

(c) Excludes intersegment revenues of approximately $182,000 for the years ended December 31, 2008 and 2009, that have been eliminated in consolidation.

(d) Includes a non cash impairment charge to goodwill and certain intangible assets of approximately $60.7 million and $2.2 million, respectively.

(e) Includes a non cash impairment charge to goodwill and certain intangible assets of approximately $96.0 million and $11.0 million, respectively.

The following table details the Company's revenues, net income and long-lived assets by geographic location.

	For the year ended December 31, 2007		
	United States(b)	Canada(b)	Consolidated Total
Revenue	$ 271,853,847	$ 13,312,772	$ 285,166,619
Net income	$ 13,519,068	$ 869,606	$ 14,388,674
Long-lived assets	$ 374,053,183	$ 16,472,903	$ 390,526,086

	For the year ended December 31, 2008		
	United States(a)(b)	Canada(a)(b)	Consolidated Total
Revenue	$ 663,712,020	$ 27,958,250	$ 691,670,270
Net loss	$ (149,039,617)	$ (6,565,056)	$ (155,604,673)
Long-lived assets	$ 199,787,519	$ 6,522,002	$ 206,309,521

	For the year ended December 31, 2009		
	United States(b)	Canada(b)	Consolidated Total
Revenue	$ 778,504,781	$ 22,508,485	$ 801,013,266
Net income	$ 20,572,881	$ 552,726	$ 21,125,607
Long-lived assets	$ 191,782,887	$ 7,019,591	$ 198,802,478

(a) Includes a non-cash impairment charge of $163.6 million related to our domestic operations and $6.3 million related to our Canadian operations, respectively.

(b) The Social Services and NET Services operating segments, on an aggregate basis, derived approximately 8.9%, 14.2% and 14.2% of the Company's consolidated revenue from one payer for the years ended December 31, 2007, 2008 and 2009, respectively.

12. Stockholders' Equity

The Company's second amended and restated certificate of incorporation provides that the Company's authorized capital stock consists of 40,000,000 shares of common stock, $0.001 par value per share, and 10,000,000 shares of preferred stock, $0.001 par value per share.

During the year ended December 31, 2009, the Company granted a total of 175,000 ten-year options under the 2006 Long-Term Incentive Plan ("2006 Plan") to purchase the Company's common stock at exercise prices equal to the market value of the Company's common stock on the date of grant. The options were granted to a non-employee director of its board of directors, an executive officer and certain key employees. The option exercise price for all options granted ranged from $1.55 to $13.07 and the options vest in three equal installments on the first, second and third anniversaries of the date of grant. The weighted-average fair value of the options granted during the year ended December 31, 2009 totaled $8.52 per share.

The Company granted a total of 2,000 shares of restricted stock to a non-employee director of its board of directors during the year ended December 31, 2009. The award vests in three equal installments on the first, second and third anniversaries of the date of grant. The weighted-average fair value of this award totaled $13.07 per share.

During the year ended December 31, 2009, the Company issued 46,700 shares of its common stock in connection with the exercise of employee stock options under the 2006 Plan. In addition, during the year ended December 31, 2009, the Company issued 1,400 shares of its common stock in connection with the exercise of employee stock options under the Company's 1997 Stock Option and Incentive Plan ("1997 Plan").

At December 31, 2008 and 2009, there were 13,462,356 and 13,521,959 shares of the Company's common stock outstanding, respectively, (including 619,768 treasury shares at December 31, 2008 and 2009) and no shares of preferred stock outstanding.

The following table reflects the total number of shares of the Company's common stock reserved for future issuance as of December 31, 2009:

Shares of common stock reserved for:	
Exercise of stock options and restricted stock awards	1,432,876
Exchangeable shares issued in connection with the acquisition of WCG that are exchangeable into shares of the Company's common stock	261,694
Convertible senior subordinated notes	2,224,320
Total shares of common stock reserved for future issuance	3,918,890

Subject to the rights specifically granted to holders of any then outstanding shares of the Company's preferred stock, the Company's common stockholders are entitled to vote together as a class on all matters submitted to a vote of the Company's stockholders and are entitled to any dividends that may be declared by the Company's board of directors. The Company's common stockholders do not have cumulative voting rights. Upon the Company's dissolution, liquidation or winding up, holders of the Company's common stock are entitled to share ratably in the Company's net assets after payment or provision for all liabilities and any preferential liquidation rights of the Company's preferred stock then outstanding. The Company's common stockholders do not have preemptive rights to purchase shares of the Company's stock. The issued and outstanding shares of the Company's common stock are not subject to any redemption provisions and are not convertible into any other shares of the Company's capital stock. The rights, preferences and privileges of holders of the Company's common stock will be subject to those of the holders of any shares of the Company's preferred stock the Company may issue in the future.

On December 9, 2008, the Board declared a dividend of one preferred share purchase right (a "Right") for each outstanding share of the Company's common stock, par value $0.001 per share. The dividend was payable on December 22, 2008 (the "Record Date") to the stockholders of record on that date. Each Right entitles the registered holder to purchase from the Company one one-hundredth of a share of Series A Junior Participating Preferred Stock, par value $0.001 per share (the "Preferred Shares"), of the Company at a price of $15.00 per one one-hundredth of a Preferred Share, subject to adjustment. The description and terms of the Rights are set forth in the Preferred Stock Rights Agreement, dated December 9, 2008 (the "Rights Agreement"), between the Company and Computershare Trust Company, N.A., as Rights Agent, which provides for a stockholder rights plan.

Initially, the Rights are attached to all outstanding shares of the Company's common stock and no separate Rights certificates will be issued until the distribution date (as defined in the Rights Agreement). The Rights are not exercisable until the distribution date. The Rights will expire on December 9, 2011, unless this date is amended or unless the Rights are earlier redeemed or exchanged by the Company. In addition, the Rights Agreement also provides that the Rights among other things: (i) will not become exercisable in connection with a qualified fully financed offer for any or all of the outstanding shares of the Company' s common stock (as described in the Rights Agreement); (ii) permit each holder of a Right to receive, upon exercise, shares of the Company's common stock with a value equal to twice that of the exercise price of the Right if 20% or more of the Company's outstanding common stock is acquired by a person or group; and (iii) in the event that the Company is acquired in a merger or other business combination transaction or 50% or more of its consolidated assets or earning power are sold after a person or group has acquired 20% or more of the Company's outstanding common stock, will allow each holder of a Right to receive, upon the exercise thereof at the then-current exercise price of the Right, that number of shares of common stock of the acquiring company, which at the time of such transaction will have a market value of two times the exercise price of the Right.

The number of outstanding Rights and the number of one one-hundredths of a Preferred Share to be issued upon exercise of each Right are subject to adjustment under certain circumstances. Because of the nature of the Preferred Shares' dividend, liquidation and voting rights, the value of the one one-hundredth interest in a Preferred Share purchasable upon exercise of each Right should approximate the value of one share of the Company's common stock. Until a Right is exercised, the holder thereof, as such, will have no rights as a stockholder of the

Company, including, without limitation, the right to vote or to receive dividends. The Rights will not prevent a takeover of the Company. However, the Rights may cause substantial dilution to a person or group that acquires 20% or more of the Company's outstanding common stock. The Rights however, should not interfere with any merger or other business combination approved by the Board.

Effective as of October 9, 2009, the Board unanimously approved and adopted an amendment to the Rights Agreement ("Rights Amendment No. 1"). The principal purpose of Rights Amendment No. 1 is to revise the definition of a "qualified offer" and the related process by which stockholders can request, following the Company's receipt of a "qualified offer," that a special meeting be called to redeem the Rights issued pursuant to the Rights Agreement, to be consistent with additional published guidance that was issued by a leading proxy advisory firm subsequent to the adoption by the Board of the Rights Agreement. In addition, Rights Amendment No. 1 requires that any amendment to the Rights Agreement that extends its term shall be submitted for ratification by the Company's stockholders within one year of the adoption by the Board of such an amendment.

13. Stock-Based Compensation Arrangements

The Company provides stock-based compensation under the Company's 1997 Plan, 2003 Stock Option Plan ("2003 Plan") and 2006 Plan to employees, non-employee directors, consultants and advisors. These plans have contributed significantly to the success of the Company by providing for the grant of stock-based and other incentive awards to enhance the Company's ability to attract and retain employees, directors, consultants, advisors and others who are in a position to make contributions to the success of the Company and any entity in which the Company owns, directly or indirectly, 50% or more of the outstanding capital stock as determined by aggregate voting rights or other voting interests and encourage such persons to take into account the long-term interests of the Company and its stockholders through ownership of the Company's common stock or securities with value tied to the Company's common stock. The Company, upon stockholder approval of the 2006 Plan in 2006, replaced the 1997 Plan and 2003 Plan with the 2006 Plan. While all awards outstanding under the 1997 Plan and 2003 Plan remain in effect in accordance with their terms, no additional grants or awards will be made under either plan.

To achieve the purposes of the Company's stock-based compensation program described above, the 2006 Plan allows the flexibility to grant or award stock options, stock appreciation rights, restricted stock, unrestricted stock, stock units including restricted stock units and performance awards to eligible persons.

Stock option awards granted under the 1997 Plan, 2003 Plan and 2006 Plan were generally ten year options granted at fair market value on the date of grant with time based vesting over a period determined at the time the options were granted, ranging from one to four years (which is equal to the requisite service period) prior to the acceleration of vesting noted below. The Company does not intend to pay dividends on unexercised options. New shares of the Company's common stock are issued when the options are exercised.

The following table summarizes the activity under the 1997 Plan, 2003 Plan and 2006 Plan as of December 31, 2009:

	Number of shares of the Company's common stock authorized for issuance	Number of shares of the Company's common stock remaining available for future grants	Number of shares of the Company's common stock subject to	
			Options	Stock Grants
1997 Plan	428,572	—	11,034	—
2003 Plan	1,400,000	—	745,366	—
2006 Plan	1,800,000(1)	23,628	674,476	2,000
Total	3,628,572	23,628	1,430,876	2,000

(1) On May 21, 2008, the Company's stockholders approved an amendment to the 2006 Plan to increase the number of shares of the Company's common stock authorized for issuance under the 2006 Plan by 1,000,000 shares from 800,000 shares to 1,800,000 shares.

The Company chose to follow the short-cut method prescribed by ASC 718 to calculate its pool of excess tax benefits available to absorb tax deficiencies recognized subsequent to the adoption of ASC 718 ("APIC pool"). There was no effect on the Company's financial results for 2007, 2008 or 2009 related to the application of the short-cut method to determine its APIC pool balance.

The Company calculates the fair value of stock options using the Black-Scholes-Merton option-pricing formula. Stock-based compensation expense for stock options granted prior to December 31, 2005 is not reflected in the Company's consolidated statements of operations for the years ended December 31, 2007, 2008 and 2009 as all of the outstanding stock options granted prior to December 31, 2005 were vested at December 31, 2005.

Stock-based compensation expense charged against income for stock options and stock grants awarded subsequent to December 31, 2005 (the date of acceleration of all of the then outstanding unvested stock options) for the years ended December 31, 2007 and 2008 was based on the grant-date fair value adjusted for estimated forfeitures based on awards expected to vest in accordance with the provisions of ASC 718, and amounted to approximately $1.4 million (net of tax of $996,000) and $6.3 million (net of tax of $2.5 million), respectively. On December 30, 2008, the Compensation Committee of the Board approved, effective as of that date, the acceleration of the vesting dates of all outstanding unvested stock options and restricted stock awarded subsequent to December 31, 2005 to eligible employees, directors and consultants, including stock options and restricted stock granted to executive officers and non-employee directors, under the 2006 Plan; provided the equity holder was actively an employee, director or consultant of the Company on December 30, 2008. All other terms of the stock options and restricted stock remained the same. Stock-based compensation expense charged against income for stock options and stock grants awarded subsequent to December 30, 2008 for the year ended December 31, 2009 was based on the grant-date fair value adjusted for estimated forfeitures based on awards expected to vest in accordance with the provisions of ASC 718 and totaled approximately $291,000 (net of tax of approximately $11,000). ASC 718 requires forfeitures to be estimated at the time of grant and revised as necessary in subsequent periods if the actual forfeitures differ from those estimates.

For the years ended December 31, 2007, 2008 and 2009, the amount of excess tax benefits resulting from the exercise of stock options was approximately $680,000, $185,000 and $140,000, respectively. For the years ended December 31, 2008 and 2009, the Company had tax shortfalls resulting from the exercise of stock options of approximately $1.5 million and $45,000, respectively. The excess tax benefits resulting from the exercise of stock options are reflected as cash flows from financing activities for the years ended December 31, 2007, 2008 and 2009 in the accompanying consolidated statements of cash flows.

Prior to the acceleration of vesting in December 2008, stock-based compensation expense was amortized over the vesting period of three to four years with approximately 30% and 32% recorded as client services expense, and 70% and 68% as general and administrative expense in the Company's consolidated statements of operations for the years ended December 31, 2007 and 2008, respectively. For stock-based compensation awards granted subsequent to December 30, 2008, the associated expense is amortized over the vesting period of three years with approximately 55% recorded as client services expense, 36% as cost of non-emergency transportation services and 9% as general and administrative expense in the Company's consolidated statement of operations for the year ended December 31, 2009.

The following table summarizes the stock option activity for the year ended December 31, 2009:

	Year ended December 31, 2009			
	Number of Shares Under Option	Weighted-average Exercise Price	Weighted-average Remaining Contractual Term	Aggregate Intrinsic Value
Balance at beginning of period	1,351,112	$ 21.45		
Granted	175,000	11.17		
Exercised	(48,100)	3.12		
Forfeited or expired	(47,136)	20.16		
Outstanding at end of period	1,430,876	$ 20.85	6.5	$ 2,294,111
Vested or expected to vest at end of period	1,418,897	$ 20.94	6.5	$ 2,244,388
Exercisable at end of period	1,275,876	$ 22.04	6.2	$ 1,565,361

The weighted-average grant-date fair value for options granted, total intrinsic value and cash received by the Company related to options exercised during the years ended December 31, 2007, 2008 and 2009 were as follows:

	Year ended December 31,		
	2007	2008	2009
Weighted-average grant date fair value	$ 10.75	$ 6.85	$ 8.52
Options exercised:			
Total intrinsic value	$ 1,269,993	$ 488,921	$ 460,471
Cash received	$ 2,353,495	$ 469,320	$ 149,667

The following table summarizes the activity of the shares and weighted-average grant date fair value of the Company's non-vested common stock during the year ended December 31, 2009:

	Shares	Weighted-average grant date fair value
Non-vested at December 31, 2008	—	$ —
Granted	2,000	$ 13.07
Vested	—	$ —
Forfeited	—	$ —
Non-vested at December 31, 2009	2,000	$ 13.07

Stock grants were not made prior to the approval of the 2006 Plan on May 25, 2006. The fair value of a non-vested stock grant is determined based on the closing market price of the Company's common stock on the date of grant.

As of December 31, 2009, there was approximately $1.1 million of unrecognized compensation cost related to non-vested stock-based compensation arrangements granted under the 2006 Plan. The cost is expected to be recognized over a weighted-average period of 2.36 years. The total fair value of shares vested was $1.6 million, $10.0 million and $0 for the years ended December 31, 2007, 2008 and 2009, respectively.

The fair value of each stock option awarded during the years ended December 31, 2007, 2008 and 2009 was estimated on the date of grant using the Black-Scholes-Merton option-pricing formula and amortized over the option's vesting periods with the following assumptions:

	Year ended December 31,		
	2007	2008	2009
Expected dividend yield	0.0%	0.0%	0.0%
Expected stock price volatility	34.1%-34.5%	34.7%-89.3%	91.6%-95.7%
Risk-free interest rate	4.7%-4.9%	1.6%-3.5%	1.7%-2.7%
Expected life of options	6	5-6	6

The risk-free interest rate was based on the U.S. Treasury security rate in effect as of the date of grant. The expected lives of options and the expected stock price volatility were based on the Company's historical data. Implied volatility was not considered due to the low volume of traded options on the Company's common stock.

14. Earnings (Loss) Per Share

The following table details the computation of basic and diluted earnings (loss) per share:

	Year ended December 31,		
	2007	2008	2009
Numerator:			
Net income (loss) available to common stockholders, basic and diluted	$ 14,388,674	$ (155,604,673)	$ 21,125,607
Denominator:			
Denominator for basic earnings (loss) per share—weighted-average shares	11,865,402	12,531,869	13,130,092
Effect of dilutive securities:			
Common stock options and restricted stock awards	181,719	—	81,301
Denominator for diluted earnings (loss) per share—adjusted weighted-average shares assumed conversion	12,047,121	12,531,869	13,211,393
Basic earnings (loss) per share	$ 1.21	$ (12.42)	$ 1.61
Diluted earnings (loss) per share	$ 1.19	$ (12.42)	$ 1.60

All potentially dilutive securities were anti-dilutive for purposes of computing diluted earnings per share for the year ended December 31, 2008 as the Company recorded a net loss available to common stockholders for this period. For the years ended December 31, 2007 and 2009, employee stock options to purchase 21,826 and 11 shares, respectively, of common stock were not included in the computation of diluted earnings per share as the exercise price of these options was greater than the average fair value of the common stock for the period and, therefore, the effect of these options would have been anti-dilutive. The effect of issuing 1,678,740 shares of common stock on an assumed conversion basis related to the Notes was not included in the computation of diluted earnings per share for the years ended December 31, 2007, 2008 and 2009 as it would have been antidilutive.

15. Leases

Sale-leaseback

The Company sold its corporate office building in Tucson, Arizona in 2005 and leased the office space back. As a result of this transaction, a gain of approximately $185,000 was deferred and is being amortized to income in proportion to rent charged over the initial seven year term of the lease. Approximately $27,000 of the realized gain was recognized for each of the years ended December 31, 2007, 2008 and 2009, respectively. At December 31, 2009, the remaining deferred gain of approximately $75,000 is shown as "Deferred revenue" in the Company's consolidated balance sheet. The minimum lease payments required by this lease are reflected in the future minimum payments under the non-cancellable operating leases table below.

Capital leases

The Company acquired leases for certain vehicles classified as capital leases in connection with the acquisition of LogistiCare in December 2007. Additionally, the Company has various capital leases related to office equipment. The cost of vehicles and equipment under capital leases is included in the accompanying consolidated balance sheet at December 31, 2008 and 2009 as property and equipment and was approximately $313,000 and $75,000, respectively. Accumulated amortization of the leased vehicles and equipment at December 31, 2008 and 2009 was approximately $88,000 and $13,000, respectively. Amortization of assets under capital leases is included in depreciation and amortization expense in the consolidated statement of operations for the years ended December 31, 2007, 2008 and 2009. Capital lease obligations of approximately $100,000 and $65,000 as of December 31, 2008 and 2009, respectively, are included in "Accrued expenses" and "Other long-term liabilities" in the accompanying consolidated balance sheets.

Operating leases

The Company leases many of its operating and office facilities for various terms under non-cancelable operating lease agreements. The leases expire in various years and provide for renewal options. In the normal course of business, it is expected that these leases will be renewed or replaced by leases on other properties.

The operating leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases. Several of these lease agreements contain provisions for periods in which rent payments are reduced. The total amount of rental payments due over the lease term is being charged to rent expense on a straight-line basis over the term of the lease. The difference between rent expense recorded and the amount paid as of December 31, 2009 was approximately $334,000 and was included in "Accrued expenses" in the accompanying consolidated balance sheets. Also, the lease agreements generally require the Company to pay executory costs such as real estate taxes, insurance, and repairs.

Future minimum payments under capital leases and non-cancelable operating leases with initial terms of one year or more consisted of the following at December 31, 2009:

	Capital Leases	Operating Leases
2010	$ 22,989	$ 12,005,955
2011	22,989	8,031,831
2012	20,565	4,560,178
2013	15,460	2,358,301
2014	7,127	763,866
Thereafter	—	488,871
Total future minimum lease payments	89,130	$ 28,209,002
Less: amount representing interest	24,096	
Present value of net minimum lease payments (including current portion of $13,291)	$ 65,034	

Rent expense related to operating leases was approximately $10.0 million, $15.1 million and $16.8 million, for the years ended December 31, 2007, 2008 and 2009, respectively.

16. Retirement Plan

Social Services

The Company maintains qualified defined contribution plans under Section 401(k) of the Internal Revenue Code of 1986, as amended ("IRC"), for all employees of its Social Services operating segment as well as corporate personnel. The Company, at its discretion, may make a matching contribution to the plans. The Company's contributions to the plans were approximately $115,000, $375,000 and $399,000, for the years ended December 31, 2007, 2008 and 2009, respectively.

On August 31, 2007, the Board adopted The Providence Service Corporation Deferred Compensation Plan (the "Deferred Compensation Plan") for the Company's eligible employees and independent contractors or a participating employer (as defined in the Deferred Compensation Plan). Under the Deferred Compensation Plan participants may defer all or a portion of their base salary, service bonus, performance-based compensation earned in a period of 12 months or more, commissions and, in the case of independent contractors, compensation reportable on Form 1099. As of December 31, 2009, there were seven participants in the Deferred Compensation Plan.

NET Services

The Company maintains a qualified defined contribution plan under Section 401(k) of the IRC for all employees of its NET Services operating segment. Under this plan, the Company may contribute an amount equal to 25% of the first 5% of participant elective contributions. At the end of each plan year, the Company may also make a contribution on a discretionary basis on behalf of participants who have made elective contributions for the plan year. In no event will participant shares of the Company's matching contribution exceed 1.25% of participants' compensation for the plan year. For the period from December 7, 2007 (effective date of the LogistiCare acquisition) to December 31, 2007, the Company made contributions to this plan in the amount of approximately $6,000 and for the years ended December 31, 2008 and 2009, the Company made contributions to this plan totaling approximately $107,000 and $213,000, respectively.

The Company also maintains a 409 (A) Deferred Compensation Rabbi Trust Plan for highly compensated employees of its NET Services operating segment. This plan was put in place to compensate for the inability of highly compensated employees to take full advantage of the Company's 401(k) plan. As of December 31, 2009, there were 19 highly compensated employees who participated in this plan.

17. Income Taxes

The federal and state income tax provision (benefit) is summarized as follows:

	Year ended December 31,		
	2007	2008	2009
Federal:			
Current	$ 5,471,148	$ 287,101	$ 8,325,467
Deferred	1,515,996	(10,274,362)	2,320,618
	6,987,144	(9,987,261)	10,646,085
State			
Current	$ 1,793,575	$ 2,199,934	$ 1,913,762
Deferred	267,529	(4,092,234)	(274,230)
	2,061,104	(1,892,300)	1,639,532
Foreign			
Current	$ 701,401	$ (245,018)	$ (371,785)
Deferred	(27,668)	(186,963)	253,226
	673,733	(431,981)	(118,559)
Total provision (benefit) for income taxes	$ 9,721,981	$ (12,311,542)	$ 12,167,058

A reconciliation of the provision (benefit) for income taxes with amounts determined by applying the statutory U.S. federal income tax rate to income before income taxes is as follows:

	Year Ended December 31,		
	2007	2008	2009
Federal statutory rates	35%	35%	35%
Federal income tax at statutory rates	$ 8,438,731	$ (58,790,996)	$ 11,652,434
Goodwill impairment	—	46,634,045	—
Change in valuation allowance	60,000	54,165	95,501
State income taxes, net of federal benefit	1,237,604	(1,229,995)	635,692
Difference between federal statutory and foreign tax rate	(68,083)	29,340	(33,533)
Stock option expense	—	837,047	96,380
Meals and entertainment	124,138	95,619	92,587
Other	(70,409)	59,233	(372,003)
Provision (benefit) for income taxes	$ 9,721,981	$ (12,311,542)	$ 12,167,058
Effective income tax rate	40%	7%	37%

The Company's effective income tax rate for 2008 was significantly lower than 2007 and 2009. For 2008, approximately $133.2 million of the total goodwill impairment charge of approximately $156.7 million was not deductible for income tax purposes as the goodwill was related to the Company's acquisition of the equity interest in several businesses. As a result, the Company's effective income tax rate for 2008 decreased.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows:

	December 31,	
	2008	2009
Deferred tax assets:		
Net operating loss carryforwards	$ 4,563,000	$ 1,579,000
Accounts receivable allowance	1,492,000	1,520,000
Property and equipment depreciation	213,000	292,000
Accrued items and prepaids	1,186,000	2,537,000
Nonqualified stock options	1,032,000	993,000
AMT credit carryforward	333,000	—
Interest rate swap	653,000	145,000
Other	203,000	226,000
	9,675,000	7,292,000
Deferred tax liabilities:		
Prepaids	767,000	876,000
Property and equipment depreciation	337,000	1,602,000
Goodwill and intangibles amortization	13,214,000	12,138,000
Other	274,000	340,000
	14,592,000	14,956,000
Net deferred tax liabilities	(4,917,000)	(7,664,000)
Less valuation allowance	(422,000)	(518,000)
Net deferred tax liabilities	$ (5,339,000)	$ (8,182,000)
Current deferred tax assets, net of $252,000 and $340,000 valuation allowance for 2008 and 2009, respectively	$ 4,757,000	$ 3,558,000
Noncurrent deferred tax liabilities, net of $170,000 and $178,000 valuation allowance for 2008 and 2009, respectively	(10,096,000)	(11,740,000)
	$ (5,339,000)	$ (8,182,000)

At December 31, 2009, the Company had approximately $731,000 of federal net operating loss carryforwards which expire in years 2011 through 2025 and $32.8 million of state net operating loss carryforwards which expire as follows:

2012	1,087,000
2013	502,000
2014	245,000
Thereafter	30,962,000
	$ 32,796,000

As a result of statutory "ownership changes" (as defined for purposes of Section 382 of the IRC), the Company's ability to utilize its federal net operating losses is restricted. Realization is dependent on generating sufficient taxable income prior to expiration of the loss carryforwards. Although realization is not assured, management believes it is more likely than not that all of the deferred tax assets will be realized, to the extent they are not covered by a valuation allowance. The amount of the deferred tax asset considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carryforward period are reduced.

The net change in the total valuation allowance for the year ended December 31, 2009 was $96,000. The valuation allowance includes $10.8 million of state net operating loss carryforwards for which the Company has concluded that it is more likely than not that these net operating loss carryforwards will not be realized in the ordinary course of operations. The Company will continue to assess the valuation allowance and to the extent it is determined that the valuation allowance should be adjusted an appropriate adjustment will be recorded.

The Company recognized certain excess tax benefits related to stock option plans for the years ended December 31, 2007, 2008 and 2009 in the amount of $680,000, $185,000 and $140,000, respectively. Such benefits were recorded as a reduction of income taxes payable and an increase in additional paid-in-capital and are included in "Exercise of employee stock options" in the accompanying statements of stockholders' equity and comprehensive income (loss).

The Company recognized a tax shortfall related to stock option plans for the years ended December 31, 2008 and 2009 in the amount of $1.5 million and $45,000. This was recorded as a reduction of deferred tax assets and a decrease to additional paid-in-capital and is included in "Exercise of employee stock options" in the accompanying statements of stockholders' equity and comprehensive income (loss).

The Company is not aware of any issues that would cause a significant amount of unrecognized tax benefits to be recognized during the next twelve months. The Company recognizes interest and penalties as a component of income tax expense. During the years ended December 31, 2007, 2008 and 2009, the Company recognized approximately $0, $0 and $7,000, respectively, in interest and penalties. The Company had approximately $0 and $7,000 for the payment of penalties and interest accrued as of December 31, 2008 and 2009. A reconciliation of the liability for unrecognized income tax benefit is as follows:

	December 31,		
	2007	2008	2009
Unrecognized tax benefits, beginning of year	$ —	$ —	$ 169,000
Increase (decrease) related to prior year positions	—	169,000	(44,000)
Increase related to current year tax positions	—	—	—
Settlements	—	—	(6,000)
Unrecognized tax benefits, end of year	$ —	$ 169,000	$ 119,000

As of December 31, 2009, none of the unrecognized tax benefits would impact the Company's effective tax rate if recognized.

The Company is subject to taxation in the United States, Canada and various state jurisdictions. The statute of limitations is generally three years for the United States, four years for Canada, and between eighteen months and four years for states. The Company is subject to the following material taxing jurisdictions: United States, Canada, California, and Virginia. The tax years that remain open for examination by the United States, and Virginia jurisdictions are years ended December 31, 2006, 2007, 2008 and 2009; the California filings that remain open to examination are years ended December 31, 2005, 2006, 2007, 2008 and 2009.

Residual United States income taxes have not been provided on undistributed earnings of the Company's foreign subsidiary. These earnings are considered to be indefinitely reinvested and, accordingly, no provision for United States federal and state income taxes has been provided thereon. Upon distribution of those earnings in the form of dividends or otherwise, the Company would be subject to both United States income taxes and withholding taxes payable to Canada less an adjustment for foreign tax credits. As of December 31, 2009 there were no undistributed earnings in the foreign subsidiary as it had cumulative losses.

18. Commitments and Contingencies

The Company is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's consolidated financial position, results of operations, or liquidity.

The Company has two deferred compensation plans for management and highly compensated employees. These deferred compensation plans are unfunded; therefore, benefits are paid from the general assets of the Company. The total of participant deferrals, which is reflected in "Other long-term liabilities" in the accompanying consolidated balance sheets, was approximately $273,000 and $457,000 at December 31, 2008 and 2009, respectively.

The Company may be obligated to pay an amount up to $650,000 to the sellers under an earn out provision pursuant to a formula specified in an asset purchase agreement dated July 1, 2009 by which the Company acquired certain assets of an entity located in California. The earn out payment as such term is defined in the asset purchase agreement, if earned, will be paid in cash. The earn out period ends on December 31, 2013. If the contingency is resolved in accordance with the related provisions of the asset purchase agreement and the additional consideration becomes distributable, the Company will record the fair value of the consideration issued as an additional cost to acquire the associated assets, which will be charged to earnings.

19. Transactions with Related Parties

Mr. Geringer, one of the Company's directors, resigned from his position as a member of the Board on April 10, 2008. Prior to his resignation the following transaction was deemed to be a related party transaction. Mr. Geringer is a holder of capital stock and the non-executive chairman of the board of Qualifacts Systems, Inc. ("Qualifacts"). Qualifacts is a specialized healthcare information technology provider that entered into a software license, maintenance and servicing agreement with the Company. This agreement became effective on March 1, 2002 and was to continue for five years. Effective January 10, 2006, a new software license, maintenance and servicing agreement between the Company and Qualifacts was signed and continues for five years. This agreement replaces the agreement which began on March 1, 2002 and may be terminated by either party without cause upon 90 days written notice and for cause immediately upon written notice. The new agreement grants the Company access to additional software functionality and licenses for additional sites. Qualifacts provided the Company services and the Company incurred expenses in the amount of approximately $230,000 and $245,000 for the years ended December 31, 2007 and 2008, respectively, under the agreement.

Upon the Company's acquisition of Maple Services, LLC in August 2005, Mr. McCusker, the Company's chief executive officer, Mr. Deitch, the Company's chief financial officer, and Mr. Norris, the Company's chief operating officer, became members of the board of directors of the not-for-profit organization (Maple Star Colorado, Inc.) formerly managed by Maple Services, LLC. Maple Star Colorado, Inc. is a non-profit member organization governed by its board of directors and the state laws of Colorado in which it is incorporated. Maple Star Colorado, Inc. is not a federally tax exempt organization and neither the Internal Revenue Service rules governing IRC Section 501(c)(3) exempt organizations, nor any other IRC sections applicable to tax exempt organizations, apply to this organization. The Company provided management services to Maple Star Colorado, Inc. under a management agreement for consideration in the amount of approximately $393,000, $509,000 and $292,000 for the years ended December 31, 2007, 2008 and 2009, respectively. Amounts due to the Company from Maple Star Colorado, Inc. for management services provided to it by the Company at December 31, 2008 and 2009 were approximately $448,000 and $281,000, respectively.

The Company is using a twin propeller KingAir airplane operated by Las Montanas Aviation, LLC for approved business travel purposes on an as needed basis subject to a joint operating agreement and regulated by Federal Aviation Administration Code of Federal Regulations 91:501. Las Montanas Aviation, LLC is owned by Mr. McCusker. The Company currently pays a flat fee of $9,000 per month plus incidental costs such as fuel and landing fees. For the years ended December 31, 2007, 2008 and 2009, the Company expensed amounts related to Las Montanas Aviation, LLC of approximately $133,000, $76,000 and $119,000, respectively, for use of the airplane for business travel purposes. The plane is available for use related to the Company's business only when commercial flights are not practical. During 2009, the Company utilized the plane ten times. The logged hours for these trips totaled 31.5 for an aggregated cost of approximately $119,000.

20. Subsequent Events

On January 7, 2010, the Board authorized a voluntary prepayment on the term loan under the credit and guaranty agreement, as amended, of $5.0 million. The prepayment was made on January 11, 2010.

Effective March 11, 2010, the Company entered into an interest rate swap to convert its floating rate long-term debt to fixed rate debt. The purpose of this instrument is to hedge the variability of the Company's future earnings and cash flows caused by movements in interest rates applied to its floating rate long-term debt. The Company holds this derivative only for the purpose of hedging such risks, not for speculation. The Company entered into the interest rate swap with a notional amount of $63.4 million maturing on December 13, 2010. Under the swap agreement, the Company receives interest equivalent to one-month LIBOR and pays a fixed rate of interest of .58% with settlement occurring quarterly. The Company has designated the interest rate swap as a cash flow hedge under ASC 815.

Item 9. *Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.*

None.

Item 9A. *Controls and Procedures.*

(a) Evaluation of disclosure controls and procedures

The Company, under the supervision and with the participation of its management, including its principal executive officer and principal financial officer, evaluated the effectiveness of the design and operation of its disclosure controls and procedures, as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") as of the end of the period covered by this report (December 31, 2009) ("Disclosure Controls"). Based upon the Disclosure Controls evaluation, the principal executive officer and principal financial officer have concluded that the Disclosure Controls are effective in reaching a reasonable level of assurance that (i) information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and (ii) information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's

JOSEPH P. HANDY, CPA, PLC.
CERTIFIED PUBLIC ACCOUNTANT
12000 BISCAYNE BOULEVARD, SUITE 405
NORTH MIAMI, FLORIDA 33181-2725

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

TELEPHONE: (305) 895-9939
FACSIMILE: (305) 891-5012

March 17, 2010

State of Iowa
Department of Human Services
Des Moines, Iowa

Dear Sir or Madam:

We have been requested to comment on our firms' background and experience with LogistiCare Solutions, LLC. This firm has provided professional services to LogistiCare since 1999.

The professional fees from our relationship have average $100,000 annually. LogistiCare has continuously paid our fees in a prompt and responsible manner.

To the best of our knowledge, LogistiCare has a comprehensive program of fiscal discipline and adequate capital resources to meet their obligations as they become due.

Thank you for the opportunity to comment on LogistiCare Solutions, LLC.

Joseph P. Handy, CPA, PLC.

Bank of America
Merrill Lynch

State of Iowa
Department of Human Services
Des Moines, Iowa

March 22, 2010

Logisticare Solutions LLC
Reference Letter

To Whom It May Concern:

I am writing this letter on behalf of my client, Logisticare Solutions LLC, to inform you that Logisticare has been a client to the bank since 1999. The account with Bank of America is in good standing and for the past 12 months we show no record of this account ever being over drawn. If you need any additional information please feel free to contact me directly. Thanks.

Mark Sellitto
Vice President, Treasury Services

SunTrust

Michelle M Brown
Vice President

SunTrust Bank
25 Park Place, NW
Atlanta, GA 30303
Tel 404.588.8039
michelle.m.brown@suntrust.com

March 25, 2010

To Whom It May Concern:

Logisticare has a long standing relationship with SunTrust. They have been doing business with us for over six (6) years and have multiple accounts with us. Their 12 month collected average balance sits at approximately 8 million dollars.

Please feel free to contact me with any questions.

Regards,

Michelle Brown

Michelle M Brown
Vice President
SunTrust Bank

Fresenius Medical Care

January 09, 2008

logistiCare
6700 Corporate Drive, Suite 130
Kansas City, Missouri 64120

Dear Ms. Wollard;

I am writing to praise the caring and efficient way your drivers care for two of our dialysis patients, whom they transport three times per week, from the patient's home in Missouri to our dialysis facility in Blytheville, Arkansas. One patient has a scheduled treatment time of 6:00 a.m. and she is always on time. This same driver is here waiting to take her home when she gets off the dialysis machine. He knows she often feels poorly and needs to get home quickly to lie down.

The other patient is cared for equally well and arrives on time and is picked up promptly. Both ladies have only praise for their drivers and the attention they receive.

We also appreciate LogistiCare providing extra service by accommodating our schedule change during the Christmas Holidays. It would have been difficult for these two patients to have secured a ride to dialysis on their own.

Our staff enjoyed meeting you during your visit to our clinic and look forward to a return visit whenever you are in our area.

Sincerely yours,

Ruth Wooldridge

Ruth Wooldridge, LMSW

Fresenius Medical Care North America ♦ Dialysis and Renal Services
Blytheville Dialysis, 1001 East Moultrie Blytheville, AR 72315 1-870-762-7700 Fax: 1-870-762-5651

Safe-Ride Transportation Inc
P.O. Box 93
Evening Shade, AR 72532

September 28, 2007

Linda Powell
General Manager/ Arkansas
Logisticare
Little, AR

To all Management:

We at Safe-Ride transportation would like to thank you for the job you are doing in the State of Arkansas.

We appreciate your patience and help during this transition from MTM to Logisticare. MTM left us in quite a bind. With your helpfulness and consideration we are now back on track. We appreciate your training and quarterly meeting to keep us all on the right path of success. Your cooperation and team work is what makes your company easy to work with. Keep up the good work and hope that we have a long lasting business relationship.

Sincerely,

Terrance Finn

Terrance Finn
President

Ancillary Contracting Department
1055 E. Colorado Blvd, Suite 300
Pasadena, CA 91106
Phone: (626) 683-6334 Fax: (626) 683-6374

April 2, 2008

CalOptima
1120 West La Veta Ave.
Orange, CA 92868

RE: LOGISTACARE RELATIONSHIP WITH HEALTH NET OF CALIF.

Greetings,

This letter will serve to inform you that Health Net has been contracted with LogistiCare Solutions since November 1999 for our membership in California. LogistiCare's contract covers transportation services for all levels of service ranging from wheelchair through ground and air ambulance. Additionally LogistiCare Solutions works closely with our Northeast Operations. In June 2006, Health Net added to LogistiCare's California contract a capitated arrangement for transportation services for specific populations whose benefit includes ambulatory and wheelchair services both in Southern and Northern California.

We have found LogistiCare Solutions to be an important asset in assisting to manage our patient transportation needs. LogistiCare Solutions is responsive to the needs of both our patients and medical groups. They work with their transportation network to ensure that the appropriate coverage is available to our patients and they quickly respond to and correct any problems that may arise. LogistiCare meets with us quarterly to review utilization trends and helps us to identify ways that our system can be enhanced to achieve greater efficiencies and potential cost savings for both our patients and our plan.

I would recommend LogistiCare Solutions to CalOptima for your Non-Emergency Medical Transportation Broker. Please feel free to call me in the event you need to discuss this matter further. I can be reached at 626-683-6261.

Sincerely,

Monina R. Alvarenga
Director, Provider Network Management, Ancillary Services
Health Net of California, Inc.

PacifiCare®

January 13, 2004

To Whom it May Concern:

PacifiCare has been contracted with LogistiCare since October 1, 2000. The contract has been for the entire state of California.

It has been and continues to be a pleasure working with LogistiCare. They are responsive to questions and concerns from management and remain close to the day to day operation of their business.

I have just renegotiated and extended our contract and look for them to be an asset to our network.

Please don't hesitate to contact me if you choose. I can be reached by calling 714-226-6989.

Sincerely,

Allen Casals
Principal Contract Associate
PacifiCare
5757 Plaza Drive
Cypress, CA 90630

SECURE TRANSPORTATION
DRIVEN TO EXCELLENCE

April 4, 2008

CalOptima
1120 West La Veta Ave.
Orange, CA 92868

To Whom It May Concern,

Secure Transportation has been contracted with LogistiCare Solutions as a network transportation provider since September 2000. Secure Transportation provides ambulatory and wheelchair services within Los Angeles and Orange Counties.

We recommend LogistiCare Solutions to CalOptima for your Non-Emergency Medical Transportation Broker. As a transportation provider in LogistiCare's network, we have found LogistiCare to be easy to work with and their staff to be professional and truly concerned about our needs as a provider of service. LogistiCare does meet regularly with us so that we can discuss any problems as well as system needs. LogistiCare's payments to us are timely and in accordance with their published payment schedule.

If you have any other questions please feel free to con tact me at the number below.

Sincerely,

John Chapman
Vice President
Business Development
Secure Transportation
562-244-4053

STATE OF CONNECTICUT
DEPARTMENT OF SOCIAL SERVICES
25 SIGOURNEY STREET • HARTFORD, CONNECTICUT 06106-5033

January 14, 2004

To Whom It May Concern,

We have contracted with LogistiCare since 1998 to provide comprehensive transportation management services for our non-managed care Medicaid recipients. LogistiCare has done an excellent job for us over the years in administering our benefit rules, providing reliable service, controlling costs, responding to any complaints or inquiries, and providing us the comprehensive data and reports that we need to monitor the program.

LogistiCare's local program staff, as well as their top corporate officers, have been responsive to our inquiries and needs, and have worked hard to create a good working relationship with us.

We strongly recommend LogistiCare to any state agency or other organization that is looking for an experienced, capable, and cooperative company to manage their medical transportation program.

Please feel free to call me if you have any questions. My phone number is 860-424-5139

Sincerely,

Rose Ciarcia

Rose Ciarcia
Director, Managed Care and NEMT

November 12, 2007

Steven Bogatz MBA, MSW, LCSW
Central Connecticut Dialysis
377 Research Parkway
Meriden, CT 06450
(T) 203-639-2880 x24
(F) 203-630-6379
SBogatz@AOL.com

Re. Letter of Recommendation for Logisticare in Connecticut

Dear State of Connecticut:

The purpose of this letter is to give you a heartfelt recommendation that Logisticare is an excellent, responsive provider of transportation services for its portion of Connecticut's citizens who have state medical insurance.

I have been practicing renal social work for over 11 years and am currently responsible for approximately 115 patients with permanent kidney failure. About one third of them rely on transportation provided by Logisticare to obtain their life-sustaining treatment 3 times a week, 52 weeks a year.

When Logisticare first came to Connecticut some years ago, it provided a significant improvement by consolidating what had been a chaotic status quo of town administered transports with one centralized solution. In those early years, Logisticare not only had to set up appropriate local infrastructure but also address the palpable anxiety of transportation providers, low-income consumers, and skeptical helping-professionals like myself. Under the service-focused leadership of Jianni and Marjie H, Logisticare worked diligently to build relationships with stakeholders by inviting us to the call center and meeting us in the field at our Connecticut Council of Nephrology Social Work gathering. Though admittedly biased, I remain convinced Logisticare is brilliant for employing a capable, dedicated MSW with the skill set she brings. Used correctly, on the mezzo level the MSW can build relationships and bridges among Logisticare and its groups of customers, effectively humanizing the transportation broker with a competent, caring people-professional responsive to questions and concerns. Less frequently, on the micro level the MSW can help mediate disputes, for instance between a patient and transportation provider and/or medical provider. Successful resolution not only fosters harmony but can save substantial dollars by keeping the chronically ill patient closer to home rather than allowing the situation to devolve into a perpetual long-distance drain.

Currently on the service front, the bright spots at Logisticare are numerous. Cindy Martinez, the dialysis coordinator, remains easy to reach, forever friendly, professional, and consistently effective. Speaking with her is typically an enjoyable part of my day, both because of her ebullience and dependable efficiency. Lauren Liss, MSW has been gracious, caring, and responsive. With her medical background and professional training, I believe she compliments the leadership and nursing functions at Logisticare well. When Claude or Madeline contact me looking for information about a missing patient, I hear the earnestness and sense of responsibility in their voice. For those infrequent but anxiety-inducing moments when a patient's ride does not show, Logisticare's toll free "Where's My Ride?" line remains a god-send. In real-time, a local Logisticare staff member will troubleshoot the missing ride and provide a near-immediate resolution.

As a tax-paying resident of Connecticut, I am grateful for the way Logisticare has balanced its mission of providing excellent service with fiscal prudence. No doubt, reducing missed rides and patient no-shows should remain a priority. I believe that Logisticare's balanced strategy of sharing accountability among the patient, transport, medical provider, and itself is fundamentally fair and sound. The problem does not lend itself to easy solutions. Yet I am optimistic that Logisticare's effort to maximize effective communication among all the players continues to pay resource-saving dividends.

Going forward, I would respectfully challenge Logisticare to not remain content with its success, good as it is, but continue to aim for its self-stated goal of 100% satisfaction. World class managers understand that the retention of quality employees is a key to long term success. The staff members above whom I mention by name have impressed me through the years with their caring, integrity, dependability, and ability to communicate openly in a collaborative spirit. They are a trustworthy team to be commended and appreciated. Given latitude and encouragement, people of this caliber will help take Logisticare to the next level.

Sincerely,

Steve Bogatz

Steve Bogatz MBA, MSW, LCSW

Central Connecticut Dialysis Center
Legislative Liaison, CT Council of Nephrology Social Work
Medical Advisory Board, National Kidney Foundation of Connecticut
Adjunct Faculty, Springfield College School of Social Work

CONNECTICUT
Behavioral Health Partnership

April 20, 2007

To Whom It May Concern:

By means of introduction, I am the Chief Executive Officer of the Connecticut Behavioral Health Partnership (CT BHP). The Connecticut Behavioral Health Partnership (CT BHP) is an initiative between the Department of Social Services (DSS) and the Department of Children and Families (DCF) designed to develop and implement an integrated behavioral health services system for HUSKY A and HUSKY B members and for children served by DCF. While the CT BHP focuses on the authorization and delivery of behavioral health services, Medicaid, and their subcontractors continue to provide medical, pharmacy and transportation services. This program went live on January 1, 2006.

My organization began meaningful dialogue and interaction with Logisticare soon after implementation. In order for our members to thrive and engage in treatment, they must have means of accessing their treatment. Logisticare has been a very real partner in this endeavor. Logisticare is the largest provider of transportation services under the CT BHP. Ms. Hamilton, General Manager, and her team takes this responsibility seriously. This has been demonstrated in numerous areas since we began our professional affiliation. Examples include: proactive outreach to CT BHP staff to solicit feedback re. vendor performance; personal attendance at local community forums across the state to hear feedback from key stakeholders; consistent and interested attendance at integrated management forums, and a real interest in positively impacting member's lives by working with us on a "no show" strategy to improve member follow through with care.

We enjoy our affiliation and the proactive approach Logisticare takes in servicing the Medicaid members in Connecticut. If you should have any questions, please do not hesitate to contact me.

Sincerely,

Lori B. Szczygiel

Lori B. Szczygiel
Chief Executive Officer

Connecticut Behavioral Health Partnership
Funded by the Department of Children and Families and the Department of Social Services, Administered by ValueOptions

500 Enterprise Drive, Suite 4D, Rocky Hill, Connecticut 06067
Office: (800) 282-3837 www.ctbhp.com

Health Net

Health Net of the Northeast, Inc.
One Far Mill Crossing
P.O. Box 904
Shelton, CT 06484-0944

www.health.net

January 14, 2004

To Whom It May Concern:

LogistiCare has contracted with Health Net® since January 1,1997 to provide non-emergent medical transportation for Health Net's 98,000 Connecticut HUSKY-A members, in accordance with the Connecticut Department of Social Services Purchase of Service Contract and policies. We work closely with local LogistiCare staff in responding to concerns or inquiries, administering transportation guidelines, and providing reliable service. Their comprehensive data and reports help us control costs and monitor our members' transportation needs.

Health Net has developed a strong working relationship with the LogistiCare Connecticut operations staff and find the corporate management staff responsive to all of our issues and concerns. I highly recommend LogistiCare to any company or state agency that is looking for a cost effective, experienced, and professional company to manage their non-emergent medical transportation needs.

Please contact me at (203) 225-8632 if you have additional questions.

Sincerely,

Elaine K. Bernier

Elaine K. Bernier
CT Manager, Medicaid Compliance

Town of Wethersfield
505 SILAS DEANE HIGHWAY
WETHERSFIELD, CONNECTICUT 06109

January 13, 2004

To Whom It May Concern:

This letter is offered in support of Logisticare. The Town of Wethersfield, Connecticut put our senior/disabled Dial-a-Ride service out to bid last year. Logisticare responded with a very reasonable proposal that met the bid requirements at an affordable cost. Since that time they have honored all terms of their proposal, been quick to respond to any changes or problems that have developed, and have provided prompt and clear monthly statistics that allow us to track the service they provide. Feedback from our clients has been consistently positive, and Logisticare has been responsive to clients' needs and concerns.

We are pleased with the service and support they are providing and would not hesitate to serve as a reference for them.

Sincerely yours,

Nancy A. Stilwell

Nancy A. Stilwell, Ph.D.
Director, Social and Youth Services

DaVita™

Thornton Dialysis Center
8800 Fox Drive
Thornton, CO 80260
Tel: 303.430.7020
Fax: 303.487.9572
www.davita.com

March 31, 2005

Ms. Bethany Baker
Health Care Manager
Logisticare Solutions, LLC.
3989 E. Arapahoe Road
Centennial, CO 80122

To Whom It May Concern :

My name is Richard Rybicki and I work as the Social Worker at Thornton Dialysis. I am in charge of arranging and supervising patients' transportation. This is an important responsibility. Unfortunately, I have had a terrible time in the past dealing with providers who were undependable, inept and sometimes even dangerous to the patients' well being. When someone is on dialysis they depend on it to keep them alive. One cannot mess around with punctuality because patients' Lives depend on their treatment times for quality of dialysis.

This past year of receiving Logisticare's help has been wonderful. I feel assured that our Medicaid patients are being transported by safe, timely and reliable carriers. I now have someone to object to who will replace an unreliable carrier, if I need to (which I have not). The oversight Logisticare provides is just what was needed. Their staff is always professional, dependable and courteous. Also, I feel comfortable that the supervision of transport providers Logisticare provides is saving taxpayers' money.

As someone who has dealt with Logisticare's staff on "the front line" for their entire time in Centennial, I wholeheartedly encourage you to award Logisticare the contract to supervise this area's Medicaid transportation. I am very comfortable with their staff and their service and I do not think you could do better than to renew their contract. Besides, they know everyone now.

I am eagerly available if you have any questions I could answer.

Sincerely,

Richard Rybicki, MSW, LCSW

Richard Rybicki, MSW, LCSW

To Be The Provider, Partner And Employer Of Choice

Renal Care Group

April 5, 2005

To Whom It May Concern,

I serve patients who have End Stage Renal Disease, a condition that is fatal without the ongoing treatment of dialysis. Most patients with ESRD also suffer from other co-morbidities such as diabetes, hypertension, cardiovascular diseases, as well as HIV/AIDS, cancer, chronic obstruction pulmonary disease, and alcohol and drug dependency. Due to the multitude of diagnosis, patients often experience the side effects of these diseases including weakness and fatigue, amputations, inability to ambulate, nausea and vomiting, visual impairment, and failure to thrive.

The population I serve is primarily inner-city and low socioeconomic status. Nearly 70% of the patients at our units qualify for Medicaid, and most of the rest qualify for other kinds of assistance. One of the greatest challenges for dialysis patients is getting back and forth to treatments, following up with their other medical providers, and getting to the pharmacy to get their prescriptions filled. Their inability to do the above may result in their death. Nearly half of these patients depend on the transportation coordinated through LogistiCare and paid for by Medicaid to get to and from dialysis.

I have been a Nephrology Social Worker at Renal Care Group for just over two years. My role as the Social Worker is to assess the patient's needs and make referrals to community services as appropriate. In addition, I provide counseling surrounding adjustment to illness and end of life issues, as well as other types of case management. Before the State of Colorado began contracting with LogistiCare to monitor transportation services for Medicaid recipients, I used to spend at least two hours per day (usually longer) on the phone, or on hold, trying to coordinate transportation services with Arapahoe County. As a result, I had less time to provide direct patient care.

Since LogistiCare has taken over the coordination of transportation services, I have experienced my own time decreased in how much I have to devote to transportation. Rather than two hours per day on the phone with Arapahoe County, I spend about two hours per week (at the most) with LogistiCare. I appreciate having a direct contact for Dialysis Facilities, so that in general, I am working with the same person all of the time allowing for healthy facility relationships and the consistent treatment of dialysis patients. The workers at LogistiCare have been well trained in customer service skills, and I have yet to speak with anyone who has been rude or unfamiliar with the transportation services. This is a huge improvement. In addition, the policies and forms for arranging services are straight forward and it is easy to get in touch with someone to get the correct information or to make suggestions about where improvements could be made.

As a dialysis Social Worker, I honestly did not think I would experience the day when setting up transportation for my patients would be easy. Thanks to LogistiCare, transportation is one aspect of my job that I no longer dread. It is no longer the main

Renal Care Group

topic of conversation with patients because their needs are being met. I hope that this letter will be used to convince the State of Colorado to keep their contract with LogistiCare. If you have questions or concerns about the contents of this letter, please feel free to contact me at (303) 765-1699.

Sincerely,

Meagan L Beard

Meagan L. Beard, MSW
Nephrology Social Worker

765 S. Broadway
Denver, CO 80209

St. Anthony
Hospitals
Centura Health.

St. Anthony Central Hospital
4231 West 16th Avenue
Denver, Colorado 80204
303-629-3511 Phone
303-629-2318 Fax

St. Anthony North Hospital
2551 West 84th Avenue
Westminster, Colorado 80031
303-426-2151 Phone
303-426-2155 Fax

To Whom It May Concern:

We have been working with Logisticare frequently to provide transportation services for our Medicaid population of patients. Our Case Management department received an in-service to better prepare us in the process, and which also allowed us to voice any concerns, many of which have already been addressed. One of our staff concerns was releasing patients to transportation providers that were not properly identified. Logisticare has worked to improve this problem so the nursing staff would be comfortable in releasing a patient to them. Another positive in working with Logisticare is good communication between the hospital staff and Logisticare staff on prioritizing hospital based transports and the timeline in which they are working under.

They have provided professional and courteous service and strive for communication that allows good outcomes for both the hospital and patients. Additionally, they are responsive to issues and keep us informed of any changes in paper work and follow up in a timely manner. The customer service we receive from Logisticare far exceeds the service we received from the previous broker. One of the most useful features of Logisticare has been the "Where is my ride" line which gives both clients and staff a "person" to talk to to resolve any issue around that transport. They do care about the clients they serve, and the partnership needed to make this process work. Their efforts have made this mandated process easier to participate in.

Sincerely,

Vicki Poplaski

Vicki Poplaski, RN, CCM
St. Anthony Hospitals
Manager Case Management
303-629-410

Fresenius Medical Care

January 26, 2007

LogistiCare
1012 College Road, Suite 105
Dover, Delaware 19904

Gentlemen:

This is a letter of support for LogistiCare, the agency that provides transportation services for dialysis patients. LogistiCare and their staff have been a benefit to the patients, because they have made it possible for the patients to keep their doctors appointments and dialysis treatments without worrying about whether or not they are going to be on time or trying to find someone to take them to their appointments.... In Kent County, the dialysis unit and some of the doctor's offices are not on the main bus route... Patients may need to walk a couple blocks or more to keep appointments. . However, with the service provided by LogistiCare, patients no longer have that worry. This service is really needed in Kent County. Patients have come to depend upon this agency for their transportation needs to medical appointments. The staff is kind, courteous, and very accommodating to dialysis patients.
It has been a pleasure working with the staff in providing a much needed services in Kent County, Delaware for chronically ill patients...

Sincerely,

Jo Stevenson Seals MSW

Jo Stevenson Seals, MSW
Social Worker

Fresenius Medical Care North America ♦ Dialysis Services
Renal Care Centers of Dover Blue Hen Corp. Ctr. 655 Bay Rd., Ste. 4M Dover, DE 19901 302-678-5718 Fax: 302-678-5732

Bayhealth
Medical Center

January 26, 2007

Tel 302 674-4700

Bayhealth Medical Center
Kent General Hospital
640 South State Street
Dover, DE 19901

Lorraine Loera
Assistant Director of Operations
LogistiCare Delaware
1012 College Road, Suite 105
Dover, DE 19904

Dear Lorraine,

Bayhealth Medical Center is Delaware's second largest healthcare system. We serve a large Medicaid population with diverse transportation needs. We have found LogistiCare to be a dependable and innovative partner in meeting those needs. The facility representatives display a high level of competence, and convey a favorable image of your organization.

The LogistiCare management team in Delaware demonstrates a high professional standard, and a commitment to providing quality service to Bayhealth Medical Center, and our patients.

If I can be of further assistance please contact me.

Sincerely,

Ben Inloes
Manager Social Services
Bayhealth Medical Center
(302) 744-7148
ben_inloes@bayhealth.org

BI/rd

DELAWARE
DEVELOPMENTAL
DISABILITIES
COUNCIL

February 23, 2007

Lorraine Loera
Assistant Director of Operations
LogistiCare-Delaware
1012 College Rd., Suite 105
Dover, De. 19904

To Whom It May Concern,

The Developmental Disabilities Council would like to take this opportunity to express our support of LogistiCare-Delaware. as a transportation broker in Delaware. On a daily basis, the transportation coordination for paratransit services has been dependable and professional.

With the growing numbers of citizens in Delaware who are requesting paratransit services, we anticipate that the need for transportation brokerage will only increase along with the demand for an increased number of transportation providers. We are hopeful that the State of Delaware will continue to collaborate with LogistiCare to enhance the exisiting system of providers to meet this growing demand.

The DD Council welcomes the opportunity to continue to provide representation on the Advisory Committee for LogistiCare in the future and we thank you in advance for considering our letter of support. Should you have any questions regarding our comments please contact our office at 739-3333.

Sincerely,

Jamie Wolfe

Jamie Wolfe
Chair

D D Council Telephone: (302) 739-3333 Fax: (302) 739-2015
Delaware Help Line: (800) 464-HELP (4357) Help Line Out of State: (800) 273-9500

South Broward Artificial Kidney Ctr.
4401 Hollywood Blvd.
Hollywood, FL 33021
Tel: (954) 962-2211
Fax: (954) 964-3546
www.davita.com

May 3rd, 2006

To Whom This May Concern:

South Broward AKC in Hollywood has been working with Logistic Care, Inc for several months since Logistic Care has moved into Broward County.

In my opinion, Logistic Care has "stepped up" to the plate and has made transportation for our Medicaid patients easier, less stressful, and more consistent for their dialysis treatments.

Their customer service representatives are friendly, outgoing, and ready to resolve the issue that is at hand.

We have wonderful communications with this their company and staff. South Broward is extremely honored to have a terrific working relationship with Logistic Care, Inc and hope to continue our professional working relationship into the future.

With Many Regards,

Matthew A. Grey, MSW
Social Worker

ALLIED MEDICAL TRANSPORT INC.
4500 N. STATE ROAD 7
LAUDERDALE LAKES FL 33319
(954) 739- 3754
(954) 739 - 8565 (Fax)

Logisticare
8323 NW 12th Street
Miami, Fl 33126
Att: Jose Millan

May 8th, 2006

Compassion, cooperation, dedication, knowledge, respect, and understanding is the simplified version of defining Logisticare as a management company. As a provider, I would like to take this opportunity to commend the management staff and all the employees at Logisticare for their hard work and support they have been extending over the past year. I would especially like to commend the billing department for their efficiency in processing payments. Invoices are paid promptly on or before the date that they are due. Logisticare is a wonderful organization to work with and I am delighted to be apart of the Logisticare network.

Wayne Rowe (General Manager)

National Kidney Foundation™

of FLORIDA

May 4, 2006

To whom it may concern:

We have had the privilege of dealing with Logisticare on many different occasions. They have supported our organization, The National Kidney Foundation of Florida, both monetarily and in service. They are incredibly involved with the community and have always been more than willing to volunteer. They work hard to address Medicaid transportation needs and are committed to improving service throughout Florida in order to enhance the quality of life of those affected.

Sincerely,

Carina Montanari
Special Events Coordinator

Juliet Venzara
South Florida Regional Director

Main Office
1040 Woodcock Road, Suite 119
Orlando, FL 32803
800.927.9659 • 407.894.7325
FAX 407.895.0051
www.kidneyfla.org

2567 Coral Way
Miami, FL 33145
800.976.0772 • 305.854.5690
FAX 305.854.4131

220 S. Courtenay Parkway
Merritt Island, FL 32952
321.449.0855
Fax 321.449.0401

Fellowship House

5711 South Dixie Highway, South Miami, Florida 33143-3694, (305) 667-1036, Fax (305) 667-4938
www.fellowshiphouse.org

May 9, 2006

To whom it may concern:

Fellowship House is a Psycho-Social Rehabilitation Program located in the heart of South Miami. We have been providing quality care services to our community for more than 32 years, and are currently located throughout Miami-Dade County.

As we have expanded so have our transportation needs. Logisti-Care has worked closely with Fellowship House in assisting our members with their transportation needs.

We are working together to ensure that adults with disabilities are able to come to program and receive the assistance needed to help them become independent and self-sufficient members of our community.

We have great communication with the Logisti-Care staff and they are very responsive to our concerns. We thank Logisti-Care for all they do to help our members lead productive lives and look forward to continuing our partnership.

Sincerely,

Marta L. Sanchez
V.P. of Development

cc: Publio M. Santana, President/CEO

PINELAND MENTAL HEALTH, MENTAL RETARDATION & SUBSTANCE ABUSE SERVICES
P.O. Box 745; 5 West Altman St.; Statesboro, GA 30459; Phone: 912-764-6906; Fax: (912) 764-3252

June A. DiPolito
Executive Director

Serving: Appling - Bulloch - Candler - Evans - Jeff Davis - Tattnall - Toombs - Wayne Counties

May 1, 2006

To Whom it may concern:

We have worked with Logisticare, Inc. since 1997 and are very pleased with the transportation brokerage services they provide. Logisticare is available and eager to help resolve any problems that arise. This year we converted to the electronic downloading of daily trip lists. As with any new system there were many obstacles, but Logisticare was quick to respond and help us work through them.

Logisticare has also taken the initiative to help their providers with the rising costs of gasoline and insurance. They have established a Fuel Management Program whereby their providers can enjoy the advantages of a transportation network's purchasing power. They are presently working on a similar program for insurance.

Lastly, they are using liquidated damages collected from providers with poor performance to reward those providers with the best on-time performance each quarter.

We look forward to working with Logisticare in the coming years.

Sincerely,

Barbara Franco

Barbara Franco
NET Manager

cc: D. Vives
C. Rockett

CLAYTON CENTER
Behavioral Health Services
Mental Health • Developmental Services • Addictive Diseases

Jade R. Benefield
Interim Executive Director

April 26, 2006

To Whom It May Concern:

RE: Logisticare

This serves to verify our positive working relationship with Logisticare. Clayton Behavioral Health Services can report a co-operative working relationship with the 24 Hour Call Line and especially the Social Services Department which has proven consistently helpful in the resolution of transportation issues and problems related to our consumers.

Logisticare has assisted Clayton Behavioral Health Services in securing needed resources and services for our consumers at a time when resources are often limited and financial situations are tight. The Social Services Department has been especially responsive to our requests for assistance and has served as a valuable resource for us when Clayton Behavioral Health Services staff has extended questions to them.

Transportation services are a vital component in our continuum of care to our consumers and we greatly appreciate the support and resources provided by Logisticare in support of quality care to the people we serve at Clayton Behavioral Health Services. We look forward to a continued positive and reciprocal working relationship with Logisticare In the future.

Sincerely,

Wm. Glenn Beasley, LPC, NCC,MAC
Transportation Coordinator

Dr. Taliaferro Smith, PsyD.
Adult Mental Health Services Manager

Xc: file

"People Are Our Most Valuable Resource"

Adult Day Services & Case Management
1800 Slate Road / Conley, Georgia 30288 / 404-366-1529 / Fax 404-366-9698

OGEECHEE BEHAVIORAL HEALTH SERVICES

A Community Provider of Mental Health, Developmental Disability and Addictive Disease Services

Administrative Services

P. O. Box 1259 223 North Anderson Drive Swainsboro, Georgia 30401
(478) 289-2522 Fax (478) 289-2544

May 4, 2006

TO WHOM IT MAY CONCERN

It is my pleasure to write a letter of recommendation on behalf of LogistiCare, Inc. LogistiCare and Ogeechee Behavioral Health Services have worked well together to provide Medicaid-eligible individuals with non-emergency transportation. It is our desire to see this partnership continue.

The staff at LogistiCare has provided excellent customer service. Mr. Bob Harrison and Ms. Dayna Holford are always available to provide assistance and guidance in resolving any issues that occur in a most timely and efficient manner. Additionally, the staff in the Savannah office conducts business in a professional and courteous manner.

We look forward to a continued relationship with LogistiCare in order that we can provide the best service available to our consumers. If I can be of further assistance, please feel free to contact me.

Sincerely,

J. Frank Brantley
Executive Director

DaVita™

Dialysis Treatment Center of Macon
745 Pine Street
Macon, GA 31201
Tel: 478.741.9810
Fax: 478.741.2293
www.davita.com

LogistiCare
503 Oak Pl
Suite 550
Atlanta, GA 30349

April 27, 2006

Re: Quality Service

To Whom It May Concern:

DaVita and its employees would like to take the time to express our sincere thanks and gratitude for the service excellence provided to our dialysis patients. Many of these patients, because of various obstacles, would not be able to take advantage of this "life-sustaining" treatment if it were not for the time and effort invested by your LogistiCare to ensure that our patients arrive safely to their treatment facilities.

We also deeply appreciate your immediate response [and positive results] to any complaints and/or dissatisfaction regarding transportation services that our patients have. Again, and on behalf of our patients, DaVita (Macon and Warner Robins, GA) teammates thank you for your dedication in providing quality service.

Yours truly,

Bobby Jean Williams

Bobby Jean Williams, LMSW

A-1 Medical Transporters, Inc.
P.O. Box 604
Ocilla, GA 31774
Phone (229) 424-9462
Fax (229) 424-9769

April 19, 2006

To Whom It May Concern:

We the owners of A-1 Medical Transporters, Inc. are happy to recommend LogistiCare, Inc. We have been involved in the LogistiCare Network since October, 1997. We have developed a strong working relationship and have found them to be a professional business partner who exemplifies fairness not only to the providers, but to the Medicaid clients as well. Their main concerns are quality and care of the clients. If a problem arises, we can depend upon Robert Harrison, Director of Operations-Georgia; Gary Goldstein, Assistant Director of Operations; Shan Mason, Transportation Manager; Allen Davis, Southwest Regional Manager or Diane Dean, East Regional Manager and their staff to always listen and hear both sides of the story. They are always attentive and supportive in responding to the needs of the clients, facilities and providers.

LogistiCare looks out for the best interest of the providers. They will provide financial assistance to those providers with issues of increased insurance costs, maintenance, etc.

Quarterly Regional Provider Meetings are held to educate the providers and address any new issues or concerns. Mr. Harrison, Mr. Goldstein, Mr. Davis and Ms. Dean strive to resolve any issues or concerns that are brought to the table. These meetings are both informative and beneficial.

We are treated equally and with respect. LogistiCare does not discriminate toward any company.

Our company is always paid on time in accordance with the contract. If we have billing inquiries, Jeff Jackson, Senior Treasury and Planning Analyst, Michael Daley, Financial Manager or Quen Curry, Billing Department Supervisor and their staff are always polite and willing to assist us.

Through LogistiCare, our company has been able to expand within the last eight years. Our trip volume has increased; therefore, allowing us to operate modern ADA compliant vehicles which are more accessible and offer a higher level of comfort to the Medicaid clients.

As a provider of non-emergency transportation services, we are very pleased with LogistiCare and hope they will continue to be the NEMT brokerage for the Georgia Medicaid clients.

Respectfully submitted,

A-1 Medical Transporters, Inc.

Gary L. Hunter
Pres.

Darnell R. Hunter

Darnell R. Hunter
Sec.-Treas.

Bridgehaven
MENTAL HEALTH SERVICES
Providing Hope and Recovery

March 15, 2007

To Whom It May Concern:

This letter is a statement of recommendation on behalf of Logisitcare. Our organization provides services to the chronically mentally ill and serves over 100 persons per day. Nearly half of those individuals arrive here via transportation provided by Logisticare. We have been quite satisfied with the way that Logisticare conducts business and have found their services to be head and shoulders above the previous broker. As a non-profit organization serving a large population of disabled and low income individuals, we cannot function without a reliable transportation source for our consumers.

As to be expected with any large organization, occasional logistical problems do arise. We have however been very pleased with the assistance provided by the staff at Logisticare. Rochelle Fournier has been particularly helpful in addressing some of the difficulties which have surfaced. We have appreciated her prompt attention and her willingness to intervene when requested. In addition, it should be noted that Logisticare's inspector, Raymond Hama, has made numerous trips to our facility to ensure appropriate regulations are being adhered to by the drivers.

Logisticare has been providing services for approximately four years, so we are well acquainted with their organization. It is my recommendation that their contract be extended. We are pleased with their services and hope to continue a professional relationship with them in the future.

Sincerely,

Angela Rogers, LCSW

Angela Rogers, LCSW
Clinical Director

950 S. First St.
Louisville, KY 40203
(502) 585-9444 Fax: (502) 585-9466
www.bridgehaven.org

COMMONWEALTH OF KENTUCKY
STATE SENATE

October 22, 2007

To Whom It May Concern:

I am writing to share with you my positive experience and to express my support for LogistiCare Solutions, LLC continued service to the Commonwealth and specifically, Region Six.

In 2002, LogistiCare began work in Region Six when my constituents and our neighbors were experiencing real difficulty with Medicaid transportation. Since then, LogistiCare has established and maintained an excellent service.

I would very much like to see them remain as the Medicaid broker in my region.

Thank you very much.

Sincerely yours,

Julie Denton

Senator Julie Denton

STATE CAPITOL FRANKFORT 40601

GUARDIACARE

215 W. Breckinridge Street, Louisville, KY 40203
Phone (502) 585-9949 • Fax (502) 585-9954 • Adult Day Services (502) 584-0454
writeus@guardiacare.org
www.guardiacare.org

February 23, 2005

Rochelle Fournier
Logisticare Services
Louisville, Ky. 40203

Dear Rochelle,

I have not had the opportunity to formally express our thanks for all your help at Logisticare. You really have made a difference in our client's needs and our ease of handling their concerns.

There are many difficulties in the field of juggling all the rides and concerns of so many clients. Because of the magnitude of the job it amazes me that we have as few issues as we do. As with any large enterprise we expect some "bumps in the road." Fortunately the bumps have not been big hurdles.

The advantage of having one company work with our issues helps tremendously to make this road easier for all of us. I also think that having a person who has the Social Work background, understands the needs of the clients, and has the professionalism to work toward solutions rather than blame, helps to make this process work.

So to you and your staff, I say "Thanks and good luck" as you proceed further down this road. I look forward to working with you in the future.

Sincerely,

Janice M. Smith RN

Janice M. Smith, RN
ADHC Program Director
GuardiaCare

HOPE network

WEST MICHIGAN

enhancing the dignity and independence of people who have a disability and/or disadvantage

July 20, 2007

Logisticare Solutions LLC.
Attn: Henry Hardy
1800 Phoenix Blvd
Suite 120
College Park, GA. 30349

Dear Henry,

As you know, Hope Network's mission is to enhance the dignity and independence of individuals who are disabled and or disadvantaged. We treat each person as a whole being with physical, mental, emotional, and spiritual dimensions. The purpose of Hope Network's Transportation Services program is to meet the transportation needs of Michigan residents so that they might attain meaningful work, have access to necessary medical care and experience a richer quality of life. Last year Hope Network, the largest non-profit transit system in Michigan, made over 215,000 specialized rides to Michigan residents who are transportation dependant.

Hope Network is pleased to partner with Logisticare to serve the disadvantaged community of Michigan. Logisticare has demonstrated its customer focus by treating its transportation providers professionally, thoughtfully and efficiently, so they in turn can treat the member with the dignity and respect they deserve. Logisticare has demonstrated itself as a professional organization and deserving of the opportunity to serve more Michigan residents. Hope Network values its relationship with Logisticare and is pleased to recommend their non-emergency transportation brokerage management system.

Hope Network is currently a provider in Logisticare's transportation network. Hope Network will support Logisticare's growth by making available its 110 drivers, located throughout Michigan, to provide the same high quality service Hope Network and Logisticare are committed to delivering.

As always, do not hesitate to call with your thoughts or questions, 616-243-0876.

Sincerely,

Daniel T. Gowdy
Director of Transportation Services
Hope Network West Michigan

BOLIVAR COUNTY COUNCIL ON AGING, INC.
MISSISSIPPI PUBLIC TRANSIT
800 Davis Avenue • Hwy 61 South • P.O. Box 593
Cleveland, Mississippi 38732

September 27, 2007

To Whom It May Concern:

I, J.Y. Trice, D.D., Chief Executive Officer of Bolivar County Council on Aging, Inc. drafts this letter to any reader so that he or she could understand the fact that our agency is very much satisfied with the operational supervision of Logisticare out of Atlanta.

The Supervisor of Logisticare has proven to me through its managerial cooperation that the company is thoroughly interested in the welfare of the poor people and what's in their best interest; their program of concern has proven themselves to me. The work they do is for the enhancement and advancement for the people who need the transportation care.

If other information or more detailed is needed on this subject, please feel free to give me a call at the number listed below.

Sincerely,

J.Y. Trice, D.D.
Executive Director

Phones: 662-846-6161
846-6165
843-4679

Fax: 662-846-2953

TRANSPORTATION FOR EVERYONE
smts
SOUTHEAST MISSOURI
TRANSPORTATION SERVICE, INC.

700 E. HWY 72
PO BOX 679
FREDERICKTOWN, MO 63645
TELEPHONE: 573-783-5505
FAX: 573-783-7011
E-MAIL: contactus@ridesmts.org

January 22, 2008

To Whom It May Concern:

It has been brought to my attention that in the near future, Logisticare Solutions, LLC will be submitting an application to re-bid on the Medicaid Contract for the coming years. With 35 years in the Public Transportation arena, SMTS, Inc. would like to endorse their application based on the following statements:

1. ***Program Comprehension***: Having worked with many other providers through the years, I find that the level of professionalism and working knowledge of this program is fully comprehended by the capable staff and management of Logisticare Solutions, LLC.

2. ***Technology***: During the course of the existing contract, the management team of Logisticare Solutions, LLC have constantly, and consistently monitored their technology, making improvements to the program on a regular basis, and providing the necessary support to implement these services without interrupting existing business transactions.

3. ***Support/Communication***: The Staff and Management of Logisticare Solutions, LLC keep communication lines open, and offer support to quickly resolve any issues that may arise.

4. ***Billing/Payments***: Our billings are handled promptly, with concise, easy to follow reporting and quick, reliable payments for services rendered.

5. ***Problem Solving***: Problems are addressed by the appropriate management level personnel, and mediated in a fair and timely manner.

Maintaining the high level of standards found at LogistiCare Solutions, LLC, is a credit to the top-notch management, and leadership found within their organization. I would strongly recommend LogistiCare for consideration when awarding the next service contract.

Respectfully yours,

William E. Osborne, Executive Dir.

DaVita.

Florissant Dialysis
11687 West Florissant Avenue
Florissant, Missouri 63033
314-830-2787

September 7, 2006

Mr. Jeff Willhite, Operations Manager
LogistiCare of Missouri
6700 North Corporate Drive, Suite 130
Kansas City, Missouri 64120

Dear Mr. Willhite:

I am the social worker for three hemodialysis units in the Saint Louis area -- DaVita Florissant, DaVita Saint Charles, and DaVita Saint Peters -- and as such I have the pleasure of working with your transportation coordinator, Yolanda Greer.

As you know, on Wednesday evening, July 19, 2006, a severe storm swept this area, resulting in severe damage, water service interruption, and particularly in a very widespread power loss. Two days later, on Friday morning, July 21, 2006, a second storm swept through the northern portions of the area, resulting in still more power outages.

The Wednesday storm resulted in a power outage and water service loss to our Florissant unit, and those utilities were not restored until early Friday morning. Because of the procedures required in setting up dialysis machines after this type of event, we were forced to cancel all dialysis shifts on Thursday and reschedule all three shifts on Friday. In fact, first shift patients on Friday were rescheduled to late afternoon, and the remaining patients' times were all changed. Then at about 11:15 a.m., the second storm hit with another loss of power. Treatments on that first group of patients had to be stopped and the remaining patients cancelled. Power was not, in fact, restored until two days later.

Our Saint Peters unit also lost power in the Friday morning storm, and many other dialysis units were without power from either or both the Wednesday and Friday storms.

To: Jeff Willhite, Operations Manager, LogistiCare

As you may know, hemodialysis patients receive treatments lasting several hours three days per week. Without these treatments, the patients will die.

Consequently it was essential to have the affected patients dialyzed somewhere, and options were limited by the number of dialysis units affected.

It was during this period of chaos that I necessarily called upon Yolanda Greer. She calmly and efficiently rescheduled patients on a moment's notice. She set up transportation to other centers. She checked with transportation providers to see who was available and when. She arranged transportation for eligible patients who had been using Call-A-Ride, since that system was in disarray. She assisted me above and beyond what anyone could have expected of her, staying late to be sure that all of her patients were accommodated. And she not only did this for my units, but also for all of the units in the area that were similarly affected.

I wanted to bring Ms. Greer's excellent and very much-appreciated service to your attention. She is a credit to your corporation. You are very fortunate to have her on your staff. I commend her and thank her once again for all that she did, and for all that she does each day in her work to assist my patients.

Sincerely,

Joseph W. Wildeisen

JOSEPH W. WILDEISEN, M.S.W.
Social Worker

cc: Valorie Williams, Assistant Operations Director
Albert Cortina, Chief Operating Officer, LogistiCare
Yolanda Greer, Transportation Coordinator

BARNES-JEWISH
Hospital

January 7, 2008

Ms. Sharon Wollard, MSW, ACSW
Healthcare Manager
LogistiCare
6700 N. Corporate Drive
Suite 130
Kansas City, MO 64120

Dear Ms. Wollard,

In today's fast-paced and impersonal world, I would like to take this opportunity to express the appreciation of Barnes-Jewish Hospital to you and all of the LogistiCare staff for your strong work with our patients this past year.

As you know, we were encountering multiple problems earlier this year with obtaining transportation services for our discharged in-patients and our Emergency Department patients. Your management staff responded promptly to our issues, meeting with us at our facility, and resolving all of our concerns within a very brief period of time. We were very impressed by your determination and success in providing excellent service to patients.

Our staff continues to report to me how much they appreciate the professionalism and helpfulness they encounter when arranging transportation services for our patients. We enjoy working with LogistiCare very much and look forward to a long and productive future working together on behalf of our patients at Barnes-Jewish Hospital.

Sincerely,

Karen Madsen

Karen Madsen, LCSW
Social Work Supervisor
Case Management Department
Barnes-Jewish Hospital
St. Louis, MO 63110
314-362-5068

STATE OF NEVADA
DEPARTMENT OF HUMAN RESOURCES
DIVISION OF HEALTH CARE FINANCING AND POLICY
NEVADA MEDICAID

KENNY C. GUINN
Governor

MICHAEL J. WILLDEN
Director

CHARLES DUARTE
Administrator

April 18, 2005

Chris Szymarek, Logisticare
3291 N. Buffalo Drive, Suite 107
Las Vegas, Nevada 89129

Dear Chris,

I would like to take this opportunity to let you know how pleased the Tribes in Nevada are with the services they are receiving from Logisticare. The Tribes state they are getting prompt payments for their travel reimbursements and timely responses to any problem issues they may be encountering.

As you know, reimbursement of claims is not always timely and the correct amount paid for services rendered. The prompt payment allows the Tribes to transport their recipients, in many cases it may be a matter of life or death. The Tribes and the State Medicaid Program would like to thank Logisticare for the excellent services they are providing to the Tribes in the State of Nevada.

Sincerely,

Deborah J. Maddox
Program Specialist
Division of Health Care Financing and Policy

Cc: Phil Nowak, Chief of Business Lines
John Liveratti, Chief of Compliance Unit
Bonnie Heidt, Program Specialist

1100 E. William Street, Suite 102, Carson City, Nevada 89701
(775) 684-3600

Comments on LogistiCare Performance Quality:

Logisticare has consistently been an excellent service provider and business partner to the Division of Health Care Financing and Policy since the inception of the contract. The company has a well developed planning approach and a core of experienced managers who worked closely with the Division's staff in order to implement smoothly and meet all contract requirements.

Logisticare has a comprehensive monthly operational reporting package. The information enables us to monitor quality of service trends and address any problem areas. The actual quality of service has been excellent. Quality of service encompasses the timeliness of service, incidence of complaints, and cost management. In specific situations involving complaints or questions, the Logisticare staff in Nevada are responsive and adaptive to meet the recipients' needs.

Nevada is a challenging state in which to provide non-emergency transportation. Part of the challenge reflects the rapid growth of the State's largest metropolitan area, Las Vegas. It is difficult to attract Medicaid transportation providers in the face of lucrative competition from tourist-based casino demands. However, Logisticare has been creative in developing new providers. The other Nevada transportation challenge is due to the vast rural areas, widely disbursed populations, and distances to medical providers. Maintaining a network of rural transportation providers is always a struggle. Within the inherent limits of this situation, Logisticare does a good job in recruiting providers and maintaining service standards.

In sum, the Division of Health Care Financing and Policy's experience with Logisticare as a company, a contractor, and key service provider has been highly favorable. We recommend them without qualification to other States who are establishing a transportation broker for non emergency services.

Note: my perspective as Chief of the business unit that administered the Logisticare contract ran from its inception in 2003 until September 2006. At that point, I left the Division of Health Care Financing and Policy to accept a position with the Nevada Public Employees' Benefits Program (PEBP). For that reason, these comments are submitted on PEBP agency letterhead.

Phillip Nowak	Chief Operating Officer	January 9, 2007
Name of Commenter	Title of Commenter	Date

DaVita™

North Las Vegas Dialysis
2300 McDaniel St.
N. Las Vegas, NV 89030
Tel: (702) 642-2324
Fax: (702) 642-1558

April 12, 2007

To Whom It May Concern:

I am the social worker at the North Las Vegas and the Pahrump Dialysis Facilities. Both units utilize the transportation services provided by Logisticare through the NV Medicaid contract. They have requested I write this letter on their behalf.

We have approximately 25 patients receiving services from Logisticare at this time. Most are getting rides to and from dialysis three times a week. A small number receive monthly bus passes or mileage reimbursement.

The North Las Vegas patients are predominantly low income and rely completely on Logisticare as their only resource to get to dialysis treatments. The vast majority of their drivers are courteous, professional and understand their vital role in maintaining the health of our patients by delivering them safely to us and back home again.

I have been employed at this facility for nine years and have worked with the various Medicaid transportation programs within that time. Without any question, Logisticare has provided the most reliable, accountable services within that time frame. They have been open and resourceful in problem solving difficult patients and schedules. They have accommodated when possible, emergent requests when patients have encountered dialysis issues and needed same day hospital transport for special procedures. They are friendly and cooperative to work with and always appear to have the best interest of our patients in mind. It would be a tremendous loss to lose this program.

Please feel free to contact me directly at (702) 642-2324 should you have any questions regarding the high caliber of their services or importance to the well being of our patients.

Sincerely,

Jane Heupel

Jane Heupel, MSW
Renal Social Worker

Our Mission: To Be The Provider, Partner And Employer Of Choice

Schou-Van
Non-Emergency Medical Transportation
3281 N Decatur Blvd Suite 210
Las Vegas, Nevada 89130
(702) 474-4729
(702) 474-4731

February 8, 2007

To Whom It May Concern:

My name is Heather Schouweiler, owner of Schou Van Inc. We have been a transportation provider for LogistiCare for the past 10 months. I have had a wonderful experience with all of the team members being very courteous and patient not only with myself, but with each and every Medicaid member.

LogistiCare has played a key role in our growth as a company. This has been a great help to us and allowed us to provide outstanding service. They have provided notable support and assistance regarding routing, scheduling and any dilemma that we have encountered. Each LogistiCare team member has a considerable measure of knowledge regarding all appointments; for example dialysis, mental health, hospital discharges, special needs appointment and many more.

From the perspective of a business owner I could not imagine another company providing the same level of outstanding service that LogistiCare does. I hope to continue to do business with LogistiCare well into the future.

If you have any questions please do not hesitate to call me (702) 474-4729.

Sincerely,

Heather Schouweiler

Heartland Davita
925 NE 8th St
Oklahoma City, OK 73104
Tel: 405-236-3043 | Fax: 405-239-2390
www.davita.com

January 24, 2007

To Whom It May Concern:

I am a social Worker with Heartland Davita Dialysis in Oklahoma City. I am writing today to state that Logisticare of Oklahoma has provided excellent service this year for our dialysis patients.

I have worked with several of their staff members, Liz Marlett, Sherry Peters, Kelly Franklin, Rita Preble, Jim Young, and on a daily basis with Marcus Quinn. I have found them all to be consistently professional, courteous and helpful. I have been very pleased with the good customer service they provide. They are always willing to work with me if I need to schedule or reschedule a patient. Whenever there is a problem they work hard at resolving it so that our patients transportation to and from dialysis treatments are not interrupted.

Over all I am pleased to say that Logisticare of Oklahoma has done a great job in providing transportation service for our patients. I hope they will continue to be funded and provide service in the Oklahoma area.

Sincerely,

Karen Bowen

Karen Bowen, LMSW
Social Worker
Heartland Davita

Fresenius Medical Care

January 23, 2007

To Whom It May Concern,

I am a Social Worker at BMA/FMC Oklahoma City Dialysis and at BMA Woodward Dialysis in Woodward, Oklahoma. I am writing to say that I have been very satisfied with the medical transportation service my patients have received this past year from Logisticare. I have quite a few Medicaid patients and I know for a fact that my eligible patients are grateful for the transportation services. The local Logisticare staff & drivers seem patient & concerned about the well being of the patients. Liz Marlett and Marcus Quinn are the Logisticare the Staff who help with our patients' arrangements. They have consistently shown patience & tact, which can be a challenge with some of my clinic's patients!

Our Woodward, Oklahoma, clinic is in the remote NW corner of Oklahoma, and Logisticare reportedly does well with those patients also, according to our patients and nurses out there.

We hope that Logisticare will continue to provide services for our eligible patients.

Sincerely,

Sandy Melson LCSW

Sandy Melson, LCSW
Social Worker

Fresenius Medical Care North America ♦ Dialysis Services

FMC Oklahoma City 1011 N. Dewey Ste. ~~[illegible]~~ 300 Oklahoma City, OK 73102 405-236-3290 Fax: 405-236-3296

Care Transit, Inc.
4209 Royal Avenue
Oklahoma City, OK 73108
(405) 606-7117
(Fax) 681-4100

August 3, 2007

Logisticare
6101 W. Reno, Suite 550A
Oklahoma City, OK 73127

To Whom It May Concern:

My name is Denial Blankenship. I own half of Care Transit, Inc., a provider of Logisticare. We have been involved with Logisticare for the past year and one/half.

Our experience with Logisticare has been a great partnership. Logisticare has made a point to do everything within their position to make our business a success. We have worked together to improve our relationship with the members that we transport. We are constantly aware from Logisticare that the members are first and foremost the priority of our business. Together, we work to provide competent, friendly and timely service. We are consistently communicating to resolve any issues that might arise from a disgruntled member. Our goal is to keep as many members happy. Logisticare has aided us in providing scheduling to assure the member is picked up timely and can be delivered without feeling rushed. They have guideline about spacing that allows us to keep the members is a comfort level. Logisticare also has developed a training program that allows are drivers to understand and conform to all regulations.

Logisticare has worked with our business to allow us to grow from a two vehicle operation in Oklahoma City to a twelve vehicle business covering Oklahoma City and Tulsa. Their assistance with fleet expansion and the availability to reduce cost in insurance and other issues have been of great value. We look forward to additional expansion, but are blessed with the fact that Logisticare allows us to grow at a pace that keeps our quality and timeliness intact.

Logisticare has a great workstaff in place. If we have any issues that we feel requires a meeting, Steven Feist or Sherry Peters are always available. With regard to potential problems, Sherry Peters is quick to give us a call to resolve any issues. The dispatchers are friendly and quite attentive to their jobs. We get a number of daily calls when dispatcher need a member driven and are the dispatchers are always pleasant to deal with. The scheduling is done professionally and allows us to keep our drivers timely and safe.

Our relationship with Logisticare has been a pleasure to this point. We look forward to a great future with Logisticare.

Sincerely,

Denial R. Blankenship
Treasurer

Fresenius Medical Care

May 22, 2008

TO WHOM IT MAY CONCERN:

It is my pleasure to write a letter of recommendation on behalf of LogistiCare. The Hartsville Dialysis Center provides renal care for a lot of patients. LogisitCare have worked well with us in providing Medicaid-eligible patients with transportation to and from our Center. It is our desire to see this partnership continue.

The staff at LogisitCare provides excellent customer service. Particularly, Kimberly from region 5 who is always willing and ready to provide assistance in resolving any issues that occur in a most timely and efficient manner, especially when we have a last minute problem in trying to get a patient to an appointment.

We look forward to a continued relationship with LogistiCare in order that we can provide the best service available to our patients. Thank you for you consideration in this matter.

Sincerely,

Dianne Graham, Clinic Secretary
Stephanie Galloway, Clinical Manager

Fresenius Medical Care North America • Dialysis Services
FMC of Hartsville 1308 South Fourth Street Hartsville, SC 29550-7447 843-332-9477 Fax: 843-332-9435

FLX-Ride, LLC
4112 West Beltline Blvd.
Columbia, SC 29204
(803) 771-4112 Ph
(803) 771-4118 Fax
rdsmallwood@flx-ride.com
www.FLX-Ride.com

May 30, 2008

To Whom This May Concern:

This is to inform you that all of my dealings and experiences with Logisticare have been good and positive. Because of Logisticare FLX-Ride, LLC is in business today. Thanks to them. This company, its employees, and FLX-Ride, LLC have developed a relational ship that has allowed my company to grow. They are willing to do whatever they can to assist any smaller company as long as you do what you signed up to do in your contract. Move their clients to their appointments on time, as scheduled, and treat them with care and respect. This is what we always do at FLX-Ride always.

Another positive thing I like about this company is, their management believes in training and keeping you the Transportation Providers informed of changes that may be coming. They always call their TPS to meetings to inform them of changes that may be taking place in the company or that may affect you the TP. That is a sign of a good company. Not all companies do that.

I heard of Logisticare in January of '06, communicated with them in March, met with them in May signed my first contract and started working for them. I have worked for them for a year and whenever I've had a problem and went to them, they went out of their way to assist me in solving the problem.

I thank God for this company because they have really thought me a lot when it comes to dealing with these clients and this business. Of course, it does not hurt when you are trained by the best of the best in the business, Ms. April. I would rather work for Logisticare then to work for any of their competitors. Nobody does it as good as Logisticare. I am happy to be a part of their TEAM.

Very truly yours,

Roland D. Smallwood
President CEO

VCU
MCV Campus
Virginia Commonwealth University
Health System
MCV Hospitals and Physicians
Care Coordination
1200 East Broad Street
P.O. Box 980104
Richmond, Virginia 23298-0104
Social Work Services
804 828-0212
Fax: 804 828-9998
TDD: 1-800-828-1120
Utilization Management
804 828-2273
Fax: 804 828-1002
TDD: 1-800-828-1120

January 16, 2004

To Whom it May Concern:

It is my pleasure to comment on the services of Logisticare. I have found the leadership to be very responsive to the needs of Medicaid recipients. The personnel that coordinate transportation services are well trained, professional, and customer service oriented. In my capacity as Social Work Manager for the VCU Medical Center, I have asked my staff to give me feedback on the quality of services provided. The Social Workers have shared very positive feedback about the timeliness of accessing a Logisticare representative to arrange transportation for a same day request.

Since I represent a large teaching hospital, oftentimes requests for transportation are made the same day of discharge because this is when physicians inform the Social Workers of the discharge. Consequently, there is less than 24 hours notice given to Logisticare personnel to coordinate transportation. Consistently, the Logisticare personnel are able to arrange timely transportation. The transportation providers arrive close to the estimates given by the Logisticare staff.

I also serve as a member of the Region 3 Advisory Committee for the Commonwealth. I have learned that Logisticare has a strong structure to support the demanding business of coordinating transportation for the Commonwealth that is diverse regionally. Involvement within the community through Advisory Committees, outreach activities, and constant communication with facilities and transportation providers helps to make Logisticare successful. When complaints are presented, they are addressed in a timely manner and the information is used for service improvements.

Logisticare carefully checks the vehicle status of the transportation providers to ensure the safety of Medicaid clients. The use of a large transportation provider group contributes to timely response in providing services to clients. Whenever possible, Logisticare arranges the same transportation provider to transport Medicaid clients. This is a tremendous satisfier for Medicaid clients.

In summary, Logisticare has established itself as a reliable transportation broker. Cost savings to the Commonwealth have been significant as a result of efficiencies gained through Logisticare's system. There is a strong commitment to quality improvement. I can be reached at (804)828-2547 if further comments are needed.

Sincerely,

Bonita Hogue

Bonita Hogue, LCSW
Social Work Manager

RICHMOND AREA ARC
Camp Baker Services
Civitan Vocational Services
Day Support
Infant and Child
Development Services

September 1, 2004

LogistiCare, Inc.
Attn: Mavis Cowan
6350 Center Drive, Suite 217
Norfolk, VA 23502

I have been in frequent contact with the staff at LogistiCare since they assumed oversight of the non-emergency Medicaid transportation in the Richmond area. I also sit on Region 3's LogistiCare Advisory Council. This is the second letter of recommendation that I have written for LogistiCare and what was in the first letter will be reflected in this one.

The company that had responsibility for the oversight of non-emergency Medicaid transportation prior to LogistiCare assuming control had created a virtual nightmare of transportation services—frequently causing individuals to miss services altogether because they were not picked up as scheduled. Constant phone calls to this company failed to improve services.

Since LogistiCare has assumed this responsibility, services have improved significantly. Although things were a little chaotic at first, LogistiCare quickly organized the system to provide the best and most workable services. Transportation providers consistently arrive on time most of the time and rarely does an individual miss his/her scheduled services. When there are problems, LogistiCare staff have been quick to address the issues and generate solutions.

After continually reviewing needs and or problem areas and in order to maintain or improve the quality of their services, the staff at LogistiCare has reorganized at the administrative level to provide even better oversight and to ensure that services of the highest quality possible are provided as the norm. LogistiCare staff are in frequent contact with staff at the Richmond Area ARC and have come to our agency on several occasions to monitor the arrival/departure of the individuals receiving services to assure that they are being transported safely and efficiently.

I look forward to continuing to work with the staff at LogistiCare and am confident that they will continue to provide consistent and high quality services to the individuals they serve and respond quickly to concerns and complaints.

Sincerely,

Carolyn

Carolyn E. Trimmer
Director, Day Support and After-School Services

1901 Westwood Avenue
Richmond, Virginia 23227
804-358-1874
FAX 804-353-0163
website: arc-richmond.com

COMMONWEALTH of VIRGINIA

Department of Health

Robert Stroube, M.D. M.P.H.
State Health Commissioner

Gary R. Brown
Director

P. Scott Winston
Assistant Director

Office of Emergency Medical Services
P.O. Box 2448
Richmond, VA 23218-2448

109 Governor St., Suite UB-55
Richmond, VA 23219

1-800-523-6019 (VA only)
804-864-7600
FAX: 804-864-7580

August 27, 2004

LogistiCare, Inc.
Attn: Mavis Cowan
6350 Center Drive, Suite 217
Norfolk, VA 23502

To Whom It May Concern:

The purpose of this letter is to recognize the efforts and contributions of the LogistiCare staff to improve the availability and quality of non-emergency patient transportation services in Virginia.

The Virginia Department of Health, Office of Emergency Medical Services, is responsible for the development; coordination and implementation of a coordinated and effective emergency medical care system in Virginia. This system includes a coordinated working relationship with hospitals, public service agencies and other providers of health care, supported by state, regional and local organizations, standards, guidelines, legislation, manpower, facilities, funding, etc.

The staff at LogistiCare has been extremely helpful in working through issues involving the licensure of wheelchair and stretcher van services, reporting compliance matters dealing with contracted transportation providers, and meeting with our Regulation and Compliance staff on a regular basis to provide program updates and answer questions. In addition, the LogistiCare staff has taken a lead role in working with our office to develop procedures, protocols, and action plans related to the transportation of bariatric patients. I would like to specifically mention and recognize the valuable contributions made by Freda Smith, Lisa Bilik, and Marian Atterberry. These ladies have been excellent to work with.

AUG 30 2004

V21

Please do not hesitate to contact me at Scott.Winston@vdh.virginia.gov or by telephone at 804-864-7606 if you have any questions.

Sincerely,

Scott Winston

P. Scott Winston
Assistant Director

PSW/me

City of Norton

618 Virginia Avenue
P.O. Box 618
Norton, Virginia 24273-0618

(540) 679-1160
Fax: (540) 679-3510
www.nortonva.org
E-mail: cityofnorton@naxs.com

January 13, 2004

TO WHOM IT MAY CONCERN:

I have worked in economic development for nearly fifteen years and I can truly say that I have not experienced a better working relationship, from top to bottom, with any company that I have with LogistiCare.

Norton is the smallest independent City in the Commonwealth of Virginia with a 2002 census population of 3,904. Like many rural areas of the country, our region's unemployment rate is much higher than the state or national average. For this reason, we remain very active in various economic development activities. Specifically, the focus for the City of Norton has been customer service centers or otherwise known as teleservice centers.

In my opinion, the winning attitude that employees of LogistiCare share begins with Company CEO John Shermyen. It only takes a few minutes being around John and you can clearly see his infectious vision for the future of the company. The vision can also be seen when working with the Corporate Project Management Team from the beginning of a project to the Virginia Management Team, who oversees the daily operations of their facility.

I hope that you will consider entering into a business relationship with LogistiCare. I am confident that the partnership you will share between LogistiCare and its local staff of loyal and dedicated employees will be one of mutual benefit to all.

If I can provide any additional information or if you would like to contact me, please feel free to email (fredr@nortonva.org) or call by phone (276-679-1160). I would also like to encourage you to personally come to Norton and see the facility and its employees firsthand. If this is not possible and you would like for me to visit you, please let me know and I will be happy to schedule a visit to tell the Norton story.

Sincerely,

FRED

Fred L. Ramey, Jr.
Assistant City Manager

FLR/mb

Visit Flag Rock - Norton's Mountain Masterpiece

PATIENT TRANSPORT SYSTEMS, INC.

P.O. Box 698
11 Main Street
Halifax, VA 24558
(434) 476-1501

October 06, 2005

To Whom It May Concern

Re: Patient Transport Systems, Inc. Experience
as transportation provider in LogistiCare's network

Dear Sir / Madame:

We are satisfied as participating provider in LogistiCare's network. We feel that the staff of LogistiCare make a conscientious effort to perform their duties responsibly.

We are a commercial provider of wheelchair van and ambulance services based in rural Southside Virginia. We operate 12 ambulances and 12 wheelchair vans with about 25 fulltime staff and a complement of part-time staff. We began participating in LogistiCare's (LCI) network in the winter of 2002 after the failure of the previous transportation broker. As a company, we began operations in 1986 and provide a significant percentage of the transports in our service area.

Prior to the implementation of the broker model, DMAS operated an open claims system with little claims control such as prior authorization or retrospective review. Given the relative ease of enrollment as a provider, abuse was a significant problem among a minority of transportation providers. Claims control was necessary to protect program integrity and to guarantee that funds were directed to legitimate providers of services instead of fraudulent providers. A recognition of basic fact explains our support for the transportation broker model as a means of program control.

LogistiCare's Performance

LogistiCare has performed its responsibilities well. I will simply list some performance parameters that are important from a provider's perspective. Many of these parameters will be relatively basic and routine. However, it is essential the broker get the fundamentals right.

a. Telephone Response Times: Apparently, LCI possesses a competent information system and an adequate telephone response capability. The staff of LogistiCare answer the phone promptly and, when given the reference number for the transport, the LCI dispatcher is able to provide the requested information. The quality of the information is consistently good. We have few problems with erroneous information.

b. Accuracy of reimbursement: The same high level of accuracy applies to the reimbursement. Reimbursement is paid as contracted and, most importantly, in a timely manner.
c. Receptiveness and Courtesy of LCI staff: We find the staff of LCI receptive to our concerns and courteous. This standard of conduct facilitates a good working relationship.
d. Management Responsiveness: The management of LCI maintains the same level of conduct as the front line staff. It is natural that there be some difference of opinion regarding the adequacy of reimbursement rates. This conflict is inherent in the funding where this is a fixed price contract for the broker. At the same time, I feel that the management of LCI has listened and understands the nature of our concerns.
e. Vehicle Inspections: LCI inspects our wheelchair vans every six months and the ambulances are inspected by the Office of EMS every two years (or spot checked if deemed appropriate). These inspections are not a burden but simply a verification that network vehicles maintain contracted standards. This inspection schedule is a significant improvement over the previous system and there has a general improvement in the quality of vehicles as a result.

We, as a commercial provider of transportation services, are an integral part of the local EMS system. It is vitally important to us and, indirectly the communities we serve, that the LogistiCare perform its duties responsibly with a due regard for the important duties its contracted providers perform in local transportation systems. LogistiCare and it's staff are performing admirably in this vital area.

If we may provide additional information, please call.

Sincerely,

Terry Burkholder
Manager

CTR Medical Transport, LLC
1005 Hollins College Court
Virginia Beach, VA 23455

September 14, 2005

Ms. Alfreda Smith
Director of Operations, LogistiCare
6350 Center Drive
Suite 217
Norfolk, VA 23502

Dear Ms. Smith,

I would like to take a moment to thank you for the supplementary gasoline assistance check CTR Medical Transport received today. It is reassuring to know yourself and LogistiCare are cognizant of the additional struggle providers now face due to the surge in gasoline prices. More important than your awareness, is your willingness to act and act quickly.

We at CTR thank you for your commitment to us.

Warm regards,

Ray E. Mechling

Ray E. Mechling
Owner, driver, dispatcher, bookkeeper, and garbage taker-outer

December 1, 2004

To Whom It May Concern:

LogistiCare has managed our MetroAccess service for disabled riders since January, 2000. WMATA intends to extend LogistiCare's contract with WMATA for a final option year through January 15, 2006. At this time, WMATA and LogistiCare are negotiating certain contract modifications and expect to have a final contract in place very shortly.

Under LogistiCare management, our MetroAccess program has grown rapidly, and at the same time, has achieved very high levels of performance. Accomplishments over the past five years have included:

- Selection as 2003 Best Paratransit Service in Maryland by the Transportation Association of Maryland.
- Growth in ridership from 20,000 trips per month to over 90,000 trips per month.
- Elimination of denials through the creation of a network of non-dedicated taxi and van providers.
- Sharp decline in service complaints as a percentage of completed trips.
- 30% reduction in per trip costs.

WMATA has been impressed with the high level of cooperation from every level of LogistiCare's corporate management. We consider LogistiCare's corporate management to be top professionals in special transportation services.

If there is any other information you may need about LogistiCare's management of our MetroAccess program, please feel free to contact me at (202) 962-1500.

Sincerely,

James T. Gallagher

James T. Gallagher
Deputy General Manager
for Operations

Washington
Metropolitan Area
Transit Authority

600 Fifth Street, NW
Washington, DC 20001
202/962-1234

By Metrorail:
Judiciary Square—Red Line
Gallery Place Chinatown—
Red, Green and
Yellow Lines
By Metrobus:
Routes D1, D3, D6, P6,
70, 71, 80, X2

A District of Columbia,
Maryland and Virginia
Transit Partnership

May 15, 2004

Patrick Sheehan
14311 Astrodome Drive
Silver Spring MD. 20906

To Whom It May Concern:

Over the last twelve years I have chaired the Elderly and Handicapped Transportation Advisory Committee (E&H) Committee for the Washington Metropolitan Area Transit Authority (WMATA). As a disabled person who has advised WMATA on improvements to the paratransit system and as a user I would like to recommend Logisticare as an efficient, reliable and effective transportation management services company. Five years ago when WMATA put out its Request for Proposals (RFP) for bids to operate MetroAccess in the Washington D.C. area, WMATA projected the trip capacity for this system to be around 60,000 trips per month. Over the last six months Logisticare has continuously exceeded this projection, averaging around 100,000 trips per month with an average on-time performance of over 94 per cent.

It is important to note that the WMATA paratransit service area is quite large and complex. It covers a large portion of Maryland Northern Virginia and the District of Columbia. To cover this area Logisticare deploys a fleet of vans and sedans, which are backed up, by an additional fleet of vans held in reserve. Cab companies stationed in each jurisdiction to help in emergency situations further back up this fleet.

This system, designed and implemented by Logisticare, has provided both reliable and efficient service for over 14,000 disabled patrons over the last four years. Using its network of dedicated vehicles backed up by a fleet of cabs Logisticare can insure an effective transportation system that is both reliable and flexible enough to meet the complex and ever changing needs of the Washington D.C. area. In addition, the staff, which I have had the privilege to work with, has always shown a strong dedication to the customer, a professional attitude towards their work and the knowledge and skill it takes to continuously perform at such a high level for an extended period of time. It is a pleasure to recommend Logisticare for all of these reasons.

Sincerely,

Patrick Sheehan

LogistiCare Scope of Services Experience - Current Contracts - February 2010

Task Performed	Connecticut							DE	Florida														GA	KS	MI	MO	MS		NV		NJ		NM	NY					OH	OK	PA	SC	Virginia					DC		Multi-State			
	DSS-4 Regions	Schaller-Aetna	Hall-Brooke Hospital	Hartford Schools	United Americhoice	Wethersfield Dial a Ride	WellCare Medicare	DE DSS + Part C	CTD Miami-Dade/Volusia	Amerigroup-14 counties	Humana Medicaid	NO Broward Hosp. District	SO Broward Hosp. District	Preferred Medical	Public Health Trust	Wellcare Healthease, FL	United Americhoice	Citrus Health Care, FL	Dade Hospitals (2)	Humana Medicare	WellCare Medicare FL	JMH Health Plan	DCH East Region	UniCare/Wellpoint	Community Choice	DSS NEMT	MS DOM	MS DOM ESRD	NV DHCFP	NV Health Partners	DMAHS	WellCare New Jersey	NM Blue Cros/Blue Shield	WellCare NY	Affinity Health Plan Medicaid	Affinity Health Plan Medicaid	Quality Health Plans	United Americhoice NY	Amerigroup	OHCA	Philadelphia MATP	4 Regions DHHS	DMAS 7 Regions	Amerigroup	Anthem BCBS	Sentara/Optima	Southern Health	Chartered Health Plan	Unison DC	United (34 states)	Unison (4 States)	Humana National (2 states)	Windsor Health Plan (4 states)
Client Eligibility																																																					
Automated upload of eligibility data	✓	✓	✓		✓		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Eligibility screening of callers	✓	✓	✓		✓		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Call Taking and Reservation																																																					
Level of service determination	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Appointment verification	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓			✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Closest facility determination	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Covered service determination	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Advance reservations	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Subscription service (standing orders)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
Urgent/same day service	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
24-hour live call taking	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Out-of-state arrangements	✓	✓			✓			✓	✓	✓	✓	✓	✓	✓	✓		✓			✓			✓		✓	✓	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	
Real-time ride assistance service	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Multi-lingual services	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Hearing-impaired services	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
NOA letter and appeals process	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
911 referrals	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Transportation Network Management																																																					
Recruitment, credentialing, contracting	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Trip assignment to providers	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Computer-assisted route optimizing	✓	✓	✓		✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓			✓				✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓
24-hour transportation	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Automated geocoding of trip distances	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Trip verification through client signature	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	
Provider payment administration	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Billing fraud prevention/detection procedures	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
HCFA 1500 claims processing												✓	✓		✓										✓										✓	✓	✓	✓	✓	✓	✓	✓											
Provider rate determination	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Driver and/or attendant training	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Utilization of DBEs, etc	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓		✓		✓	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Solicit participation of non-profit providers	✓	✓	✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓						✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Regularly scheduled provider meetings	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓				
Group purchase benefits offered to providers			✓				✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓		✓						✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Modes of Transport Offered																																																					
Ambulatory livery, van	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Taxi	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓					✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Wheelchair	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Stretcher/gurney				✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓			✓	✓	✓	✓	✓	✓			✓		✓					✓	✓		✓	✓	✓							✓	✓		
Ambulance, ALS and BLS	✓	✓	✓	✓			✓	✓				✓	✓		✓				✓				✓	✓	✓	✓	✓	✓										✓	✓		✓	✓	✓										
Critical care transport								✓																✓	✓													✓	✓		✓	✓											
Air transport					✓			✓																✓		✓			✓				✓								✓												
Bus, subway	✓	✓	✓		✓		✓	✓								✓		✓					✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Train	✓	✓	✓		✓		✓	✓															✓	✓	✓	✓	✓	✓			✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Client reimbursement program	✓	✓			✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Volunteer drivers	✓	✓	✓				✓	✓	✓							✓		✓			✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓							✓	✓							✓	✓				

LogistiCare Scope of Services Experience - Current Contracts - February 2010

Task Performed	Connecticut							DE	Florida														GA	KS	MI	MO	MS		NV		NJ		NM	NY					OH	OK	PA	SC	Virginia					DC		Multi-State			
	DSS- 4 Regions	Schaller-Aetna	Hall-Brooke Hospital	Hartford Schools	United Americhoice	Wethersfield Dial a Ride	WellCare Medicare	DE DSS + Part C	CTD Miami-Dade/Volusia	Amerigroup-14 counties	Humana Medicaid	NO Broward Hosp. District	SO Broward Hosp. District	Preferred Medical	Public Health Trust	Wellcare Healthease, FL	United Americhoice	Citrus Health Care, FL	Dade Hospitals (2)	Humana Medicare	WellCare Medicare FL	JMH Health Plan	DCH East Region	UniCare/Wellpoint	Community Choice	DSS NEMT	MS DOM	MS DOM ESRD	NV DHCFP	NV Health Partners	DMAHS	WellCare New Jersey	NM Blue Cros/Blue Shield	WellCare NY	Affinity Health Plan Medicaid	Affinity Health Plan Medicaid	Quality Health Plans	United Americhoice NY	Amerigroup	OHCA	Philadelphia MATP	4 Regions DHHS	DMAS 7 Regions	Amerigroup	Anthem BCBS	Sentara/Optima	Southern Health	Chartered Health Plan	Unison DC	United (34 states)	Unison (4 States)	Humana National (2 states)	Windsor Health Plan (4 states)
Quality Assurance																																																					
ACD phone monitoring system	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Digital taping of customer service calls	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
On-time performance measuring	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓
Complaint monitoring and response	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Driver credentialing	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓
Vehicle inspection	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓
Transportation company records checks	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Independent customer satisfaction survey	✓	✓	✓		✓		✓	✓		✓	✓	✓	✓	✓	✓		✓			✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓	✓
Disaster recovery plan	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Outreach and Education																																																					
Produce, distribute rider education materials	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Form client advisory groups	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓			✓			✓	✓	✓	✓	✓	✓	✓	✓					✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓						
Training, outreach, for medical facility staff	✓	✓			✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Documentation, Data Collection, Reporting																																																					
Produce operating procedures manual	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Provide electronic encounter data	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Detailed call center performance reports	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Comprehensive monthly and weekly reports	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ad hoc reports	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
100% data storage and retrieval	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Implementation																																																					
90 day or less startup schedule met on time	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
New call center creation & buildout		✓			✓			✓	✓														✓			✓	✓				✓				✓	✓	✓	✓		✓	✓	✓	✓							✓			
Client's first brokerage system created	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓				✓	✓	✓	✓	✓	✓
New provider network created	✓	✓			✓			✓				✓		✓			✓						✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓		✓	

Certificate Number: A083002-1264

Certificate of Full Accreditation

is awarded to

LogisitiCare Solutions, LLC
1800 Phoenix Blvd, Suite 200, Atlanta, GA 30349

for compliance with

CORE Accreditation Program

pursuant to the

CORE, Version 2.0

Effective from the 1 st of February of 2009 through the 1 st of February of 2011

Alan P. Spielman
President & CEO

Christine G. Leyden, RN, MSN
Chief Accreditation Officer

URAC ACCREDITED

CORE

URAC accreditation is assigned to the organization and address named in this certificate and is not transferable to subcontractors or other affiliated entities not accredited by URAC.

URAC accreditation is subject to the representations contained in the organization's application for accreditation. URAC must be advised of any changes made after the granting of accreditation. Failure to report changes can affect accreditation status.

This certificate is the property of URAC and shall be returned upon request.

Certificate Number: A083002-1265

Certificate of Full Accreditation

is awarded to

LogistiCare - Connecticut
8 Fairfield Blvd, Wallingford, CT 06492

for compliance with

CORE Accreditation Program

pursuant to the

CORE, Version 2.0

Effective from the 1 st of February of 2009 through the 1 st of February of 2011

Alan P. Spielman
President & CEO

Christine G. Leyden, RN, MSN
Chief Accreditation Officer

ACCREDITED

CORE

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This certificate is the property of URAC and shall be returned upon request.

URAC's mission is to promote continuous improvement in the quality and efficiency of health care delivery by achieving a common understanding of excellence among purchasers, providers, and patients through the establishment of standards, programs of education and communication, and a process of accreditation.

About URAC

- Nonprofit, independent organization founded in 1990 accrediting utilization review services
- Since 1996, has actively diversified its accreditation programs and other quality benchmarking activities to cover a large array of clinical and IT services
- Today, uses a modular approach to quality assessment with dozens of various accreditation and certification programs
- URAC currently accredits about 2,700 different health care programs operating in all 50 states and internationally
- Accredited activities cover over 140 million Americans
- Is now recognized in 34 states, Washington, D.C. and three federal agencies

URAC Member Organizations

URAC Member Organizations: Industry

URAC Member Organizations: Providers

URAC Member Organizations: Public

Other Organizations on URAC's Board:

URAC Promotes Quality Health Care Through:

- Four Basic Assessment Tools
  - Accreditation
  - Certification
  - Commendation
  - Registration
- Other Services/Products
  - Education
  - Consultation
  - Research
  - Publications

Value of URAC Quality Improvement

- Improves operations internally
- Creates regulatory compliance efficiencies
- Differentiates organizations from the competition
- Satisfies many RFP/RFI requirements
- Qualifies companies for professional liability premium discounts
- Provides support for risk management strategies
- Aggregates and cross-fertilizes best practices

URAC Accreditation Process

- Carefully develops accreditation standards (e.g., open process, public comment period, beta tests)
- Comprehensive "desktop" and "onsite" reviews of each application
- Review process is interactive, educational, and efficient
- Accreditation fees are reasonable
- Committee review system to ensure impartial accreditation decisions
- Confidentiality requirements (e.g., applications are "blinded")

3291 N. Buffalo Ave, Suite 7
Las Vegas, NV 89129
1-888-737-0830

STANDING ORDER FORM for REGULARLY SCHEDULED, REPEATING APPOINTMENTS: Page 1

Today Date: ______________________________ County: _________________________________

Facility Name: ____

Medicaid Number: _______________________Name: ______________________________

Address: ____

City: ________________ State: _________ Zip: ________ Phone: __________________

Date of Birth: __________________________Sex: __________

..

Pick-Up

From: _____________________________Address: _________________________________

Suite: _________ City: ______________State: ____ Zip: _________Ph: ______________

..

Drop Off

To: ______________________________ Address: __________________________________

Suite: _________ City: _______________State: ____ Zip: _________ Ph: _____________

Social Worker/Transportation Coordinator: _______________________________________

Ph: __________________________________Fax: ___________________________________

..

First Date of Service: ___________________ Last Date of Service: ___________________

Appointment Time: ________ AM/PM Pick-Up Time: _______ AM/PM

Return Time: ________ AM/PM

Appointment Days: ___Mon ___Tue ___Wed ___Thur ___Fri ___Sat ___Sun

{ } Ambulatory { } Wheelchair { } Stretcher/Gurney { } Ambulance

****

Please check if trip is a one way trip ( ) or a two way trip ( )

Please provide any other information helpful or related to this request for transportation (patient Requires an attendant or escort.

____

____

You may fax the Standing Order form to Social Services at 702-395-1223 or mail it to 3291 N. Buffalo Drive, Suite 7, Las Vegas, NV 89129. Faxing is preferred form of return.

Standing Order Form Medicaid Non-Emergency Transportation: Page 2

Physician's Medical Treatment Acknowledgement Form

Under contract with Nevada Division of Health Care Financing and Policy, LogistiCare is the Medicaid Non-Emergency Transportation Broker for the **Medicaid and Nevada Check Up programs.** The purpose of this form is for medical doctors in Nevada to communicate to LogistiCare specific transportation requirements of their patients that result from the need to treat medical conditions. The requirements declared by physicians using this form will be utilized by LogistiCare to determine how Medicaid Funding is expended in the provision of transportation. THEREFORE, STATEMENTS MADE BY DOCTORS REGARDING PATIENT TRANSPORTATION REQUIREMENTS AND RESTRICTIONS ARE MADE UNDER THE PENALTY OF MEDICAID FRAUD.

Today's Date: ____________________

Medicaid Recipient Name: ___________________________________

Doctor's Name: ___________________________________

Doctor's License Number: ___________________________________

Doctor's Telephone Number: ___________________________________

Facility Name: ___________________________________

Facility/Provider Medicaid ID Number: ___________________________________

………………………………………………………………………………………

The above named person was examined by me to access medical condition on: __________ **(Date)**

The above named person was determined to have the following medical condition: **(Diagnosis)-**

As a result of medical condition, the above named person requires the following medical Treatment: (please include treatment name and Medicaid Billing Code (CPT)

The treatment is generally required **(please circle one)** 1 2 3 4 5 6 7 days per week and is conducted At the above named facility under my guidance, supervision or instruction. The above named person will Complete the prescribed course of treatment or require re-examination to reassess medical condition on or Before: _____________________ **(please insert date)**. I, the medical doctor above named, hereby Declare under penalty of Medical Fraud that to the best of my knowledge and belief the above-entered Information is accurate.

Doctor's Signature: _____________________________________ Date: ________________________

Patient's Signature: _____________________________________ Date: ________________________

FOR THIS FORM TO BE ACCEPTABLE, ALL OF THE INFORMATION MUST BE FILLED IN.

P.O. Box 4141
Wallingford, Ct 06492
Phone 203-294-4000 ext. 258
Fax 203-303-9764-Attn: Melissa E.

Physician's Transportation Restriction Form

The purpose of this form is for physicians to communicate to Logisticare specific transportation restrictions of patients **due to a medical condition.** The restrictions and requirements declared by physicians using this form will be used by LogistiCare to determine the best means of transportation for the patient. THEREFORE THE STATEMENTS MADE BY PHYSICIANS REGARDING PATIENT TRANSPORTATION RESTRICTIONS ARE MADE UNDER PENALTY OF MEDICAID FRAUD.

Today's date: _______________ Patient's Name: ____

Patient's Medicaid ID Number:_________________________________ Patient's D.O.B.:______/______/______

To be Completed By Physician (Please Print where applicable):

Transportation Needs**: (Please check ALL that apply)**

θ . . . . . . Patient is medically unable to walk 4 blocks.
θ. . . . . . Patient is medically unable to be driven by friend or family member
θ. . . . . . Patient is medically unable to use public transportation
θ. . . . . . Patient is medically able to use public transportation ONLY if accompanied by a companion
(In such case LogistiCare will pay for companion fare.)
θ. . . . . . Patient is medically unable to use train
θ . . . . . . Patient needs wheelchair vehicle
θ. . . . . . Other needs (specify): ____

Does this patient travel by public transportation for other purposes such as shopping, etc.?

Yes____________ No_______________

Date(s) of medical appointments:____

Describe the medical condition that requires specified transportation needs above (Please Print):

____

____

Period of incapacity: Permanent? Yes_____ No_____

If no, expected Expiration date of Restrictions: ___________________________________

Physician's Name (print): ____

Physician's phone no.: (______) _______-______________________

Medicaid Provider Number: _____________________________________

Please make sure form is filled out accurately and completely before signing.

Physician's Signature: **X** _____________________ Date: ______________

Draft Ride Assistance Card for Iowa NEMT Members

WHERE'S MY RIDE?

Non-Emergency Medical Transportation Services

- If your ride is more than 15 minutes late, call 1-800-000-0000
- Have your confirmation number ready to give to the representative.

¿Y MI TRANSPORTE?

Servicio de Transporte Médico de No Emergencia

- Si su chofer demora mas de 15 minutos en llegar, llame al 1-800-000-0000
- Tenga listo su número de confirmación para dárselo al representante.

April XX, 2010

[Participant Name]
[Street Address]
[City, State Zip Code]

Dear [Participant Name]:

We are writing to tell you about the new **Non-Emergency Medical Transportation** services offered by the *Iowa Department of Human Services.*

This service offers you transportation to and from medical appointments if you do not have a way to get there. If you do have a car or can ride a bus, this service will reimburse you for your expenses.

To use this service, just call us at 1-800-999-9999 at least two (2) business days (Monday through Friday, 8 am to 6 pm) before your appointment. For example, if you have an appointment on Monday at 10 am, you would need to call us on Thursday morning of the week before.

The representative will ask for some information (your Medicaid number, the date, time and address of your appointment, and the reason for your appointment.) You will also be asked about any special considerations (e.g., if you are in a wheelchair) so that we can arrange for the right kind of ride for you. You are responsible for providing a wheelchair, car seats, booster seats or any other items or equipment you need. If you need someone to assist you during your trip, you must arrange for that assistance.

You have the right to appeal if you disagree with our decision about your ride or if you are told you do not qualify for a ride.

Once your ride is scheduled, you'll get a confirmation number and a call to remind you of your appointment. When the driver picks you up, you'll be asked to sign a form, on the way over and on the way back, saying you did ride in the vehicle. If the ride is more than 15 minutes late, you can call us at 1-800-999-9999.

It really is that simple. Enclosed is a brochure that will answer any questions you might have. Also, there is a small card you can carry with you that tells you who to call if your ride is more than 15 minutes late.

If you have more questions, just call 1-800-999-9999 and a representative will assist you. We can communicate with you in many languages and we use a specialized telephone device for the deaf (TDD)—so don't hesitate to call.

Thank you.

Reservaciones de LogistiCare

1-866-527-9933

LogistiCare
"¿Dónde está mi transporte?"

1-866-527-9934

LogistiCare brinda un manejo de transporte que sí funciona. LogistiCare es el principal administrador de programas de transporte médico de la nación que brinda servicios a entidades gubernamentales, organizaciones de atención administrada, entidades auto-aseguradas, hospitales, autoridades viales y concejos escolares. Actualmente, la compañía administra más de 1,000 proveedores de servicios de transporte y coordina más de 18 millones de viajes para más de 6 millones de personas cada año.

LogistiCare Solutions, LLC

Cómo acceder transporte médico en casos que no son de emergencia (NEMT, siglas en inglés)

para

Clientes de NJ Family Care/Medicaid

Preguntas frecuentes

P. ¿Quién puede obtener transporte a las citas médicas?

R. El transporte a las citas médicas es para personas que tienen Medicaid/NJ Family Care y que carecen de otra manera de ir a sus citas. Su problema médico no debe ser una emergencia.

Si tiene una emergencia, llame al 911.

P. ¿Cuándo debo llamar para solicitar transporte?

R. Llame por lo menos **2 días hábiles** antes de su cita médica. Si no llama por lo menos **2 días hábiles** antes, quizá no pueda obtener transporte.

Si llama menos de dos días antes, sólo puede obtener transporte para viajes médicos especiales, como cuando le dan de alta del hospital o si su médico considera que la cita médica es urgente. Llame al número **1-866-527-9933.**

P. ¿Quién decide a qué hora me recogerán?

R. LogistiCare determinará la hora según el tiempo necesario para que llegue a tiempo a su cita médica.

P. ¿Quién decide qué tipo de transporte obtendré?

R. LogistiCare le preguntará sobre su salud y capacidad para caminar. Sus respuestas nos ayudarán a decidir qué tipo de vehículo se usará para transportarle.

P. ¿Quién puede solicitar el transporte?

R. Usted, uno de sus familiares o una persona que le cuida puede llamar para solicitar transporte.

P. ¿Cómo solicito transporte para viajes que tengo que hacer con regularidad, como a diálisis?

R. Informe a la persona de servicio de LogistiCare lo que necesite. Esa persona llamará al consultorio de su médico y solicitará que nos envíen un formulario indicando que usted necesita transporte con regularidad. Nos aseguraremos de que tenga transporte hasta que usted o el consultorio de su médico nos informe que ya no lo necesita.

P. ¿Puedo solicitar que alguna compañía de transporte que prefiera me brinde el transporte?

R. Siempre que podamos, con gusto enviaremos a la compañía que usted prefiera para su transporte.

P. ¿Qué hago si mi transporte se demora?

R. Si su transporte se demora más de 15 minutos de la hora en que deben recogerle, debe llamar a la línea **"¿Dónde está mi transporte?"** de LogistiCare al **1-866-527-9934**. Haremos todo lo posible para asistirle.

P. ¿Qué hago si deseo quejarme sobre el transporte u otro aspecto del servicio?

R. Si tiene algún problema con su transporte o servicio, llámenos al **1-866-527-9934**.

Cómo obtener transporte

Los tipos de transporte que brindamos son:

- Para personas que pueden caminar sin la ayuda de otra persona. (Sólo en los Condados Essex y Hudson.) Si vive en cualquier otro condado, necesitará comunicarse con la junta local de servicios sociales del condado.
- Para personas que necesitan ayuda para caminar o que están en silla de ruedas.
- Para personas que necesitan una camilla (debe ser en casos que no son de emergencia).

Llame al 1-866-527-9933 para obtener transporte a su cita médica

Recuerde:

- Todos los viajes deben tener motivos médicos, como una cita con su médico o diálisis.
- Debe solicitar el transporte por lo menos **2 días hábiles** antes de que lo necesite.
- Por favor tenga lo siguiente a la mano cuando llame a solicitar transporte:
  - Su número de identificación de NJ FamilyCare/Medicaid
  - La dirección y código postal de onde le recogerán
  - Nombre, número telefónico y dirección del proveedor médico
  - Hora y fecha de la cita
  - Necesidades especiales de transporte
- Por favor esté listo y esperando al menos **15 minutos** antes de la hora de llegada programada de su transporte.

LogistiCare Delivers Transportation Management that Works. LogistiCare is the nation's leading manager of medical transportation programs for government agencies, managed care organizations, self-funded insurers, hospitals, transit authorities and school boards. The company currently manages more than 1,000 transportation providers and coordinates more than 18 million trips for more than 6 million people each year.

LogistiCare Solutions, LLC
www.LogistiCare.com

How Facilities Can Access Non-Emergency Medical Transportation (NEMT)

for

NJ FamilyCare/Medicaid Clients

Accessing NEMT Transportation

LogistiCare manages certain non-emergency transportation (NEMT) services to NJ FamilyCare/ Medicaid clients. LogistiCare manages the following NEMT services in **all counties** throughout the State for all eligible Medicaid clients:

- Mobility Assistance Vehicle transportation
- Non-emergency ambulance transportation
- Non-emergency air transportation

LogistiCare manages the following additional services in **Essex and Hudson Counties only**:

- Livery transportation (such as ambulatory sedan or van, taxi and public transit)

All trips must be pre-arranged and confirmed by LogistiCare.

Logisticare provides a dedicated toll free Facility Line for your use to schedule NEMT services for clients. Please do not distribute this number to clients. The Facility Line is for medical facility use only. We provide a separate toll free reservation line for clients to use to make their own reservations directly with LogistiCare.

Facilities wishing to arrange transportation should contact a LogistiCare Facility Coordinator at:

LogistiCare Facility Line: 1-866-527–9945
Available: Monday - Friday 8 am to 5 pm.
LogistiCare takes urgent care and discharge reservations 24 hours a day, 7 days a week.
Fax any schedule changes to **1-877-457-3316.**

Remember:

- Trips must be medically necessary.

  (Examples are doctor appointments, diagnostic testing, dialysis treatment, etc.)

- All reservations must be made with at least **2 business days** notice prior to the date of the scheduled medical appointment.
- Verifiable urgent trips may be accepted with less than 2 business days notice. (Examples of urgent trips are hospital discharges or doctor appointments deemed urgent by the physician.)
- **Emergency ambulance transportation requests do not go through LogistiCare.**
- Examples of emergencies are sudden life threatening medical situations, significant trauma, seizures, comas or shock, uncontrolled bleeding, significant respiratory distress, poisoning, drug overdose, etc.
- If anyone experiences problems with their NEMT services please call LogistiCare's **"Where's My Ride?"** line at: **1-866-527-9934**.

Frequently Asked Questions

Q. What services are provided by LogistiCare?

A. LogistiCare coordinates NEMT services to eligible clients needing transportation to covered medical services. LogistiCare coordinates livery service (able to walk without assistance), mobility assistance service (including wheelchair) and non-emergency ambulance services. Drivers of livery vehicles will meet the client at the curb. Drivers of Mobility Assistance Vehicles will assist clients into and out of buildings or residences.

Q. How do I schedule transportation?

A. You should call LogistiCare at least **2 business days** before the patient's appointment by calling **1-866-527-9945** M-F from 8 am to 5 pm, or fax a LogistiCare standing order form to **1-877-457-3316**. Please do not use the fax for a single trip request for a single patient. LogistiCare takes urgent care and discharge calls 24/7.

Please have the following information available:

- Client's full name, NJ FamilyCare/Medicaid ID# ,pick-up address and zip code
- Name, phone number, address and zip code of medical provider
- Appointment time and date
- Special transportation needs

Q. Does LogistiCare handle hospital discharges?

A. **Yes**. For hospital discharges, LogistiCare will send a transportation provider to the facility within 3 hours of the call.

Q. What if transportation is late?

A. If transportation is more than 15 minutes late call the **"Where's My Ride"** line at **1-866-527-9934**.

Q. What if the client's appointment is running late and he/she will be late for the scheduled pick-up?

A. Please contact LogistiCare or the designated transportation provider immediately upon knowing the client will not be ready by the scheduled pick-up time.

Q. What if I have a problem with the transportation service?

A. If you have a problem or question about transportation service beyond a specific inquiry about a late pick-up, please contact the LogistiCare dedicated facility line at : **1-866-527–9945**.

LogistiCare Reservations

1-866-527-9933

LogistiCare
"Where's My Ride?"

1-866-527-9934

LogistiCare Delivers Transportation Management that Works. LogistiCare is the nation's leading manager of medical transportation programs for government agencies, managed care organizations, self-funded insurers, hospitals, transit authorities and school boards. The company currently manages more than 1,000 transportation providers and coordinates more than 18 million trips for more than 6 million people each year.

LogistiCare Solutions, LLC

How to Access Non-Emergency Medical Transportation (NEMT)

for

NJ Family Care/Medicaid Clients

Frequently Asked Questions

Q. Who can receive a ride to medical appointments?

A. Rides to medical appointments are for people who are on Medicaid/NJ Family Care and have no other way to get a ride. Your medical problem should not be an emergency.
If you have an emergency call 911.

Q. When should I call to ask for a ride?

A. Call at least **2 business days** before you need a ride to your medical appointment. If you do not call at least **2 business days** before, you may not be able to get a ride.

You can only get a ride with less than 2 days' notice for special medical trips, such as when a person is being released from the hospital or if the appointment is considered to be urgent by your doctor. The number to call is **1-866-527-9933.**

Q. Who decides what time I will be picked up for my ride?

A. LogistiCare will determine the pick-up time based on how long it takes to get you to your medical appointment on time.

Q. Who decides what kind of ride I will get?

A. LogistiCare will ask you about your health and walking ability. Your answers will help us decide what kind of vehicle will be used for your ride.

Q. Who can call to ask for a ride?

A. You, someone in your family, or a person who takes care of you can call for your ride.

Q. How do I get rides for trips that I need to take on a regular schedule, like to dialysis?

A. Tell a LogistiCare customer service person what you need. They will call your medical office and ask them to send us a form that says you need regular rides. We will make sure that you get rides until you or your medical office tells us that you don't need them anymore.

Q. Can I ask for a specific transportation company I prefer to give me a ride?

A. Whenever we can, we will be happy to send the company you prefer for your ride.

Q. What if my ride is late?

A. If your ride is more than 15 minutes late from the pick-up time, you should call the LogistiCare **"Where's My Ride?"** line at **1-866-527-9934**. We will do everything we can to help you.

Q. What if I want to complain about my ride or another part of the service?

A. If you have a problem with your ride or service, call us at **1-866-527-9934**.

How to Get a Ride

The kinds of rides we provide are:

- For people who can walk without another person's help. (Essex and Hudson Counties only.) If you live in any other county you will need to contact your local county board of social services.
- For people who need assistance walking or are in a wheelchair.
- For people who need a stretcher (not an emergency).

Call 1-866-527-9933 to get a ride to your medical appointment

Remember:

- All rides must be for a medical reason like a doctor appointment or dialysis.
- You must ask for a ride at least **2 business days** before you need it.
- Please have the following ready when you call for a ride:
  - Your NJ FamilyCare/Medicaid ID number
  - Your pick-up address and zip code
  - Name, phone number and address of medical provider
  - Appointment time and date
  - Special transportation needs
- Please be ready and waiting at least **15 minutes** before your ride is scheduled to arrive.

KENNY C. GUINN
Governor

STATE OF NEVADA
DEPARTMENT OF HUMAN RESOURCES
DIVISION OF HEALTH CARE FINANCING AND POLICY
NEVADA MEDICAID

MICHAEL J.WILLDEN
Director

CHARLES DUARTE
Administrator

NOTICE OF DECISION FOR PAYMENT AUTHORIZATION REQUEST

«PatientGuardianName»
«Address1»
«City», «State» «PostalCode»

Notice Date: __________
Recipient's Name: *«PatientNameCAPS»*
Medicaid No.: *«Medicaid/SCHIP ID»*

Si tiene problemas en entender o llenar esta forma, pida ayuda a sus familiares, amigos, o vaya a su oficina local del Medicaid.

PLEASE NOTE: THE DECISION BELOW DOES NOT AFFECT YOUR MEDICAID ELIGIBILITY

The following Medicaid decision(s) has/have been made effective on «DecisionDate»
(Date of Action)

☒ The payment authorization request submitted to Medicaid or the Health Plan from Medicaid member ______, for Non- Emergency medical transportation
dated: «RequestDate» ,is ☒ denied OR ☐ denied in part.

☐ Your Medicaid Service(s) for ______ is/are:
☐ reduced to ______ ☐ terminated OR ☐ suspended

This decision, based on Medicaid Services Manual Section(s): Chapter 100,102.81a and/or:
Bulletin # «Bulletin» is because:

- ☐ the service(s) is/are not shown to be medically necessary. Please contact your Medicaid provider. He/she may have additional documentation to submit to demonstrate a medical necessity.
- ☒ the service(s) exceeds program limits.
- ☐ the level of care criteria is not shown to be met.
- ☐ specialized service(s) are not shown to be required.
- ☐ you have requested the service(s) be withdrawn or terminated.
- ☐ the service(s) is/are not a Medicaid covered service(s).
- ☐ a change in federal or state law. You have no right to a hearing.
- ☐ Your requesting provider, «RequestFrom», may submit a new payment authorization request with the additional supporting information listed in the "Note" section below for reconsideration.

☒ Other: Pursuant to policy number 102.81a, member not eligible for transportation due to an eligibility code of M

Note: «Notes»

If you have any questions regarding this decision, please call Hearings Supervisor at 1-775-684-3602.

Your Name: «PatientNameCAPS»____________________Your Medicaid #: «Medicaid/SCHIP ID»_____
____

HEARING INFORMATION AND HEARING REQUEST FORM

If you do not agree with this decision, you may request a Fair Hearing through Medicaid. To do so, you must submit a written request to the Medicaid office address shown below within ninety (90) days from the date of this notice. The day after the Notice Date is the first day of the 90-day period. If you are currently receiving this Medicaid service(s) and you want this service(s) continued during the hearing process, your hearing request must be RECEIVED no later than the 10th day after the effective date of the proposed action (Date of Action). If you want a Fair Hearing, please mark the appropriate boxes, sign, date and return this letter to the Medicaid office address shown below. To obtain a free copy of the Medicaid regulations relevant to your case, mark the appropriate box below.

REPRESENTATION

You may represent yourself or be represented at a Fair Hearing by anyone to whom you have given written authorization, such as legal counsel, a relative, a friend or other spokesperson. You must sign this written authorization and it must be furnished to the Medicaid office prior to the conference/hearing. If the recipient is incompetent or incapacitated, a signature is not required and the authorized representative may be someone acting responsibly for the recipient. If you cannot afford legal counsel, the Legal Services Program in your county, listed below, may be able to help you:

CLARK COUNTY:	Clark County Legal Services	(702) 386-1070
WASHOE COUNTY:	Washoe County Legal Services	(775) 329-2727
ALL OTHER COUNTIES:	Nevada Legal Services, Carson City	(775) 883-0404 OR Toll Free at 1-800-323-8666

I would like a Fair Hearing (a hearing preparation meeting will be included). The hearing will be held in Carson City unless you request a change in the location. Please see section under attached "Conferences and Hearings" on "When and where is a Hearing Held": and

- ☐ During the hearing process, I want my services continued. I understand that I may have to pay back the cost of these services if I do not win; or
- ☐ I do not want services continued during the hearing process.
- ☐ I wish to request a hearing on the issue of reasonable promptness. (NOTE: Reasonable promptness is defined as 21 working days or 30 calendar days.)
- ☐ Send me a free copy of the regulations relevant to my case.

______________________ ______________________ ______________________
Recipient's Name (Print) Mailing Address Telephone Number

______________________ ______________________ ______________________
Authorized Representative's Name (Print) Authorized Representative's Mailing Address Telephone
Number

____ ______________________
Recipient's Signature Date

____ ______________________
Authorized Representative's Signature Date

PLEASE MAIL THIS REQUEST TO:
Hearings Supervisor
NEVADA MEDICAID
1100 East William Street, Suite 102
Carson City, NV 89701

FREQUENTLY ASKED QUESTIONS ABOUT PREPARATION MEETINGS AND HEARINGS

WHO MAY REQUEST A HEARING PREPARATION MEETING AND/OR A HEARING? Any recipient who is receiving Medicaid Services from the Division of Health Care Financing and Policy, who disagrees with any action resulting in the reduction, suspension, termination, denial or denied-in-part of a Medicaid service. Also, any recipient who makes application for a service and believes the application was not acted upon with reasonable promptness by Medicaid and/or the Health Plan may request a hearing preparation meeting and/or fair hearing.

HOW TO REQUEST A PREPARATION MEETING OR HEARING? A recipient may request a hearing preparation meeting and/or fair hearing by completing the HEARING INFORMATION AND HEARING REQUEST FORM, which is enclosed with the Notice of Decision, and submitting it to Nevada Medicaid within the required time limits. To request a hearing for not acting with reasonable promptness, please check the appropriate box on Page 2.

WHAT HAPPENS AT A HEARING PREPARATION MEETING? The purpose of the hearing preparation meeting is to provide the recipient with an explanation as to why Nevada Medicaid took adverse action against the item or service requested. The recipient will be given the opportunity to provide Nevada Medicaid with any additional information that he or she believes should be considered in reversing the denial made by Nevada Medicaid programs.

WILL MEDICAID CONTINUE PROVIDING BENEFITS DURING THE HEARING PROCESS? Continued Medicaid benefits may be provided if the recipient's Hearing Request Form is RECEIVED at Nevada Medicaid's Central Office no later than the 10th day after the effective date of the proposed action (please see "*Date of Action*" on your Notice of Decision form).

WHAT HAPPENS AT A FAIR HEARING? The Fair Hearing is a proceeding during which the recipient can show why he or she disagrees with the denial of service. The recipient will be allowed to present his or her case personally or through his or her authorized representative. The recipient and/or the recipient's representative will be given an opportunity to examine all documents and records pertaining to the denial decision. This information is provided to the recipient within a reasonable time before the date of the Fair Hearing. The recipient is allowed to bring witnesses, to present evidence, and to question or refute any testimony or evidence, including the opportunity to cross-examine witnesses. The Medicaid office, the Health Plan and/or the nursing facility will present their position, as well.

WHO IS THE FAIR HEARING OFFICER? The Fair Hearing Appeals Office may be an employee of the Division or under contract with the Division, but shall not have been connected in any way with the action in question.

WHEN AND WHERE IS A HEARING HELD? When the recipient's Hearing Request Form is received, the Fair Hearing is scheduled as soon as possible. The recipient will be advised in writing of the time, date and place of the Fair Hearing at least 10 days prior to the hearing. Hearings are usually held in the city where the Nevada Medicaid office at which the decision to deny services was made. If the recipient is unable to travel to the hearing or is unable to attend the hearing in person for other reasons, a hearing may be held at another location or may be conducted by telephone, when all parties are in agreement to do so.

WHAT WILL A HEARING COST? There is no charge for the fair hearing.

CAN SOMEONE ELSE HELP ME WITH THE FAIR HEARING? The recipient may represent him or herself or be represented at a preparation meeting/hearing by an authorized representative such as a friend, parent or other family member, or lawyer, or other responsible adult. The recipient must sign a written authorization and it must be received at the Nevada Medicaid Office before the preparation meeting/hearing. If the recipient is incompetent or incapacitated, a signature is not required. Information regarding resources which may be able to help are listed on page 2 of this packet.

HOW IS A DECISION MADE? The Hearing Officer's decision will be based on the evidence and testimony introduced at the hearing. The Department of Administration will notify the recipient and Nevada Medicaid in writing of the decision within 90 days from the date of the request for the Fair Hearing. Should the recipient abandon or withdraw his or her appeal or if the Hearing Officer agrees with Nevada Medicaid's decision to deny the service, the denial decision will stand and any continued benefits the recipient may have received, but was not entitled to, will be subject to recovery by the Division of Health Care Financing and Policy.

YOUR RIGHT TO JUDICIAL REVIEW: If you are dissatisfied with the hearing decision, you may appeal your case to your local District Court of the State of Nevada within 90 days after the date the written decision was mailed. An official report of the hearing, together with all papers filed in the proceeding, will constitute the record of hearing. The record is on file in the Nevada Medicaid office, 1100 East Williams Street, Suite 102, Carson City, Nevada 89701.

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF MEDICAL ASSISTANCE SERVICES
600 East Broad Street, Suite 1300
Richmond, Virginia 23219

NOTICE OF DECISION FOR TRANSPORTATION SERVICES REQUEST

Notice Date: «Notice_Date»

«Clients_Name»
«Clients_Address»
«Clients_City_State_Zip»

Client's Name: «Clients_Name»
Medicaid ID No.: «Medicaid_ID_NO»

LogistiCare has made the following Medicaid decision effective «Date_of_Action»

The transportation service you requested on «Date_of_Request» for a trip to «Name_of_Provider» on «Date_of_Service» is being denied. This decision is because:

> 48 hours advance notice is required unless the non-emergency transportation request is for an urgent service. Urgent trips involve an unscheduled episodic situation in which there is no threat to life or limb, but the recipient must be transported on the day of the request.
> **(Recipient Memo dated June 1, 2001)**

If you have questions about why your request was denied, please call LogistiCare toll-free at 866-809-4620 between 8:00 a.m. and 5:00 p.m. When the phone is answered, press "0" and ask for a Utilization Review Specialist, who will explain the reason for your denial.

If you disagree with the action taken, you have the right to file an appeal. To request an appeal, please send written notification of the action you disagree with within 30 days of receipt of the agency's notice about the action. You may write a letter or complete an Appeal Request Form. Forms are available on the internet at www.dmas.state.va.us, at your local Department of Social Services, or by calling (804) 371-8488.

It would be helpful to include a copy of the notice or letter about the action you are appealing. Please be sure to sign the request, and mail to:

Appeals Division
Department of Medical Assistance Services
600 E. Broad Street
Richmond, Virginia 23219
Appeal requests may also be faxed to:
(804) 371-8491

cc: DMAS Transportation

LogistiCare Inc.
GRIEVANCE AND ADMINISTRATIVE HEARING REQUEST FORM REGARDING SERVICES OR GOODS WHICH HAVE BEEN DENIED

TO: State of Connecticut - Department of Social Services ("DSS")
Office of Administrative Hearings and Appeals - HUSKY A Appeals
25 Sigourney Street 12th Floor
Hartford, CT 06106
FAX: (860) 424-5729

This form should be used if you disagree with your LogistiCare Inc.'s decision. Please mail or fax the form to DSS.
This request must be postmarked or received by DSS within sixty (60) days from the date that LogistiCare Inc. mailed the initial notice of action. If not, you will lose your right to challenge the denial.

FROM: ______________________________ ______________________________
Member's Name Member's Identification #(Client ID#)

____
Name of Member's Parent or Guardian (if applicable)

____
Contact Address (Street Name and #)

____
City State Zip code

Phone #: ______________________________ ______________________________
Member/Parent/Guardian (**Day #**) Member/Parent/Guardian (**Night #**)

I want a grievance review by LogistiCare Inc and an administrative hearing before DSS on the decision to deny the following health services: ______________________________

Please provide any reason (s) why you feel the services should not be denied:

____
____
____

I also hereby authorize the release to LogistiCare Inc. of any medical or other information necessary to process this grievance.

______________________________ Date______________
Member/Parent/Guardian Signature

Note: There are two steps in the grievance/administrative hearing process. When this request form is filed with DSS, both the grievance and administrative hearing processes are initiated. See the reverse side of this form for an explanation of the two steps.

Grievance Review by LogistiCare Inc.

1. The first step is a grievance review by LogistiCare Inc.. A grievance review lets you tell LogistiCare Inc. why you disagree with the denial of services or goods. DSS will send this form to LogistiCare Inc. LogistiCare Inc. must decide your grievance within 30 days of receipt, but no later than the date of the administrative hearing.

Please check any of the following that apply:

☐ I want to meet with or speak by telephone with the LogistiCare Inc.'s representative who will be involved in my grievance decision.

☐ I want to provide LogistiCare Inc with additional written material concerning my grievance.

☐ I request an expedited (quicker) review of my grievance from my NEMT broker because my medical condition is urgent, and it would be a risk to my life or health to wait thirty (30) days for a decision. A grievance decision will be made no more than five business days after DSS receives my expedited request. If my physician or primary care provider thinks my condition is urgent, they may call Margy A. Hovren, LCSW at 1-888-248-9895 and ask that my grievance be expedited. If I check this box without my physician or primary care provider calling my NEMT broker , my expedited request will still be reviewed, and a decision will be made no more than five business days after it is received by DSS.

Note: If you would also like an expedited administrative hearing, check the box below.

A. DSS Administrative Hearing

2. DSS will schedule a hearing date and send you notice of the date when you file this request form. If LogistiCare Inc. makes a decision before the hearing and you agree with the decision, you will be asked to notify DSS that you do not want to go ahead with the administrative hearing. However, if LogistiCare Inc does not make a decision by the date of the administrative hearing, or if you do not agree with the LogistiCare Inc's grievance decision, you have the right to go ahead with the administrative hearing on the scheduled date.
3. You will have a chance to explain at the administrative hearing why you disagree with LogistiCare Inc.'s decision. You must be present at the hearing. If you go to an administrative hearing (or attend any meeting with LogistiCare Inc, you can speak for yourself or come with someone else, such as a friend or a relative, to speak for you. You can also have an attorney represent you. If you have an attorney, ask your attorney to send written notice of the representation to DSS and LogistiCare Inc. Free legal help may be available from your local Legal Services office. If you are interested in free legal help, call 1-800-453-3320 for more information. Remember, the more information you provide to show why you disagree with your NEMT broker 's decision, the better.
4. **If you go to an administrative hearing, a decision must be made no later than 90 days after the date you request the grievance/administrative hearing. If your hearing is expedited a decision will be made as soon as possible.**

Please check if applicable:

☐ I request an expedited administrative hearing from DSS because it would put my life at risk or pose serious risk of illness or injury to wait until the scheduled hearing date.

If you have any questions concerning this request form, you may contact: LogistiCare Inc. Member Services at 1-888-248-9895. This information is available in other formats: Call LogistiCare Inc. Member Services or TDD/TTY (888) 248-9895.

IP Telephony
Contact Centers
Mobility
Services

PRODUCT BRIEF

Avaya Communication Manager

Enabling Intelligent, Highly Available and Open Communications Across Your Enterprise

Business Communications Applications Software will help you capture the benefits of advanced IP Telephony.

To meet the changing needs of your enterprise network, Avaya powers converged infrastructures with the new Avaya Communication Manager. With this latest release of telephony software, Avaya delivers industry-leading intelligent call processing plus features that help improve network security, resiliency and extensibility at lower costs. And, it provides a flexible path to highly available converged voice and data networks while protecting your current investments.

Avaya Communication Manager gives you the power to introduce IP telephony when and where it makes the best sense for your business while leveraging your existing Avaya DEFINITY® Communications Servers and Avaya Media Servers.

A New Era of Intelligent Communications

Avaya has introduced a new era of Intelligent Communications – simplifying and expanding communications so your business can gain strategic value and competitive advantage. Communication Manager offers advanced functionality to help you connect people, processes and applications throughout the extended enterprise and around the globe.

Leadership and Innovation in Communication

Avaya is a global leader and innovator in enterprise communications serving customers that require superior communications technology to power their business. Avaya Business Communications Applications provide intelligent, secure network infrastructures and reliable voice and data applications that help make people more productive, processes more intelligent, and customers more satisfied.

Intelligent Communications

Communication Manager offers advanced functionality to help you connect people, processes and applications throughout the extended enterprise and around the globe.

Avaya Integrated Management for Avaya Communication Manager Powered Solutions

- Administration
  — Avaya Site Administration
  — Avaya Voice Announcement Manager
- Avaya MultiSite Administration
- Operation and Monitoring
  — Avaya Network Management Console–
- Avaya VoIP Monitoring Manager
- Avaya Converged Network Analyzer
- Provisioning and Maintenance
  — Avaya Software Update Manager
  — Avaya Network Configuration Manager
  — Avaya Provisioning and Installation Manager
- Network Optimization
  — Adaptive Path Controller
- Security
  — Secure Access Administration

End-to-end, integrated business communications applications: Avaya delivers core business communications applications across the enterprise so users are not as dependant on isolated third parties to provide these capabilities. This design results in optimized efficiency through greater stability, consistency, and minimized redundancy.

Presence-enabled communications extended to every device: The entire enterprise can now be presence-enabled versus only a few IP-based devices. The exchange of presence information improves productivity and optimizes communications, reducing the time to complete transactions, and enhancing the quality of the transaction itself.

Unified Access: Avaya offers a superior portfolio of User Agents and Smart Devices for unified communication access, enabling the elimination of redundant, peripheral applications and reducing management costs. End-user productivity can also be increased through consistently available functionality, choice of device and ease of use.

Network Intelligence: Communication Manager optimizes route selection and offers high availability through a unique ability to split signaling and bearer channels in a distributed network over a narrowband, versus broadband, connection. This normalized network access approach eliminates the requirement for an infrastructure upgrade for the realization of a converged communications solution, typically 40%-60% of the total cost of the solution.

Call Routing Intelligence: The Avaya patented routing intelligence can connect your customers to the correct knowledge worker. In the past this capability had been limited to the contact center environment, however, with the flatness of converged communications, this inherent intelligence is expanding beyond those boundaries; allowing the creation of an ever-increasing level of customer satisfaction and a differentiated, branded customer experience.

Adaptable Communications: Centralized configurations allow easy deployments across your locations and provide you with greater flexibility to accommodate dynamic business models.

Highly Available & Secure

Avaya Communication Manager is designed to meet traditional voice expectations for availability and security. Proactive management, self healing features and end-to-end global services support a high availability infrastructure throughout your extended enterprise for superior communications confidence. High availability is supported in a number of ways including:

Survivable capabilities for the distributed enterprise — including branches: The award winning survivability capabilities of Avaya Communication Manager deliver up to six times better performance in minimized downtime, with extremely fast call controller failover time. This level of availability helps to deliver business continuity across the business from edge to edge.

Inter-Gateway Alternate Routing (IGAR): IGAR provides unique monitoring of latency and packet loss with automatic re-route to PSTN for optimal voice quality.

Connection preserving upgrades for duplex servers: This capability provides greater flexibility for customization and changes by allowing uninterrupted communication service during an upgrade of duplex servers from Communication Manager 3.0 to a later release.

Anytime, Any Place and Any Network: Ubiquitous access to resources including IP, PSTN, and Cellular, offers businesses and their customers anywhere, anytime access through virtually any device to key communication resources.

Self-healing Management for Quality of Service (QoS) assurance: This on-premise or Managed Service proactive feature provides a unique management capability for applications running on converged networks. It allows you to minimize the risk of deploying business communication applications by significantly increasing the ability to manage the prevention of system failures.

Flexible security choices over multi-vendor networks: Communication Manager offers "best of breed" security options in a multi-vendor network environment to accommodate ever-changing security needs.

Avaya EXPERT Systems℠ Diagnostic Tools: These tools provide automated, remote resolution of problems, up to 96% of the time, often within minutes. With 30,000 artificial intelligent algorithms, Avaya EXPERT Systems provides self-healing, 24 x 7 support, maximizing availability.

Secure Access and Control: This monitoring solution lets you control access to your network devices, gives you a detailed audit trail, and helps you comply with government regulations for security and privacy. Secure Access and Control lowers your costs by allowing for maintenance of converged infrastructure through a secure IP Virtual Private Network, and provides centralized access for up to 500 monitored servers. The connectivity between your site and the Avaya Remote Technical Center is secure, encrypted, and always connected.

Open Interoperability

Open Interoperability allows communications to be embedded into business processes, and enables more value to enterprises. Communication Manager supports interoperability through an extensive ecosystem of partners providing flexible support for virtually any application on any network through:

End-to-End Standards-based Application Integration: The Linux based Communication Manager software solution provides integration of old (TSAPI, JTAPI) and new (CSTA, Web) standards. This ability allows you to flexibly embed communications into real-time business processes, while protecting investments.

Full Coverage of Latest SIP Standards: Communication Manager provides an open SIP and H.323 call model, with SIP/SIMPLE presence and instant messaging extensions. Avaya provides full coverage of H.323 support, Open API/SDK. This approach allows seamless integration of voice into other applications and flexibility to integrate third party endpoints, new carrier services and applications.

CSTA-Compliant Web Services Interface: Open, Web Services interfaces for Communication Manager expose the functionality of Communication Manager to an expanding developer and system integrator community. Resulting applications "communications-enable" critical business processes, making it possible for enterprises to create more agile, responsive organizations.

Business Communications Applications Translate Into Business Benefits

The intelligent communications, high availability and security, and interoperability of Avaya Business Communications Applications lead to benefits for your business and the end-users you support. Flexible options enabled by IP Telephony and Communication Manager can keep your people, processes and applications connected in new ways.

Boost End-User Productivity

Avaya Communication Manager enables dynamic call control and full telephony functionality plus the new applications, infrastructure, and communications devices your end users need to:

- **Handle incoming calls effectively**
  The Call Coverage feature automatically redirects calls based on preset criteria such as time of day or type of call; Send All Calls allows users to temporarily redirect all incoming calls to coverage; priority queuing, backup alerting, timed reminders, and attendant vectoring help attendants route calls effectively even in the peak traffic hours; a night-service console provides you with options in handling incoming callers after normal business hours.

- **Increase efficiency**
  Abbreviated Dialing, Last Number Dialed, and Internal Automatic Answer are simple to use features that can save your enterprise hundreds of hours of call set up and answering time; Integrated Directory gives display telephone access to the system database for one-touch extension dialing; Intelligent Call

Avaya Communication Manager Powered Solutions

Business Continuity
- World-Class Routing
- Enterprise Survivable Server
- Local Survivable Processor
- Intergateway Alternate Routing
- Standard Local Survivability

Security
- Advanced Media Encryption (AES, SRTP)
- Access Security Gateway
- Admin Authentication with RADIUS or other AAA server
- Malicious Call Trace
- Class of Restriction

Routing sends calls along the best and most efficient path based on your rules or the time of day.

- **Improve collaboration**
  Meet Me Conferencing replaces third-party services by providing pre-established bridge numbers; encrypted signal links provide greater security for sensitive conference calls. Group Paging enables speakerphone announcements to preset user groups. Combine Communication Manger, Avaya Converged Communications Server (CCS) software and the Avaya IP Softphone for secure Instant Messaging (IM) with a presence-enabled contact list that can be used to increase access and collaboration.

- **Increase mobility**
  Remote Call Coverage/Forward Off-Net allows users to redirect calls through their office phones to another location; Personal Station Access allows telecommuters to activate their extension and preferences on a shared office phone. EMU provides users the ability to associate the features of their primary telephones to telephones of the same type anywhere within the customer enterprise.

Extension to Cellular allows incoming calls to simultaneously ring a user's office phone and mobile phone, providing one-number access for mobile employees. IP Softphone is a Windows-based client applications that transforms an IP network-connected laptop PC into a fully-featured office phone that can be used at home, a client's site or a hotel room.

- **Improve Contact Center Management**
  This robust Automatic Call Distribution (ACD) feature set available delivers call routing capabilities for contact centers of any size, from small, single sites to large, sophisticated, multisite deployments.

Scale to Your Current Size and Your Potential

Avaya Communication Manager allows any business to support its operations, simplify management, and significantly reduce total cost of ownership. Running on the powerful Avaya Media Servers and Gateways, Avaya Communication Manager scales effectively from fewer than 100 users to as many as 36,000 on a single system and more than 1 million users on a single network. Even the busiest corporations can get performance that meets their needs, with support for up to 12,000 trunks and up to 540,000 Busy Hour Call Completions (BHCC).

Rely on Your Communications

Avaya Communication Manager utilizes proven Avaya call processing combined with proactive network and application monitoring through Avaya EXPERT Systems and Enterprise Service Platform to provide up to 99.999% reliability in an IP-based voice network. In the event of an emergency, World-Class Routing and Alternate Gatekeeper redirect calls away from trouble. Power Failure Transfer facilitates emergency communications in the event of a total power outage while optional Avaya Uninterrupted Power Supply Units automatically provide alternative in-line power to your system if necessary, and IP Trunk with PSTN fail-over automatically bumps calls to the public telephone network to maintain communications during times of IP network congestion.

Local Survivable Processors (LSP) and Enterprise Survivable Servers (ESS) can be deployed where needed throughout your network to provide increased communications continuity in the event of an emergency. LSPs preserve telephony service in a branch office should the WAN link back to the main server fail. With an ESS in the network, the IP Service Interface card in the port network automatically obtains service from the ESS if the control signal to the main server is lost.

Security features include "challenge and response" login protocol security violation notification and LAN/WAN voice privacy through real-time media encryption, Malicious Call Trace, Crisis Alert, and E911 compliance help protect your property and employees. Class of Restriction (COR) allows you to set different classes of privileges for making and terminating calls. And Access Security Gateway products help secure, monitor, and control ports used for remote access.

Be Flexible for Migration and Global Business Needs

Avaya Communication Manager lets you create a network that meets your business and budget needs by taking advantage of distributed networking to extend applications to the edge of your enterprise.

- Deliver applications over IP, TDM, ATM, and wireless networks, and leverage existing devices whether they're digital, analog, IP, or wireless.
- Support communications anywhere in the world via a variety of signaling methods including H.323, ISDN-PRI, ISDN-BRI, multi-frequency, and Q.Sig.
- Support stations, port networks, remote offices, and gateways located in multiple countries using a single media server. Parameters that can typically vary by country can be specified for each country/location to enable support of features across national borders.
- Easily integrate third-party applications using open programming interfaces including TAPI, JTAPI, TSAPI, and ASAI. Expanded 13 digit dial plan support greatly reduces dial plan conflicts.

Uphold Your Reputation with Quality of Service (QoS)

Avaya Communication Manager features a high-performance VoIP engine that maintains excellence in voice, video, and data quality. Utilizing industry-standard controls — H.323, H.248, and SIP — the software can provide the highest level of performance for all transmissions, with low latency and delay levels. Your most important communications, and especially voice traffic, are given highest priority by industry-standard QoS protocols including DiffServ, 802.1p/Q, VLAN, and

RSVP. And Avaya reporting and system monitoring help ensure service quality.

Improving the End User Experience with Intelligent Clients and Devices

Avaya Communication Manager supports a variety of IP, wireless, digital and analog telephones and several client applications for a number of communications devices. These include;

- The Extension to Cellular feature of Avaya Communication Manager connects callers to mobile employees wherever they are. Extension to Cellular transparently bridges calls to any mobile phone over any wireless carrier network, providing employees with one business number access. Productivity enhancing Communication Manager features like conference calling and call transfer are also extended to mobile phones. The Avaya one-X Mobile client application enhances Extension to Cellular to provide a simple to use interface for accessing Communication Manager features from certain mobile phones.

- The Avaya 9600 Series IP Telephone family has been designed to provide the right phone for the right job and meet the specific communications needs of different workers. Created by users for users, the 9600 series features an intuitive user interface which helps make users proficient and confident in performing common telephone tasks such as setting up a conference call or completing a transfer. With enhanced high-fidelity audio, it's much easier to hear and understand others, which speeds business while reducing fatigue and stress.

- Avaya IP Softphone is a flexible tool for accessing and managing all business telephony communications from any location with Internet access. It can operate on its own as a powerful telephone soft client or it can work with Microsoft Office Communicator to provide integrated telephony and instant messaging presence and enable click to call from an entry in a buddy list, an email, or a smart tag. Avaya IP Softphone also integrates easily with desktop and group video applications, making videoconferencing as easy as a phone call.

Simplify Network Management

Avaya Integrated Management provides a comprehensive set of tools that make it easier for you to manage complex network infrastructures. The applications in Avaya Integrated Management manage both voice and data communications through a common web-based user interface designed for System Management, Network Management and Application Integration platforms. Avaya Integrated Management can improve network uptime; increase staff productivity and reduce operating costs.

IP Telephony Consulting and Integration Services

Avaya employs a standard, time-proven delivery approach to support every customer implementation for Communication Manager solutions. Avaya Consulting & Integration services ensures you:

- Choose the right solution for your business strategy

- Get the most value from your total IP solution, including existing technology

- Deploy a secure, available and manageable communication environment

Learn More

To learn more about Avaya Communication Manager, Business Communication Applications, and Avaya Global Services, talk to your Avaya Client Executive or Authorized BusinessPartner. Also, visit us at avaya.com/iptelephony.

For more information about Avaya and our other award-winning solutions, visit avaya.com.

Avaya Communication Manager Capabilities		
Employee Productivity	**Unified Access Related**	**Networking**
• Call Coverage • Send All Calls • Priority Queuing • Backup Alerting • Timed Reminders • Attendant Vectoring • Abbreviated Dialing • Last Number Dialed • Internal Automatic Answer • Integrated Directory • Universal Access—Phone Status • Intelligent Call Routing • Multi-party Conferencing (up to 300) • Meet-Me Conferencing • Group Paging • Remote Call Coverage/Forward Off-Net • Personal Station Access • Automatic Call Distribution (ACD) • Enterprise Mobility User	• SIP Telephony Support with SIP Enablement Services (SES) • Avaya 9600 Series IP Telephones • Avaya 3600 Series IP Wireless Telephones • Avaya IP Softphone • Avaya IP Softphone for Windows Mobile 5 • Avaya one-X Mobile • Avaya one-X Desktop • Avaya one-X Speech • Avaya one-X Portal	• Q.Sig Management • 13-Digit dial plan • T.38 fax over IP • Modem over IP

About Avaya

Avaya enables businesses to achieve superior results by designing, building and managing their communications infrastructure and solutions. For over one million businesses worldwide, including more than 90 percent of the FORTUNE 500®, Avaya embedded solutions help businesses enhance value, improve productivity and create competitive advantage by allowing people to be more productive and create more intelligent processes that satisfy customers.

For businesses large and small, Avaya is a world leader in secure, reliable IP telephony systems, communications applications and full life-cycle services. Driving the convergence of embedded voice and data communications with business applications, Avaya is distinguished by its combination of comprehensive, world-class products and services. Avaya helps customers across the globe leverage existing and new networks to achieve superior business results.

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CentreVu Call Center ACD – Elite

Standard ACD Features

Queuing

Automatic Call Distribution (ACD) provides automatic connection of incoming calls to specific split/skills (also referred to as hunt groups or queues). An ACD split/skill is simply a hunt group that is designed for use wherever a high volume of similar calls is received. Members of a split/skill are called agents. Calls to a specific split/skill are automatically distributed among the agents (hunt group members) assigned to that split/skill. An agent can be defined as a voice terminal extension, individual attendant extension, or non-human agents like Voice Response ports.

If agents are not available, the call can queue to the split/skill to wait for an agent to become available. The routing and treatment received by the caller, the agent features for receiving and handling the call, and the supervisor options for monitoring and improving performance are described in detail in the sections following.

Calls are queued to one split/skill at a time. Calls can overflow or be forwarded to other split/skills, extensions, an attendant, or voice mail based upon the number of callers in queue or the length of the oldest call wait in queue. Agents can be members of up to four split/skills simultaneously.

Algorithms for Hunting

DEFINITY ECS supports two[1] types of hunting that can be used to distribute incoming calls. They are Most-Idle Agent (MIA) hunting, also called Uniform Call Distribution (UCD) and direct hunting, also called linear hunting or Direct Department Calling (DDC).

1 DEFINITY ECS supports two types of hunting in the Basic and Deluxe packages. With the Elite package, three types of hunting are supported.

Uniform Call Distribution

Uniform Call Distribution (UCD) uses the Most-Idle Agent (MIA) algorithm to route calls. The MIA algorithm creates a "queue" of agents who are available to receive calls. An incoming call is routed to the agent who has waited the longest time in this available agent queue. When an agent receives a call, the agent is removed from the queue. UCD ensures that calls to a split/skill are distributed evenly among agents logged into that split/skill.

Direct Department Calling

If a split/skill is administered for direct hunting or DDC, an incoming call rings the first available extension number in the administered sequence. If the first agent in the sequence is active on a call (busy), or is in another ACD call work mode, the call routes to the next available agent, and so on. Incoming calls always try to complete at the first agent in the administered sequence and are not evenly distributed among the split/skill agents.

Agent Call Handling Features

The agent call handling capabilities are as follows:

Agent Log-In and Log-Out

To receive ACD calls, the agent must log into the system. An agent logging in the system automatically enters the Auxiliary Work mode (described later) for all assigned skills. An agent can be logged into as many as four skills at one time. An agent is required to enter a log-in identification number when logging in if the hunt group is measured via CMS or BCMS. If the hunt group is not measured, entry of a login ID is optional (sometimes required for security).

Agent Answering Options

An agent can answer ACD calls by using a headset, handset, or speakerphone. An agent can be assigned one of two answering options: Automatic Answer or Manual Answer.

The agent terminal can have audible ringing (Manual Answer) upon call arrival, which is normally used with handset operations; or can have zip tone (Automatic Answer), normally used with headset operations on automatic terminating line appearances. Zip tone or ringing is assigned on an individual voice terminal basis.

ACD Work Modes

At any given time a logged in agent, not active on an ACD call, can be in one of four work modes. An agent can change work modes at any time. If an agent is not active on a call or does not have a call on hold, the mode change is immediate. However, if an agent tries to change modes while he or she is active on a call or has a call on hold, the mode is not changed until the agent is disconnected from the call. An agent can change modes by using either button or dial access. The work modes are described in the following paragraphs.

- *Available (AVAIL)* – The agent is available to receive an ACD call and is in one of the following work modes:
  - *Auto-In* – Upon disconnecting from an ACD call the agent automatically becomes available to answer new ACD calls. This mode provides a fast and efficient method to distribute calls.
  - *Manual In* – Upon disconnecting from an ACD call the agent enters the After Call Work mode and is not available for ACD calls; the agent must manually enter the Auto-In or Manual-In mode to become available for ACD calls. This mode is recommended if the agent always performs after call work activities.
- *After Call Work (ACW)* – The agent has completed the ACD call and is handling wrap-up work associated with the call. The ACW button can be activated from any agent work mode. The agent is unavailable for ACD calls while in the ACW mode.
- *Auxiliary Work (AUX)* – This is an additional work mode tracked by the call management system which indicates the agent position is logged in but not available to take a queued call. An agent should enter the Auxiliary Work mode for a particular split/skill whenever he or she is doing non-ACD activities such as taking a break or going to lunch.

ACD Call Disconnecting

An agent can be disconnected from an ACD call in either of four ways:

- The agent can press *Release* (if provided). Dial tone is not heard after *Release* is pressed.
- The agent can press *Drop* (if provided). The agent hears dial tone after pressing *Drop* and is not available for calls.

- The calling party can drop the call.
- The agent can go on-hook (hang up). Agents using Automatic Answer (zip tone) are logged out of all skills when they disconnect from an ACD call by going on hook (hanging up). The preferred method of operation is to use the *Release* button (if provided).

All of the agent capabilities listed above are also supported through CallVisor Adjunct/Switch Applications Interface (ASAI). This means that agent states can be controlled with a Computer Telephony Integration application.

Recorded Announcements

Recorded Announcements provide an announcement to callers under a variety of circumstances. Multiple announcements can be provided. For example, announcements can be used to let callers know that a call cannot be completed as dialed, that their call is in queue, or that all lines are busy. By letting announcements perform these tasks, attendants and other users are free to perform other operations. A call's destination or a coverage point can be a recorded announcement that provides information only or a disconnect announcement.

Basic Announcements

DEFINITY ECS supports a unique first-delay (forced or otherwise) and a unique second announcement that can be repeated at predefined intervals. The delay interval can be defined from 0 to 99 seconds. Intervals are defined indicating how long a call will remain in queue before the call is connected to the first announcement, the length of time between the first and second delay announcement, and the length of time between repetitions of the second announcement. Callers can also be disconnected after playing a recorded announcement. The first announcement played to a caller can be forced to complete before the call can be connected to an agent.

Advanced Announcements

DEFINITY ECS Call Vectoring provides complete flexibility in choosing the announcement treatments for a call. Different announcements can be played based upon ANI, DNIS, Call Prompting, time of day/day of week, and/or current conditions. Multiple steps can be specified with different announcements or repeating announcements with user specified delay times to completely customize the call treatment received. Announcements can be used in conjunction with the Collect Digits vector command to implement Call Prompting applications such as offering the caller the chance to leave a message instead of waiting. The Disconnect After Announcement vector command provides information only disconnect announcements.

Vector Directory Number (VDN) of Origin Announcement

A Vector Directory Number (VDN) of Origin Announcement provides a whisper announcement to the agent of the VDN name or call purpose when a call is delivered. DNIS digits provided by the network are normally mapped to VDNs. The VDN name provides an indication of which application the caller dialed. In addition, ACD agents with display-equipped voice terminals can view this information and can greet each caller appropriately. This information is helpful when agents are taking calls from multiple split/skills. This allows each agent to know the purpose of each incoming call as the call arrives at the voice terminal.

Music on Hold

The system Music on Hold source is available to all callers while waiting in queue on a system-wide basis.

With the Call Vectoring feature found in the Deluxe or Elite call center packages, multiple audio/music sources can be provided to a caller in queue. The delay music heard while waiting can be queue specific based upon conditionals such as ANI, DNIS, Call Prompting choices, current conditions in the call center, or time of day/day of week. The caller treatment options while waiting include:

- Silence
- Ringback
- Music (system music on hold)
- Announcement XXX (where the announcement port is optioned as a music source, rather than a recorded announcement, with specific customer provided music/announcements).

These wait steps can be used in conjunction with the normal conditional branching checks and Goto vector commands. The treatment can change at specified points based upon conditions or wait time to completely customize caller wait treatment as desired.

Flexible Routing/Conditional Routing

The DEFINITY ECS supports flexible routing based upon the Dialed Number Identification Service (DNIS) digits provided by the network. The DNIS digits can be directly translated as an extension of a split/skill (hunt group) or your business can create “soft” numberscan in the system, assign a name, and direct the call to the desired destination using the Call Coverage feature.

Overflow Routing

Intraflow and Interflow allow you to redirect ACD calls from one split/skill to another split/skill. Intraflow redirects calls to other split/skills within the system using Call Coverage or Call Forwarding All Calls. Interflow redirects calls to an external split/skill or location using Call Forwarding All Calls.

Call Coverage with Intraflow can be used to redirect ACD calls from one split/skill to another conditionally, according to the coverage path’s redirection criteria. For example, you can define a split/skill’s coverage path to automatically redirect incoming ACD calls to another split/skill when a terminal is busy or unanswered within a specified time period. Calls can be redirected to less busy split/skills for more efficient call handling. Call Forwarding can be used with Intraflow to unconditionally forward a split/skill’s calls.

Interflow allows the redirection of ACD calls from a split/skill on one switch to a split/skill on another switch or external location. The Call Forwarding All Calls feature can be used with Interflow to unconditionally redirect calls to an off-premises location. Calls can be forwarded to destinations off the PBX (that is, phone numbers on the public telephone network). Thresholds can be assigned for each split/skill receiving Intraflow and Interflow calls. This threshold prevents a split/skill from receiving new ACD calls if the oldest call in the queue has been there longer than the threshold.

A Coverage button can be assigned to an agent’s multi-appearance voice terminal. The agents use the button to identify a call that is intraflowed from another split/skill. When an agent receives such a call, the button lamp lights.

Night Service

A Night Service button may be administered on attendant or split/skill supervisor voice terminals to be used to activate or deactivate Night Service. All incoming calls will be redirected to the designated Night Service Extension (NSE) that can be another split/skill or a recording. Call Forwarding can also be manually activated to send calls to another geographical location after hours.

Queue Size Limiting

Queue size can be designated on a per split/skill basis. Callers will then receive a busy signal when the queue is full or calls can overflow, using the Call Coverage feature, to alternate destinations.

Queue size for each split/skill can be managed using vector commands. In addition to the number of calls in queue, the following conditions can be used to flexibly manage queue length:

- Expected Wait Time
- Average speed of answer
- Oldest call waiting
- Number of calls in queue
- Number of agents staffed
- Number of agents available
- Time of day
- Day of week

If a call is not queued, the call can receive a forced busy signal, be disconnected (generally after hearing an announcement), or routed to another split/skill, an individual station user, the attendant console, or voice messaging.

Queue size can be limited by the number of active calls in a specific application. With Call Vectoring, this is done by Vector Directory Number (VDN) which is usually the dialed number or the result of a prompt to the caller. This is great for applications that require a contracted or predetermined number of agent resources. When the number of calls exceeds the contracted or desired level, the caller hears a busy signal or announcement providing alternate choices. This capability can also be used to limit the number of incoming calls being held in queue, for example, by a toll free call center.

Priority Queuing

Priority Queuing assigns a priority status that allows calls with priority to be queued ahead of calls without priority. Priority Queuing is assigned by Class of Restriction (COR) of the incoming trunk group the call originates on, the directory number dialed for the split/skill, or the Dialed Number Identification Service (DNIS) received from the network. The two choices available are priority and no priority.

When an ACD call overflows from one split/skill to a backup split/skill queue and "priority on intraflow" is assigned, the intraflowed call has priority over all non-priority calls in the backup split/skill queue.

For a split/skill with Intraflow and Call Coverage assigned, you can also assign Priority on Intraflow. When an ACD call intraflowing from a split/skill with Priority on Intraflow to a covering split/skill enters the split/skill's queue, that call is placed ahead of non-priority calls but behind other priority calls already in the queue. All priority calls are answered before any non-priority calls.

Call Vectoring offers four levels of entry to an ACD queue (including AUDIX, CentreVu Response, and Message Center queues). The four levels of entry include:

- Low priority
- Medium priority
- High priority
- Top priority

Using these four levels, the System Administrator can give preferential answering treatment to certain incoming calls based on various criteria. These criteria might include the cost of various trunking facilities, the amount of revenue generated by certain calls, and special courtesy to customer groups or executive personnel.

Priority can be assigned at the incoming trunk group, by dialed number or by caller prompted information. Priority can also be changed on a dynamic basis, according to the following conditions: time call has been in queue, number of calls, number of agents available, number of agents staffed, time of day, and/or day of week.

The various vector commands that are used to queue calls to split/skills or skills or re-route calls based on intraflow requirements (such as Queue to

Main, Route to, Goto, and Check Backup Split/skill) contain priority fields that will execute the command at the specified priority level.

Queue Status Indication

DEFINITY ECS provides queue status indicators for ACD calls based on the number of calls in queue and the time in queue. These indicators are provided by lamps assigned to the voice terminals or consoles of split/skill agents or supervisors. Lamps can be programmed to light when any call is waiting in the specified queue and to flash when a pre-programmed threshold is reached. In addition, an auxiliary warning lamp can be provided to track queue status based on time in queue and another to track the number of calls in queue. Display-equipped voice terminals and consoles can also display the time in queue of a split/skill's oldest call and the number of calls in that split/skill's queue.

Supervisor Assist

An agent can obtain supervisory assistance during a call by pressing the Assist button to call the supervisor or putting the call on hold and dialing the Assist Feature Access Code followed by the split/skill group number. In addition, the agent can transfer the call to the supervisor or conference the supervisor into the conversation.

Agent Assist calls generate a special three-burst Priority Ring at the supervisor voice terminal to indicate the type of the call. A request for supervisor assistance from an agent will display the name and extension number of the person needing assistance on the supervisor's voice terminal. The individual agent assigns the Assist Feature. The supervisor is designated by split/skill.

Assist type calls can be directed to a single supervisor or group of supervisors. Calls can also be redirected to an alternate destination if the primary person is not available. The alternate destination can also be a single station or group of stations.

Redirect on No Answer

Redirection on No Answer (RONA) redirects an unanswered ringing ACD call after an administered number of rings. The call is redirected back to the split/skill. RONA can be used for live agent applications that use a manual answering operation as well as for VRU applications.

With Call Center Elite, Redirection on No Answer (RONA) can redirect the call back to the split/skill or to an alternate VDN destination after making the agent unavailable and notifying the call center manager. RONA applies to split/skill and direct agent ACD calls that are delivered to a manual answering agent extension from an ACD split/skill and are not answered within a reasonable time interval. An ACD call is routed back to the split/skill and positioned at the head of the queue (in front of all other priority calls) so that another agent can answer. Alternately, the call can be routed to another VDN destination if desired.

RONA can be used for live agent applications that use a manual answering operation as well as for remote agents and VRU applications.

Auto Available Split/skill (AAS)

Automatic Available Split/skills (AAS) provides a way for members of an ACD skill to be in a continuously Auto-In work mode. Although not restricted to such, this feature is intended to be used for skills containing only non-human members (for example, recorders or Voice Response Units). Its principal value is in bringing ACD members back into Auto-In work mode after a system restart.

Service Observing

Local Service Observing

Split/Skill supervisors and other specified users can use the Service Observing feature to train new agents and to observe in-progress ACD calls. While observing calls, the supervisor can toggle between a listen-only and listen/talk connection on the call. An optional warning tone can be administered on a system-wide basis to let the caller and agent know that someone is observing the call. Service Observing can be activated using a pre-programmed button or a Feature Access Code. This allows both the monitoring and monitored parties to have any type of voice terminal. Permission to access the feature can simply be granted in the user’s Class of Restriction.

Remote Service Observing

The Service Observing feature provides the option of being able to observe calls on a listen-only and a listen/talk basis from a local station or a remote location using Service Observing Feature Access Codes (SO FACs). The SO FAC allows authorized users to have dial-up access to Service Observing from any analog or digital station with or without a Service Observe button. The DEFINITY ECS Remote Access and Call Vectoring features can be used to provide security to prevent unauthorized system access. Once a remote observer is connected to a call, the remote observer has all the same features and functions as local observers.

Timed After Call Work

Timed After Call Work is a split/skill option that automatically places an agent in an "after call" work state for a pre-defined period of time after each call. When the specified time expires, the agent is automatically returned to an available work state, ready to take another call.

This feature can be used to provide a short pause between calls before the next call is delivered in order to pace the calls and provide a relief period for agents, especially agents who work in stressful environments or handle long, complicated calls. It also meets work rule requirements for certain countries that require agent breaks after each call. The feature can also be used to force the agent back to an available state after a preset time period. For example, each agent is allowed four minutes to complete after call work.

Service Observing on VDNs

The Service Observing feature in the Elite package also supports monitoring of calls by application or Vector Directory Number (VDN). Trunk groups and/or DNIS numbers are directed to VDNs. This allows the observer to select a specific type of call and be bridged onto a call that has just started vector processing for that VDN. The observing connection is maintained throughout the life of the call. Once the caller is connected to an agent, the observer has both listen and talk capabilities. This feature allows complete evaluation of the end-to-end service received by your customers. Observers can hear all caller comments even while in queue; callers cannot hear the observer. Observers are also transferred with callers, regardless of whether the transfer is within the system or to a remote center.

Vector Initiated Service Observing

With Call Vectoring, an observer accesses a switch by dialing a VDN extension or a central office (CO) trunk that has a VDN extension as its incoming destination. Using route-to commands, you can design a Service Observing vector to allow a VDN call to directly access a specific extension to be observed or a Service Observing dial tone. At the dial tone, observers can enter any extension that they are authorized to observe.

Intelligent Call Routing

Enterprise-wide Best Service Routing™ (BSR)

With the efficiency of CentreVu Virtual Routing's "Best Service Routing," your company can cut costs by reducing bandwidth congestion, reducing routing delays, and increasing agent occupancy. All these cost-cutting measures increase your revenues while you enhance your customer's experiences.

BSR delivers calls to the best place the first time based on Expected Wait Time (EWT), agent skills, and agent occupancy. Lucent Technologies' patented EWT algorithm encapsulates the customer's predicted "wait" time experience for use by applications to deliver exceptional customer service, multi-site load balancing, and network cost savings. BSR then uses breakthrough algorithms that scan multiple sites and accurately predict the best split/skill group to handle each customer's call. The call is then routed to the designated site where the customer receives immediate attention through an agent, if available, or appropriate delay treatments.

Multiple Call Handling

The Multiple Call Handling (MCH) feature allows an agent to be interrupted with an additional ACD call either after putting a call on hold, or when the agent is active on another ACD call. When MCH is optioned for a split/skill, the agent can either receive a call only when the agent requests; or, an additional call will automatically alert by ringing at the agent's voice terminal. Forced Multiple Call Handling can also be used to automatically direct multiple calls to agents without any action on the part of the agent. Options for Forced MCH are: One Forced or

Many Forced,[2] thus allowing flexibility in defining the types of calls and circumstances under which more than one ACD call is delivered to agents. These options are assigned by split/skill. Agents and supervisors can use features such as Queue Status Indicators and VuStats to determine if a waiting call must be answered immediately.

VuStats

VuStats is a convenient, cost-effective way for call centers with minimum reporting requirements to measure results in real time. Anyone with a display-equipped voice terminal, including call center managers and non-ACD personnel, can use VuStats to view real-time or cumulative daily call center statistics. More sophisticated call centers can use VuStats to supplement the real-time reporting capabilities of Basic Call Management System (BCMS) and CentreVu CMS by giving additional supervisors access to performance reports.

VuStats gives agents the power to judge their own performance and take steps to modify call handling skills to improve productivity. For example, agents with VuStats can:

- View calls in queue and/or wait times to delay non-essential activities until call delays are acceptable
- View their time in Auxiliary Work
- Compare their productivity with call center objectives or the performance of other agents and know when to step up the pace
- Keep track of their total cumulative performance for an entire day
- Be automatically notified by a flashing lamp when defined thresholds are reached for individuals and groups[3]

Up to 50 different 40-character display formats can be customized (each with up to 10 fields of data), thereby creating displays of information that are important to call center personnel. Thresholds can also be defined on all data items that will cause the VuStats lamp to flash when the displayed item exceeds a pre-defined threshold. All data is cumulative up to the current second, combining current interval and historical data. Most data can be cumulative for the entire day or for the most recent 24 hours or half-hours. Redisplay formats can be linked so the agents can step through a series of displays to view their progress against different measurements.

2 With Call Center Elite, options for MCH are One Forced, One Forced per Split/Skill or Many Forced

3 With Call Center Elite, agents can also: Notice when queues for a particular agent skill under Expert Agent Selection are lengthy and log into that skill to clear the queue and improve customer service

Call Vectoring

Call Vectoring is one of the most powerful and flexible methods of routing incoming calls and utilizing agent and system resources available in the call center marketplace today. Similar to computer programming but easier to administer, Call Vectoring consists of user definable, multi-step routing tables, or Call Vectors, which control the routing of ACD calls based on dynamically changing conditions that occur in a call center environment. These programmable call vectors direct calls to specific on- or off-network destinations, to queues in ACD split/skills or skills, or to treatments such as prompting, forced first announcements, multiple recorded announcements, forced busy or disconnect, delay treatment, or call coverage path. The intelligence of the DEFINITY ECS is exemplified through Call Vectoring. DEFINITY Call Vectoring charts the best possible path to the best possible service—automatically and transparently.

Call Vectoring enables you to fine tune the organization of the call center and create a highly customized routing path for each call. Vectoring allows your organization to customize the pathway a caller will take based upon the calling purpose and the system conditions prevailing at the time. It goes far beyond load balancing and provides the optimum mix of service and resource utilization. Call centers with Call Vectoring can run on autopilot starting and stopping at specific hours of the day.

Call Vectors and Vector Directory Numbers

Dialed Number Identification Service (DNIS) digits provided by the network are normally mapped to Vector Directory Numbers (VDNs) in the DEFINITY ECS thereby enabling specific call processing applications based upon the DNIS digits received from the network.

Vector Directory Numbers (VDNs) are four or five digit extension numbers that provide a software link between DNIS digits received from the network and Call Vectors that direct the routing and processing of those calls. The incoming DNIS or DID number is mapped to an associated VDN, a “soft” extension number assigned an internal line number but not an actual port location. Each VDN is mapped to a specific Call Vector. VDNs can also be internal numbers used to direct calls to specific applications such as voice mail or voice processing scripts.

Call Vector Routing Conditions

Conventional methods of routing specify only call routing sequences, while Call Vectoring specifies the conditions under which this routing will take place. Using Call Vectoring, very sophisticated scenarios can be created to customize call center operations. Calls can receive a different treatment based on the following parameters:

- Unconditional, the vector command is executed without checking any conditions
- Time of day and day of week
- Number of staffed agents in a specified split/skill
- Number of available (idle) agents in a specified split/skill
- Number of connected calls by Vector Directory Number (VDN)
- Number of calls queued at a given priority to the specified split/skill. This condition tests for calls in queue at the specified priority level and higher.
- Current Expected Wait Time for a specified split/skill for the call being processed. CentreVu Call Center has a patented Expected Wait Time (EWT) algorithm that calculates how long a call has been or will be in queue. Until now, expected wait time was calculated solely on historical data. The algorithm analyzes the following on a call by call basis to provide precise routing: call removal rate from the queue, number of agents available, and queue length as factors. It also considers priority queuing, calls queued to multiple split/skills/skills, call abandons, time in Auxiliary Work, pending agent moves, direct agent calls, and agents in multiple split/skills.
- Rolling Average Speed of Answer for a specified split/skill
- Amount of time that the oldest call in the specified split/skill queue has waited to be answered
- Digits collected via the Collect Digits Call Prompting command
- ANI and Information Indicator (II) Digits from the network. II digits are provided by network to indicate the origin of calls such as payphones, prisons, hotels, operator assisted, coin and cellular phones to mention a few.

- Comparator/threshold checking including less than or equal to, greater than or equal to, and unequal to
- Caller INformation FOrwarding (also called CINFO). CINFO routing is supported by Call Vectoring to route based on digits supplied in an ISDN-PRI message. The digits have been entered by the caller via Call Prompting or provided by a call center's database. CINFO is a DEFINITY Network Intelligent Call Processing service available only for domestic use.
- The number of calls in queue that are eligible for interflow processing (using interflow q-pos). This conditional is used to effect First In First Out (FIFO) or near-FIFO interflowing between sites.

With Call Vectoring, routing decisions and caller options are determined based on real-time, dynamic information, not on historical trending. Using the extensive list of conditions, calls can be queued to the splits or skills that will offer the lowest average speed of answer and best agent utilization. Conditions at alternate split/skill queues can be viewed before redirecting a call. Thus, groups of agents who may be designated as backup for a certain call type will not become overloaded with calls routed from another group.

Enhanced comparator/threshold checking makes it possible to build vectors that include less than or equal to, greater than or equal to, and unequal to various factors. In addition, wildcards (+ and ?) can be used in digit strings to match collected digits or ANI digits for routing decisions. Digit matching can be done directly in the vector steps or Vector Routing tables can be used to store groups of selected ANI digits or other digit information used for matching and making routing decisions. All of this checking can be done within DEFINITY ECS, without an ASAI or computer interface, allowing instant implementation of geographic or demographic strategies.

Call Vectoring Commands

The basic vector commands are listed below. Please note that most of these commands require one or more parameters (for example, an extension number is required with the Announcement command).

- *Adjunct Routing* – used only with the Adjunct/Switch Applications Interface (ASAI) feature for Computer Telephony Integration (CTI) which allows the adjunct host to provide the routing destination
- *Announcement* – (first, forced, multiple, delay, repeating at specified intervals, custom music/announcement, disconnect)

- *Busy* – provides busy signal to the caller
- *Check Split/skill* – conditionally check for conditions in a backup split/skill and queue if conditions are met
- *Collect Digits* – used in conjunction with Call Prompting to offer callers a menu of options for routing or to collect caller information such as account numbers
- *Consider* – defines the resource (split, skill, or location) that is checked as a part of a Best Service Routing™ (BSR) consider series and obtains the data BSR uses to compare resources. After the consider series has been executed, a *queue-to best* or *check best* command can queue the call to the best resource identified. If the consider commands are in a status poll vector (in a multi-site BSR application), a *reply-best* step returns the data for the best resource found to the primary vector on the originating switch.
- *Converse-on split/skill* – used in conjunction with a Voice Response Unit (VRU) such as CentreVu Response Solutions. Allows VRU scripts to be executed while caller maintains queue position.
- *Disconnect* – normally used in conjunction with an announcement before terminating the call during vector processing.
- *Goto Step* – normally used in conjunction with conditional branching
- *Goto Vector* – used to chain vectors together to provide additional commands or to re-route callers to another vector for alternate processing
- *Messaging* – connects the caller to Intuity AUDIX so that the caller may leave a message for the specified extension
- *Queue-To Split/skill* – places the caller in queue for the specified split/skill at a defined priority level.
- *Reply-best* – returns data to another switch in response to a status poll. *Reply-best* is only used in status poll vectors in multi-site Best Service Routing (BSR) applications.
- *Route-To* – allows calls to be routed to any digits
- *Stop* – ends vector processing
- *Wait-Time* – allows definition of a specified number of seconds to wait and the treatment while waiting for example "wait 30 seconds hearing music". Treatment choices are silence, ringback, music, or a custom music/announcement source.

Call Prompting

DEFINITY ECS Call Vectoring provides Voice Response, or Call Prompting, capabilities using Recorded Announcements along with Digit Collection features. Call Prompting can be used to offer a menu of choices for routing, collect caller information such as account numbers, automated attendants, to play unique announcements, or to create a digital display message for the call center agent receiving the call. Digits entered during the prompt can be displayed on the agent's voice terminal or sent to a computer application for further routing instructions. Call Prompting provides a more flexible handling of incoming calls without requiring additional voice processing ports.

Call Prompting uses the Collect Digits vector command to provide flexible handling of incoming calls based on information collected from the calling party or from an ISDN-PRI message. For example: "Collect 2 Digits After Announcement 4200." The following list gives a brief description of some call prompting applications.

- *Automated Attendant* – Allows the calling party to enter the extension of the party that he/she would like to reach. The call is then routed to that desired extension.
- *Caller Menu* – Allows the calling party to enter the desired routing choice such as "Press 1 for Sales, Press 2 for Service…" The call is then routed to that desired queue.
- *Data In/Voice Answer (DIVA) Capability* – Allows the calling party to hear an announcement based on the digits that he or she enters, or to be directed to a hunt group or another system extension.
- *Data Collection* – Allows the calling party to enter data that can then be used by a host/adjunct to assist in call handling. This data, for example, may be the calling party's account number.
- *CINFO (Caller Information Forwarding) Routing* – Allows a call to be routed based on digits supplied by the network in an ISDN-PRI message. These digits are either entered by the caller or provided by the call center's database.
- *Message Collection* – Gives the calling party the option of leaving a message or waiting in queue for an agent.

Dynamic Call Prompting turns waiting time in queue into an opportunity to:

- Present selling messages or other announcements
- Obtain customer information—up to 10 digits—to speed call handling
- Allow the customer to choose to leave a callback number during busy periods
- Allow the customer to select a different destination for the call such as a specific application or person's extension

Call Work Codes

Call Work Codes are caller-defined codes such as account numbers, social security numbers, credit card numbers, call activity codes, or phone numbers. These numbers, or codes, are then stored by CentreVu Call Management System (CMS) to provide a record the events of the call. CentreVu CMS is required to supply Call Work Code reports. Up to 1,999 codes can be tracked.

An agent is always allowed to enter a Call Work Code for an ACD call. However, each split/skill can be administered so agents in that split/skill are forced to complete a Call Work Code entry before becoming available for another call.

Stroke Counts

Stroke Counts provide ACD agents with the ability to record up to nine customer-defined events on a per-call basis. The feature also provides a tenth event count to track audio difficulty. Stroke Count "0" is reserved for Audio Difficulty and the other nine Stroke Counts are customer definable. For example, a stroke count may be used to track the number of inquiries about a specific item. Each time an agent receives an inquiry on a specific item, he or she can enter the Stroke count (one through nine) associated with that item.

An agent is always allowed to enter a Stroke Count for an ACD call. However, each split/skill can be administered so agents in that split/skill are forced to complete a Stroke Count entry before becoming available for another call.

Voice Response Integration

Voice Response Integration is designed to enhance the integration of CentreVu Call Center systems with the capabilities of voice response units (VRUs), particularly Intuity CONVERSANT Voice Information System (VIS).

Voice Response Integration can do the following:

- Execute a VRU script while retaining control of the call in DEFINITY ECS vector processing
- Execute a VRU script while the call remains in the skill queue and retains its position in the queue
- Pool Intuity CONVERSANT ports for multiple applications. (Previously, this was possible only when CallVisor ASAI was present.)
- Callback Messaging allows caller to leave a message and a callback number and the callback message waits in the queue so the caller does not have to. When an agent becomes available, the call back message is delivered to the agent and the customer's phone number can be dialed automatically.
- Use a VRU as a flexible external announcement device
- Pass data between DEFINITY ECS and a VRU
- Tandem VRU data through DEFINITY ECS to an ASAI host

These Voice Response Integration capabilities are provided by the *Converse* command—an enhancement to Call Vectoring. The *Converse* Call Vectoring step is specifically designed to integrate a VRU with the DEFINITY Automatic Call Distribution (ACD). Voice Response Integration allows VRU capabilities to be used while keeping control of the call in the DEFINITY ACD. The inclusion of VRUs with vector processing provides the following advantages:

- Access to local and host databases
- Validation of caller information
- Text to speech capabilities
- Speech recognition
- Increased recorded announcement capacity

- Audiotext applications
- Interactive Voice Response (IVR) applications
- Transaction processing applications

Universal Caller Identifier (UCID)

Universal Call Identifier (UCID) is a feature that tags a call with a unique center sites from the first entry into your network until the call is terminated within the network. Because UCID provides the basis to support reporting across multiple sites and products, this unique feature provides the ability to create a more holistic perspective of your call centers. You now have the management advantage of seeing the total picture, quickly and easily. UCID can be used with both single and multi-site call centers, however passing UCID to other sites requires CentreVu Virtual Routing and Call Center Deluxe or Elite software packages.

Expert Agent Selection

Lucent Technologies' patented Expert Agent Selection (EAS) builds on the power of Call Vectoring and expands the capability of ACD by allowing incoming calls to be routed to specialized groups of agents within a larger group of agents. EAS provides a method of matching the needs of the caller with the skills and talents of the agents. A skill represents a level of competence, such as the ability to speak Spanish or knowledge about a particular product. Call Vectoring is used to route the call based on the identified need of the caller (such as the caller's selection of a Call Prompting choice), the priority ordered skills of the agents, or the number the caller dialed (Vector Directory Number or VDN).

EAS defines how calls are distributed by administering skills for VDNs, agents and callers. A skill represents a level of competence for each of these entities, and is identified by a number assigned by the System administrator. Assigning skills is another way of defining priorities for matching callers to agents. The ACD manager and supervisors have complete control over the skill assignment.

When the system is optioned with EAS, the agents can be monitored based on their logical agent ID rather than by the extension number of the physical voice terminal where they are located. Observing via the logical agent ID allows every ACD, personal, and Direct Agent call delivered to or placed by the agent, including calls placed to the voice terminal to be monitored.

Expert Agent Distribution or Skills Based Routing

EAS allows distribution of calls by Expert Agent Distribution (or Skills Based Routing). Calls which require certain agent skills (such as ability to speak a certain language, understanding of a particular product) to be matched to an agent who has the necessary skill. Up to three skills can be assigned to each VDN and four skills to each agent. Agent skills can be designated as primary and secondary. A vector can, in addition, consider more than three VDN-assigned skills when necessary for the application.

EAS Preference Handling Distribution (EAS-PHD)

The EAS feature has been enhanced significantly to improve the agent retrieval process under skills-based routing. With EAS-PHD, the number of skills per agent is expanded to 20 and the number of preferences (skill proficiency) per skill is increased to 16.

Logical Agent

The Logical Agent feature of EAS allows an agent to log into a skill from any voice terminal in the system. The agent's skills and features follow to that voice terminal. Also, an agent can be called without the caller knowing the extension number and/or location of the terminal where the agent is logged in. The agent’s activity is tracked by the call management system regardless of which voice terminal is used from shift to shift.

With the Logical Agent feature an agent’s ACD Login ID is associated with a particular voice terminal only when the agent actually logs in at that terminal. When the agent logs off, the association of an agent’s ACD Login ID with a particular voice terminal is removed. The ACD Login IDs used are numbers used out of the DEFINITY ECS’ normal station numbering plan. Agents become logical entities and not physical entities. Physical attributes of a voice terminal, such as button administration and automatic answer, do not follow the agent.

In addition to skills, the following capabilities are associated with agents' login IDs:

- *Calls* – Calls to the Login ID reach the agent independent of the voice terminal the agent is currently using. These can be Direct Agent calls (calls to a particular agent treated as an ACD call).
- *Name* – Calls to the Login ID display the name associated with the Login ID and not the name associated with the voice terminal. This is also true for calls made from a voice terminal with an agent logged in.
- *Coverage* – Calls to the Login ID go to the coverage path associated with the agent and not the voice terminal. Calls go to coverage when the agent is logged out, or when the agent is busy or does not answer. Direct Agent calls and other non-ACD calls will go to coverage. ACD calls do not follow the agent's coverage path.
- *Message Waiting Lamp* – Messages for the Login ID will light the message waiting lamp associated with the agent while he or she is working at that voice terminal. When the agent logs out, the lamp reverts to the primary owner of the voice terminal. This allows agents to know when they have messages regardless of their work location.
- *Restrictions* – Calls to the Login ID or from the agent use the restrictions associated with the agent and not the voice terminal.
- *Work Modes* – A single work mode button applies to all the skills assigned to the agent currently logged in. The agent in the Multiple Skills feature allows agents to log in to up to four skills.

Anytime agents share a voice terminal, for example, when working shifts or job sharing, each person has his/her own extension and calls go to the coverage mailbox when the agent is logged out.

Also, when agents use multiple voice terminals because they have multiple offices or rotate desks (such as guards), using Login IDs allows them to be reached independent of their desk location.

Service Observing on Logical Agents

When the system is optioned with Call Center Elite's Expert Agent Selection (EAS), the agents can be monitored based on their logical agent ID rather than by the extension number of the physical voice terminal where they are located. Observing via the logical agent ID allows every ACD, personal, and Direct Agent call delivered to or placed by the agent to be monitored, including calls placed directly to the voice terminal.

Direct Agent Calling

The Direct Agent Calling feature of EAS allows calls to be routed to a specific agent (through DID, vector prompting, or transfer from another agent, VRU, or computer) and treated as an ACD call. Agents are notified that a Direct Agent Call is waiting.

If the receiving agent is not available to answer an ACD call, (for example, the agent is busy on a call, in the After Call Work mode, or in the Auxiliary Work Mode), the receiving agent is notified with a ring-ping if the agent has a multifunction voice terminal or is on-hook. The ring-ping is given only once per call when the call is queued. The currently lit work mode button lamp for the associated split/skill on the receiving agent's voice terminal flashes, indicating a direct agent call is waiting. Flashing starts when the call queues and stops when all direct agent calls leave the queue (answered, abandoned, or sent to coverage).

Usually Direct Agent calls are queued and served in a first-in, first-out order before any non-Direct Agent call (including priority calls). Therefore, when an agent becomes available, the switch first checks for any Direct Agent calls before serving normal ACD calls in queue.

When using EAS-PHD (Preference Handling Distribution), Direct Agent calls must be assigned the highest priority for them to be delivered before other ACD calls. Otherwise, calls with a higher level will be distributed before Direct Agent calls.

Direct agent calls follow the receiving agent's coverage and call forwarding, if activated. Once the call goes to coverage or is forwarded, the call is no longer treated as a direct agent call. The optional CentreVu Call Management System (CMS) is informed that the call has been forwarded.

Add/Remove Skills by Feature Access Code (FAC)

This feature allows agents using EAS and other authorized users to dynamically add or remove skills by dialing a feature access code (FAC) to meet the real-time needs of incoming call volumes by type. Information provided by the management system about the incoming calls alerts supervisors and agents to the need to change agent skills. When an agent adds or removes a skill, the system displays on the voice terminal the updated set of skills currently assigned to the agent.

Reason Codes

This feature allows an agent to enter a code of 0-9 when entering the Auxiliary Work Mode (AUX work mode) or logging out of the system. The code can be used to identify activities such as training or breaks. Reason codes give call center managers detailed information about how agents spend their time. These data can be used to develop more precise staffing forecasting models or used with schedule-adherence packages to ensure that agents are performing scheduled activities at the scheduled time.

CentreVu CMS and VuStats will track the currently active Reason Code and the time associated with each code during the AUX Work state. Managers can also define names for each Reason Code for a clearer description in VuStats and CentreVu CMS.

AVAYA

DeveloperConnection Program

TASKE TECHNOLOGY

PRODUCT BRIEF

Avaya and TASKE

Improving call performance levels

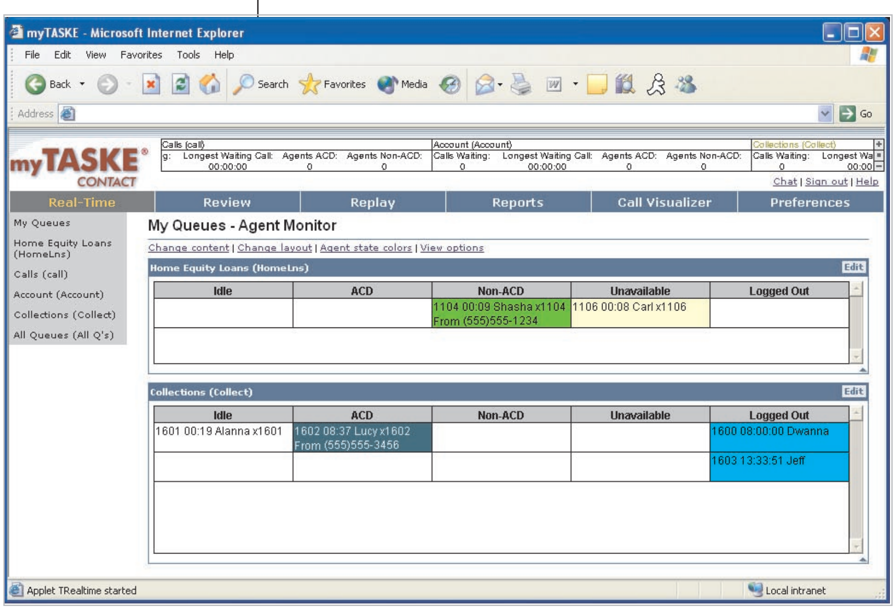
How can call center managers and other business managers — in small-to-medium-sized businesses — optimize the deployment of resources?

An Innovator-level member in the Avaya Developer*Connection* program, TASKE Technology Inc. meets this need with its call management solutions, TASKE Contact, TASKE Essential, myTASKE Reporter, and TASKE Analytics. TASKE applications integrate with each layer of the business environment, providing a single, reliable source for call management and call reporting needs.

TASKE solutions access the data stream from Avaya products (described below) to gather and process call information. Contact center managers use this information to enhance contact center performance and coordinate resources. In addition, call centers and businesses can report on all extensions using TASKE solutions.

The solutions are designed to work with the following Avaya products:

- **Avaya Communication Manager** – Integrates telephony call processing, call control, messaging, contact center and a widely accepted application programming interface into a highly scalable architecture designed to support both circuit-based and IP-based telephony within a distributed enterprise communications network.
- **Avaya MERLIN MAGIX® Integrated System** – A private branch exchange (PBX) with a built-in ability to emulate a traditional key system.



TASKE Contact

TASKE Contact is a comprehensive call management solution ideal for small call centers (under 100 agents). Key features include:

- Web-based interface allowing for global access
- Real-time queue and agent activity monitoring for inbound, outbound and internal calls
- Call Visualizer for detailed call analysis (cradle-to-grave reporting)
- Historical reporting on all calls
- Workforce management integration (IEX, Blue Pumpkin, Left Bank Solutions)

TASKE Essential

TASKE Essential is a complete call reporting application ideal for the small-to-medium-sized business without a call center. Key features include:

- Web-based interface allowing for global access
- Historical extension/trunk reporting
- Real-time extension viewer: inbound, outbound and internal calls
- Call Visualizer for detailed call analysis (cradle-to-grave reporting)

myTASKE Reporter

A Web-based, reporting-only solution for the contact center with up to 50 agents, myTASKE Reporter includes Call Visualizer and all TASKE reports. It is available on Avaya MERLIN MAGIX only.

TASKE Analytics

TASKE Analytics provides call data analysis options, including:

- Open Database Connectivity (ODBC) interface for SQL applications
- XML generator for advanced application integration
- Call Visualizer for detailed call analysis
- Data cube (online analytical processing, or OLAP) generator for industry-standard, business intelligence applications

System Requirements

For a list of up-to-date requirements for Avaya Communication Manager and MERLIN MAGIX for all available TASKE products, please go to www.taske.com/requirements.

ABOUT TASKE

Founded in 1989, TASKE Technology Inc. provides real-time call management and historical reporting solutions for small call centers and general business environments. TASKE solutions provide the insight necessary to improve call center service levels and enhance customer retention strategies.

With thousands of installations worldwide, TASKE offers superior technical support and expert services for all its products. TASKE has an excellent reputation for offering proven, robust and affordable products for Avaya platforms. TASKE software has been compliant tested on Avaya Communication Manager and MERLIN MAGIX.

Notable achievements include:

- Call Center Magazine's Product of the Year and Editor's Choice awards
- TMC Labs Innovation award for myTASKE Web interface

For more information, visit www.taske.com.

ABOUT AVAYA

Avaya enables businesses to achieve superior results by designing, building and managing their communications networks. Over one million businesses worldwide, including more than 90 percent of the FORTUNE 500®, rely on Avaya solutions and services to enhance value, improve productivity and gain competitive advantage.

Focused on enterprises large to small, Avaya is a world leader in secure and reliable IP telephony systems, communications software applications and full life-cycle services. Driving the convergence of voice and data communications with business applications — and distinguished by comprehensive worldwide services — Avaya helps customers leverage existing and new networks to unlock value and enhance business performance.

For more information about Avaya, visit www.avaya.com.

ABOUT DEVCONNECT

The Developer*Connection* Program (DevConnect) is a comprehensive set of innovative sales, support, marketing and services programs through which Avaya works with members to develop and promote their products and solutions that interoperate with Avaya solutions.

For more information, visit DevConnect at www.devconnectprogram.com.

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IP Telephony
Contact Centers
Mobility
Services

OVERVIEW

Avaya Integrated Management

A comprehensive set of tools that simplify management of converged network infrastructures

Avaya Integrated Management applications can help your enterprise more effectively manage converged network infrastructures. This comprehensive set of applications is designed to simplify system administration, provisioning and network management, and fault and performance management operations. As a result, Avaya Integrated Management helps you improve network uptime, increase staff productivity and reduce operating costs.

Avaya Integrated Management Overview

Avaya Integrated Management provides a complete solution for system administration, network management, and provisioning of converged networks – including both voice and data communications – while

- lowering management costs through simplified administration features,
- increasing productivity through a centralized management architecture, and
- maximizing network reliability with network-wide monitoring and fault management tools.

The solution helps you achieve more efficient system management, less system downtime, and a communications infrastructure that adds more value to your organization than ever before.

As a core component of the Avaya Communication Architecture, Integrated Management encompasses the entire scope of Avaya offerings, including Avaya DEFINITY® Communications Servers, Communication Manager software, media gateways and servers, converged infrastructure switches, and a wide variety of Avaya adjuncts such as INTUITY® Audix™, Conversant, Call Management System (CMS), MultiPoint Conferencing Unit (MCU), Intuity Interchange, and Modular Messaging.

Standards-based for greater flexibility, greater scalability, and lower TCO

Integrated Management applications are based on standard protocols, providing the flexibility to operate as a standalone solution or integrated with your existing Network Management System (NMS). Integrated Management applications comply with widely accepted standards, such as Simple Network Management Protocol (SNMP), and run on standard operating systems such as Red Hat Linux, Microsoft Windows 2000/2003, and Sun Solaris.

A Web-based interface for intuitive access to powerful features

Avaya Integrated Management helps your network administrators maximize productivity through web-based network reporting and management tools, accessible from virtually any station on your network or the Internet. Devices and network maps, quality of service (QoS) performance, device status and faults, and monitoring are presented through intuitive graphical displays, while task wizards simplify many common administrative tasks.

For security, user authentication is supported in order to access Integrated Management applications, and custom roles and access rights can be defined for up to 13 different administrator group levels through Avaya MultiSite Administration.

Network Management System (NMS) Integration for End-to-End Management Support

Avaya has joined forces with Hewlett Packard to offer a joint management solution that allows your enterprise to control and monitor network infrastructure and IP telephony through a single Network Node Manager (NNM) console. Through the HP Network Node Manager Smart Plug-in for Avaya IP Telephony, HP OpenView can receive alerts from Avaya devices and Integrated Management tools, which can then be launched, in context, from within HP OpenView Network Node Manager. With this consolidated event console, network operators can be alerted to potential problems, identify Voice over IP paths in the network, and launch specific IP telephony views for quick problem identification.

Avaya Integrated Management also works seamlessly with Extreme Networks EPICenter to provide an end-to-end converged management infrastructure. Integrated capabilities include joint device discovery, sharing of network inventory and status monitoring information, and forwarding of traps. Both applications are designed to co-exist and be cross-launched from the same server platform.

Capabilities Overview

The applications within Avaya Integrated Management focus on three areas:

- Application Administration
- Provisioning and Network Management
- Alarming and Monitoring

Avaya Network Management Console with VoIP SystemView is the central launching point for Avaya administration tools, device managers and network management applications. It serves as the main management console for device discovery, SNMP-based fault monitoring, and network display. For enterprises deploying IP telephony, the VoIP System View feature within the Console displays a hierarchical and logical view of the VoIP network, ranging from the Avaya voice server level down to individual resource components, gateways, and IP phones. With this end-to-end view, administrators can quickly and easily locate users anywhere in the enterprise and identify their logical VoIP connection path through the converged network.

The Network Management Console can operate as the main network management system, or integrate with the HP OpenView Network Node Manager 7.01/7.5 on either Windows 2000 /2003 or Solaris 9. The Management Console will also discover and display switches from Extreme Networks, and import network inventory, status monitoring information, and SNMP traps from the Extreme Networks EPICenter network management application.

Application Administration

These applications enable administration of site and network system features, user moves, adds and changes, and distribution of voice announcements for converged networks, ranging from a single voice system to large complex multi-site deployments administered by distributed global support organizations.

Avaya Site Administration is a PC-based application providing comprehensive tools for administration and maintenance of individual Avaya Media Servers and Avaya messaging platforms. Running on Windows 2000/2003 or XP, Avaya Site Administration presents a graphical user interface along with special task wizards that simplify basic administration functions by reducing repetitive tasks for moves/adds/changes, finding extensions, monitoring, and a variety of other functions. A Graphically Enhanced DEFINITY Interface (GEDI) tool provides access to more advanced administrative tasks.

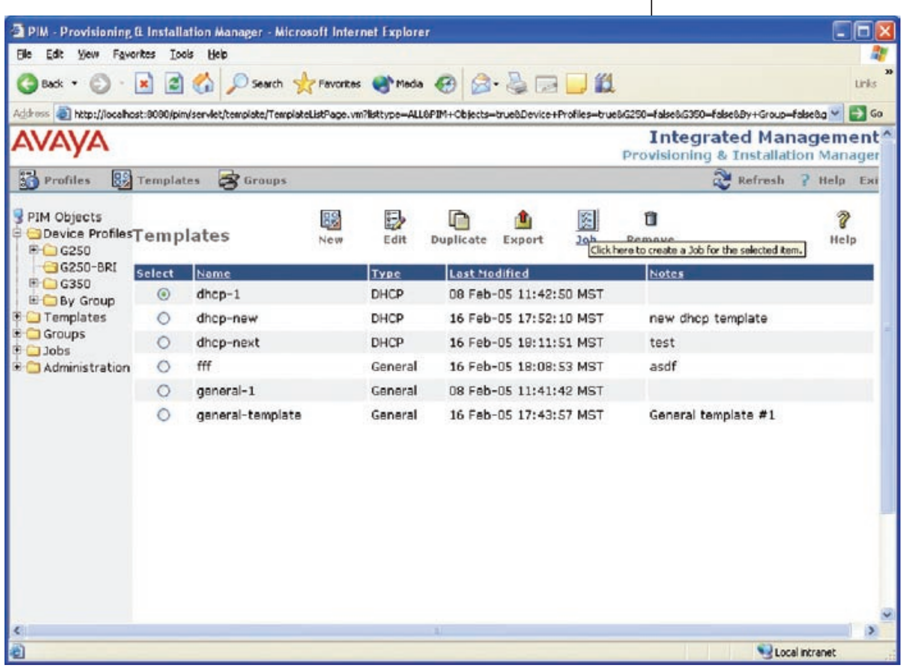
Avaya MultiSite Administration is a server-based application designed to help network administration teams centrally manage large, complex voice networks consisting of multiple Avaya media servers and gateways. Graphical station and administration screens combined with wizards enable system administrators to rapidly learn and perform tasks that were previously difficult and time-consuming. To help global support organizations control access, up to 13 custom management privilege levels can be defined to map groups of administrators and their defined access rights to groups of voice systems. For additional security, an advanced logging feature provides management with transaction records of each administrator.

Voice Announcement Manager is a Windows 2000/2003/XP application that helps your enterprise gain better control over the content, quality, and timing of recorded voice announcements – anywhere on the network. Voice Announcement Manager provides a secure repository for voice announcements by storing them as WAV files. Announcements can then be copied, backed-up, or restored to Avaya Media Servers and Gateways over the LAN, and scheduled for broadcast. An easy-to-use graphical interface provides a centralized point of management, making it easy to get the right announcement to the right location, at the right time.

Provisioning and Network Management

Avaya provisioning and network management applications simplify the deployment, configuration and ongoing maintenance of media gateways and converged infrastructure switch devices.

Provisioning and
Installation Manager

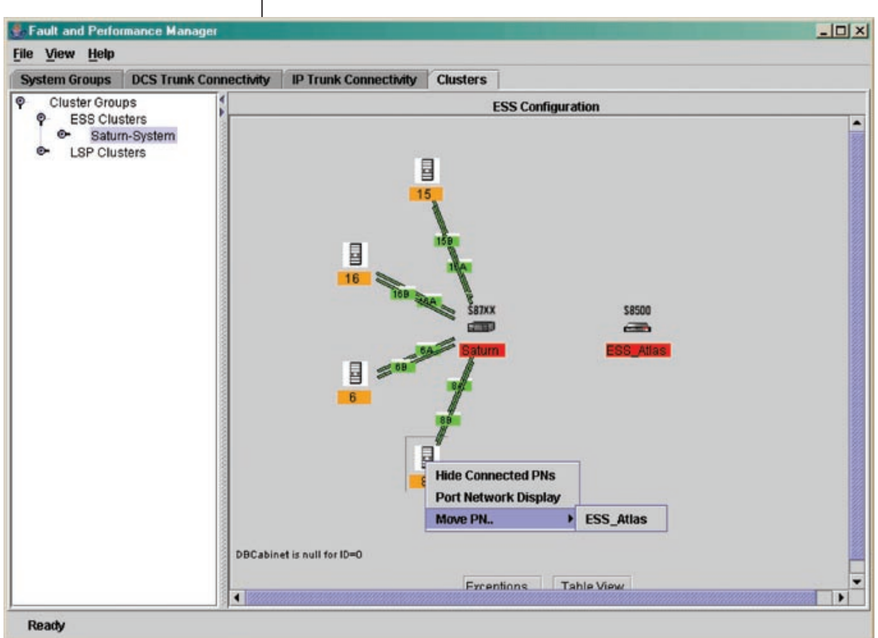


Provisioning and Installation Manager helps your enterprise save time and money on large-scale branch office deployments by replacing error-prone and time-consuming device-by-device provisioning. This tool enables the definition of customized templates applied to large groups of gateways at one time. As part of the staging and installation process, Provisioning and Installation Manager allows network experts at your staging center to quickly create configuration templates and individual device profiles with unique parameters for each gateway.

These templates and profiles, stored in advance as part of an initial staging process, can be applied to groups of gateways as part of a bulk provisioning process during deployment. Thus, large-scale branch office deployments can be performed faster, with fewer errors, and with reduced need for on-site technical expertise. Provisioning and Installation Manager can also be used for ongoing provisioning tasks by the Network Operation Center (NOC) that require configuration changes to groups of gateways.

Secure Access Administration provides a centralized console for managing user access rights and privileges to Avaya branch office gateways and converged infrastructure switches. With Secure Access Administration, defined user lists can be deployed to multiple devices in parallel, eliminating error prone device-by-device configuration. Avaya Secure Access Administration also supplies an internal API to network management applications for authenticating Avaya devices and gateways using SSH public keys.

Fault and Performance Manager



Software Update Manager simplifies software maintenance operations in your distributed network by helping administrators analyze and update software/firmware of Avaya media gateways, media modules, wireless devices, and converged infrastructure switches. Software Update Manager will automatically retrieve the latest software updates from the Avaya support site, highlight devices running outdated versions, and schedule updates that can be distributed to multiple devices at a time. Software Update Manager also manages the distribution of IP phone firmware updates to remote branch offices, reducing bandwidth usage over the WAN by allowing remote IP phones to get their configuration updates from the local TFTP server embedded in Avaya branch office media gateways.

IP Address Manager provides network-maintenance tools to quickly locate IP addresses or hosts within the network. It automatically displays a centralized list of hosts discovered in the network and correlates between IP address, MAC address, and device-port connectivity. This enables network managers to instantly locate switch ports related to specific hosts; automatically discover duplicate IP addresses or port policy violations; and generate, print, and export reports.

Avaya Device Managers provide a complete set of tools for managing individual Avaya media gateways and converged infrastructure switches. These powerful, yet easy-to-use, mouse-driven tools give network managers the ability to set up and configure all device parameters, including standard port settings, port security, redundancy modes, and device-specific functions.

Alarming and Monitoring Fault and Performance Management

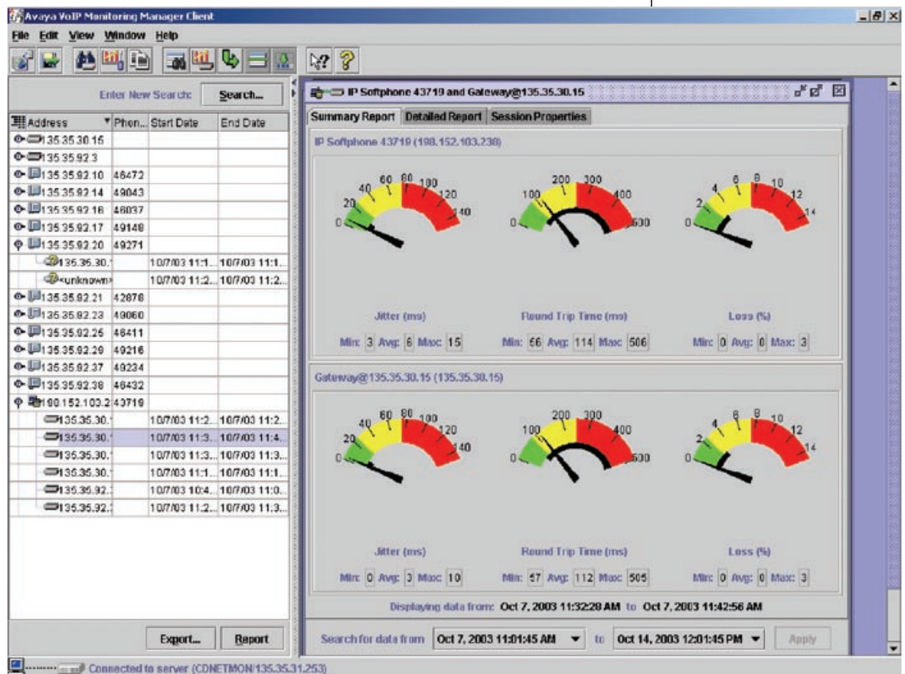
Avaya alarming and monitoring fault and performance management applications help to maintain converged network health by providing a comprehensive set of VoIP and network traffic monitoring tools, along with network device health and alarm management that quickly identify, localize, and correlate application QoS or network device issues anywhere in the network.

Fault & Performance Manager provides a complete solution for fault and performance management of Avaya voice systems and adjuncts. Operating independently, or integrated with the HP OpenView Network Node Manager 7.01 and 7.5 on either Windows 2000/2003 or Solaris 9, Fault & Performance Manager provides a hierarchical view of all voice systems in the network; drill-down capabilities provide configuration, fault, and health data of individual systems and adjuncts in text, tabular, and graphical formats. For enterprises planning the deployment of fault-tolerant networks, Fault and Performance Manager includes support for monitoring of Enterprise Survivable Servers (ESS) and the management of port network moves between servers

Fault and Performance Manager is also a poweful reporting tool, with system-wide administration of parameters that allow the network manager to quickly define settings for data collection, logging, and alert levels, and a flexible report manager that provides detailed information on performance, configuration, and exceptions/alarms. To help simplify interpretation of system messages and alarms as they appear, an integrated helpdesk feature automatically launches the Communication Manager maintenance manual with the specific alarm in focus.

VoIP Monitoring Manager is a VoIP QoS monitoring and feedback tool offering a detailed graphical visualization of VoIP network health. The application collects Real-Time Control Protocol (RTCP) packets sent from Avaya IP phones, media gateways, and media processor resources during actual calls, and makes the information available in real-time or stored for time-based analysis. This allows network managers to quickly specify endpoints and time periods in which to examine data through easy-to-read graphical displays of call session

For enterprises with a distributed network of gateways, VoIP Monitoring Manager can identify and monitor calls between endpoints through a particular media gateway, as well as VoIP traffic between gateways. VoIP Monitoring Manager also provides detailed historical performance information that can be used to baseline performance and validate Service Level Agreements (SLA).



VoIP Monitoring Manager

Beyond trouble-shooting and monitoring, VoIP Monitoring Manager is also a pro-active notification solution that warns the network manager of potential degradation of voice quality in their network – providing valuable time to identify, localize, and fix issues in the network as they arise. In this scenario, VoIP Monitoring Manager can be configured to automatically send SNMP (Simple Network Management Protocol) traps to a Network Management System (NMS) based on a number of QoS threshold policies.

SMON Manager provides traffic monitoring designed for networks that incorporate the point-to-point transmission schemes of Avaya Ethernet and gigabit Ethernet switches. It provides a top-down view of your network traffic that drills down to individual switches, VLANs, and ports. Administrators can display voice endpoints, view all enterprise alarms and performance history reports, customize alarms and thresholds, and tie alarms and thresholds to alerts—all with no effect on switch performance. For VoIP trouble-shooting, a VoIP port monitoring feature works with Avaya VoIP Monitoring Manager's real-time call session information to help network managers more quickly identify, diagnose, and fix network IP telephony issues by filtering network information to display only traffic on ports that have connected IP phones.

Integrated Management Offer Structure

Avaya Integrated Management applications are packaged within specific offers. The standard Integrated Management offer ships with most Avaya Communication Manager new systems and upgrades. It incorporates SNMP agents, devices managers, and one license for Avaya Site Administration, which provide the core capabilities needed to administer a single voice system.

Four additional Integrated Management offers include value-added advanced application options aligned by functionality, allowing your enterprise to flexibly match management capabilities to specific requirements:

- Basic Administration Tools
- Enterprise Network Management
- Communication Manager System Management
- VoIP Monitoring

Basic Administration Tools

Basic Administration Tools are an ideal solution for enterprises with a small network of voice systems. The offer expands upon standard management by adding a license for Avaya Site System Administration. It also provides a solution for managing adds, changes, back-ups, and broadcasts of recorded announcements to voice systems over the enterprise network with Avaya Voice Announcement Manager. For flexibility, additional Basic Administration license options are available to meet the needs of larger campus environments and multi-country deployments.

Enterprise Network Management

Enterprise Network Management is a super-set of Basic Administration Tools, encompassing the core applications in all key areas of management. The offer is ideally suited for enterprises with mid to large-scale branch office VoIP deployments. Enterprise Network Management starts with the Network Management Console. The console is the launch point for centralized management tools designed to simplify provisioning/installation, access security administration, software and firmware upgrades, and trouble-shooting tasks required to support a distributed network of IP telephony locations. The offer also incorporates SNMP agents, devices managers, and a single license each for Avaya Site Administration and Voice Announcement Manager. Additional license options provide flexibility to match a variety of network scenarios.

Communication Manager System Management

Communication Manager System Management can be added to any of the other Integrated Management offers. It is designed for enterprises with multiple voices systems from Avaya DEFINITY® Communications Server Release 9.5 up to and including Avaya Communication Manager software. The offer includes comprehensive traffic analysis and system information tools to trouble-shoot and perform long term trending and performance base-lining of larger networks, along with advanced Helpdesk functionality that provides managers with key information for trouble resolution. This solution also offers advanced management support for Enterprise Survivable Servers (ESS), making it ideal for enterprises with high-availability requirements. It is also designed for enterprises with distributed management groups that desire advanced control over how they structure administrative roles and access.

VoIP Monitoring

The VoIP Monitoring offer helps any enterprise deploying VoIP to better manage the performance of the application through their converged network. VoIP Monitoring Manager is designed as a standalone solution for use with any Avaya Communications System Release 11 or higher.

Integrated Management Offers

	Basic Administration Tools	Enterprise Network Management	Communication Manager System Management	VoIP Monitoring
Application Administration				
Site Administration	√	√		
MultiSite Administration			√	
Voice Announcement Manager	√	√		
Alarming and Monitoring Fault and Performance Management				
Fault & Performance Manager			√	
VoIP Monitoring Manager	√ (90 day trial)	√ (90 day trial)		√
SMON Manager		√ (90 day trial)		
Provisioning and Network Management				
Network Management Console with VoIP System View		√		
Provisioning and Installation Manager		√		
Software Update Manager		√		
Secure Access Administration		√		
Network Configuration Manager		√		
QoS Manager		√		
IP Address Manager		√		
Device Managers		√		

Maximize Converged Network Investments with Avaya Global Services

Maximize the benefit of converged network solutions by leveraging the award-winning expertise of Avaya Global Services to plan, design, and implement reliable and secure, advanced solutions. Working with Avaya can help you cut costs and increase productivity. Whether it's day-to-day network or system administration or a l ong-term strategy for voice and data convergence—a one-time project or an extended relationship—Avaya Global Services provides you with resources, expertise, and state-of-the art tools that are simply not available anywhere else.

Avaya Global Services provides you the assistance you may need to implement and utilize the Avaya Integrated Management solutions. Avaya Global Services can provide onsite or remote support to install the applications and configure them to work with your various applications and business locations. In addition, Avaya Global Services upon request can provide knowledge transfers to your primary administrators to help them maximize the business benefits of the Avaya Integrated Management suite.

Learn More

To learn more, talk to your Avaya Client Executive or Authorized Avaya BusinessPartner. Or visit **avaya.com**.

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11/05 • LB1720-02

Cacti

quality assurance made simple...

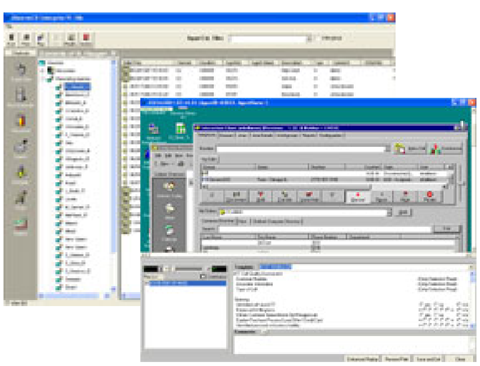
Cacti FocusRecord™ Continuous Recording

Contact Center Server Based Solution

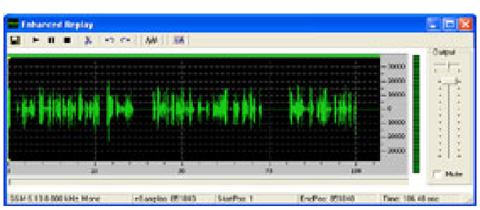
Contact Centers today are being asked to interact with customers via more mediums such as audio, fax, web and email. This gives their companies competitive advantages in the marketplace, while increasing the complexity of managing performance, efficiency, validation of information and the protection of company's assets.

Solution Summary

Continuous Recording of Voice and Screen
On-Line Auditing
Management Performance Reporting



Search, Audit, Replay Voice and Screen Recording



Edit or Scan Voice and Screen Recording using Enhanced Replay

Did we provide the correct information?

The New Era of Contact Center Recording

FocusRecord provides your organization with a highly reliable server-based recording solution. FocusRecord continuously records, achieves, stores and provides high-speed access to thousands of hours of customer interactions. FocusRecord allows multi-user access capabilities enables playback of voice and screen sessions and real-time monitoring of any agent, by any number of supervisors. Simply stated, it records all transactions or conversations made by any agent or trader within the contact center.

FocusRecord is a non-proprietary, completely server based (Windows NT or 2000 system and can support up to 192 individual channels or 8 T1s of recording on a single Voice Recording Server (VRS) Module. Each FocusRecord server can be configured to perform as a single server recording platform supporting analog, digital, VOIP and trunk side recording. As an added benefit, FocusRecord also supports digital station taps with D- channel signaling support. FocusRecord provides centralized archiving of recordings using our intelligent mass storage module or other storage devices such as network storage, CD-ROM, DVD-RAM or Tape.

Continuous Recording Return On Investment

FocusRecord is not simply an investment in technology, it is an investment in the people of your organization and your future. Increasingly ,companies recognize customers as their most valuable assets, therefore each customer interaction is an investment towards the future of the company. FocusRecord will grow with your business and provide scalability on standard platforms with no proprietary hardware. Your business will benefit from the changes in technology and our continued product enhancements.

Cacti Continuous Recording Solution

Cacti offers a single source for your solution and helps you to implement FocusRecord within your environment. The added value is your organization will receive the following:

BUSINESS BENEFITS

- Total/Continuous Multimedia Recording Solution
- All In One Server Solution
- Non-Proprietary Open Architecture Solution
- Can Perform Selective/Continuous Recording On Same Platform
- Increase Customer Satisfaction and Retention
- Identify Training Needs
- Automate the Monitoring and Evaluation Process
- Identify Agent Strengths and Weaknesses
- Generate fair and Concise Reports
- Increase Agent Moral and Reduce Staff Turnover
- LAN/WAN based Client/Server Technology
- Supports Oracle, SQL or any ODBC Compliant Database
- Supports Rules Based Recording and Auditing
- Cost Effective, Easy to Install and Maintain

Visit www.cacticom.com for more information.

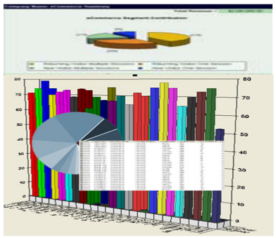
Cacti FocusRecord Continuous Recording

Major System Benefits

FocusRecord provides your organization a user-friendly quality assurance solution that enables you to measure performance concisely.

- Windows GUI Interface and/or Web Enabled
- File Storage Mechanism *One call one file*
- Utilizes state of the art GSM compression (1.67KB per sec)
- Supports embedding of training content documentation, video, interactive test, scripts, html)
- Easy Agent Scheduling by group, agent, date time, call count, call type, minimum call duration and more
- Optional Built In Online QA Audit Tool
- Single Replay Screen Voice and Screen Replay and QA Auditing
- Supports 100% Screen and Voice Recording
- Easy to use customizable QA Templates
- Supports Selective and Total Recording on same platform
- Supports playback from workstation and dial-in replay from via any telephone
- Supports embedding of voice recordings into any document
- Supports emailing of all recordings and reports
- Supports Windows NT and Windows 2000
- Supports Enterprise trunk side or station selective recording
- Comes standard with **Enhanced Replay** tool that allows editing of recordings and depiction of silence and the ability to gauge sensitivity of call (i.e., irate callers)
- 3D, List and 2D management reports

Reports On Demand



FocusRecord reports provide invaluable information on the auditor, agents, and groups. In addition, FocusRecord provides your business with tools to enable them to make critical business decisions based on evaluated performances and quality assurance scoring. You will have capabilities to conduct a detailed analysis and gather trending information related to performance with a click of a mouse. Your business will discover hidden gaps and become performance driven. Our reports provide proof of performance and validate your quality assurance practices. FocusRecord has a superior reporting engine and allows you to design and build critical reports with a click of a mouse.

Automate Quality Assurance

FocusRecord provides a user-friendly scheduling tool that offers ultimate flexibility. Administrators can configure FocusRecord to record all calls of groups or individuals or elect to have specific groups randomly recorded for quality purposes. Auditors can use the search tool to define any number of recording samples (i.e., search for 500th call of specific group).

FocusRecord integrates with standard CDR (Call Detail Records), CTI/CRM packages or workforce management applications to automate the recording process! FocusRecord scheduling interfaces enables you to schedule a specific agent, group or entire contact center automatically to record randomly or based on your preset time criteria. The voice and screen recording are delivered at the supervisor's desktop for replay and audit.

performance

minimum requirements

FocusRecord Performance Server

Single or Multiprocessor Pentium 500 mhz or better
512 MB RAM with 4 to 700 GB Hard Drive
Windows NT Service Pack 5.0 or better
Ethernet, Token Ring
Optional CD-ROM, DVD-RAM or Tape
Tower or Rack-Mount

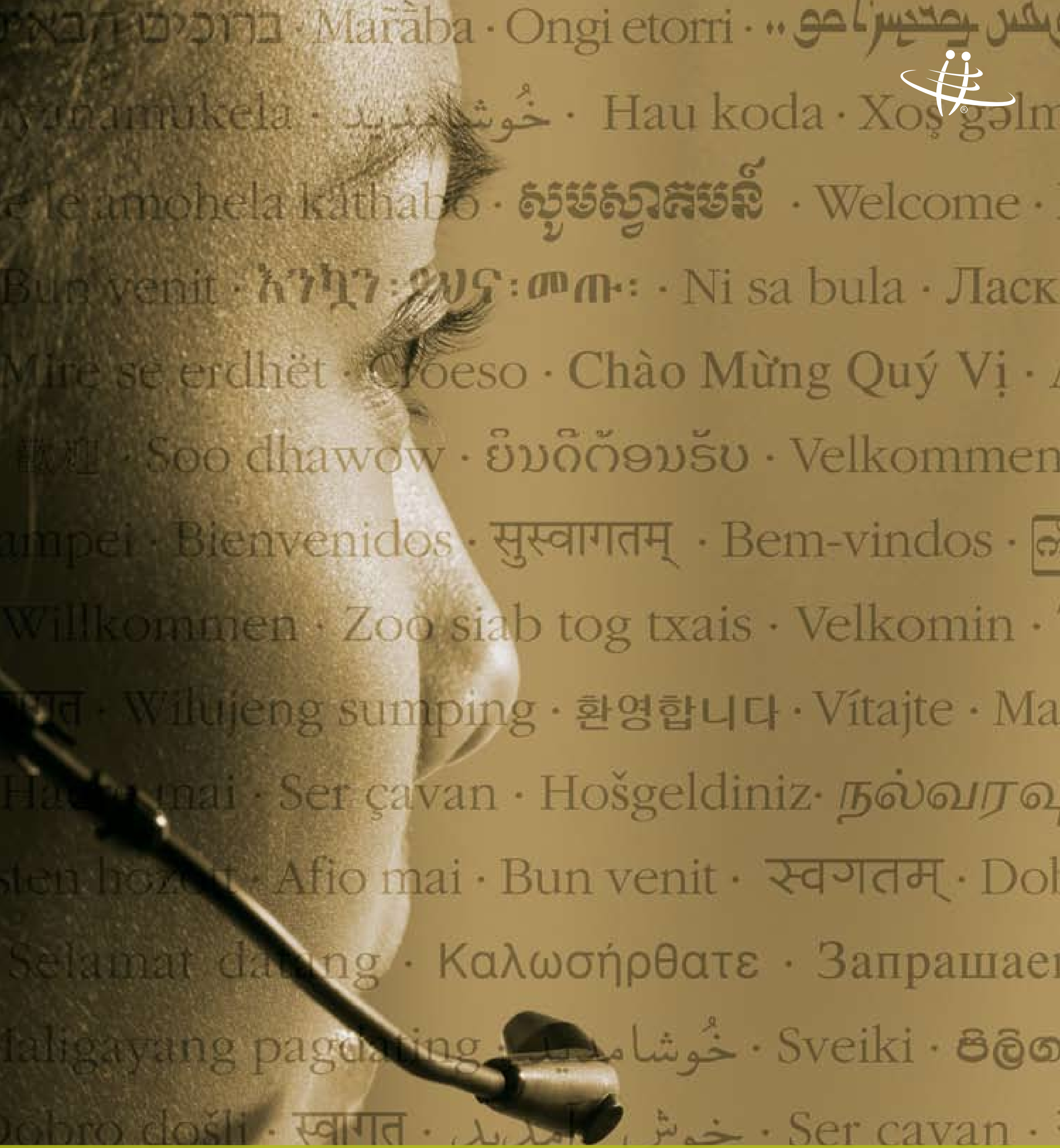
Client Workstation

Microsoft Windows NT, 95, 98, ME, 2000, XP
Pentium or Better
128 MB RAM or Better
TCP/IP Connectivity
Auditors required sound card with audio outputs

Integrations

All Major PBX/ACD(s), T1, E1, Digital/Analog, Station Side Recording Avaya, Nortel Meridian, DMS-100, 5ESS, EIC, Cisco and etc.
SMDR/CTI Connectivity (Serial/TCP/IP)
SMDR/CTI Connectivity (Serial/TCP/IP)

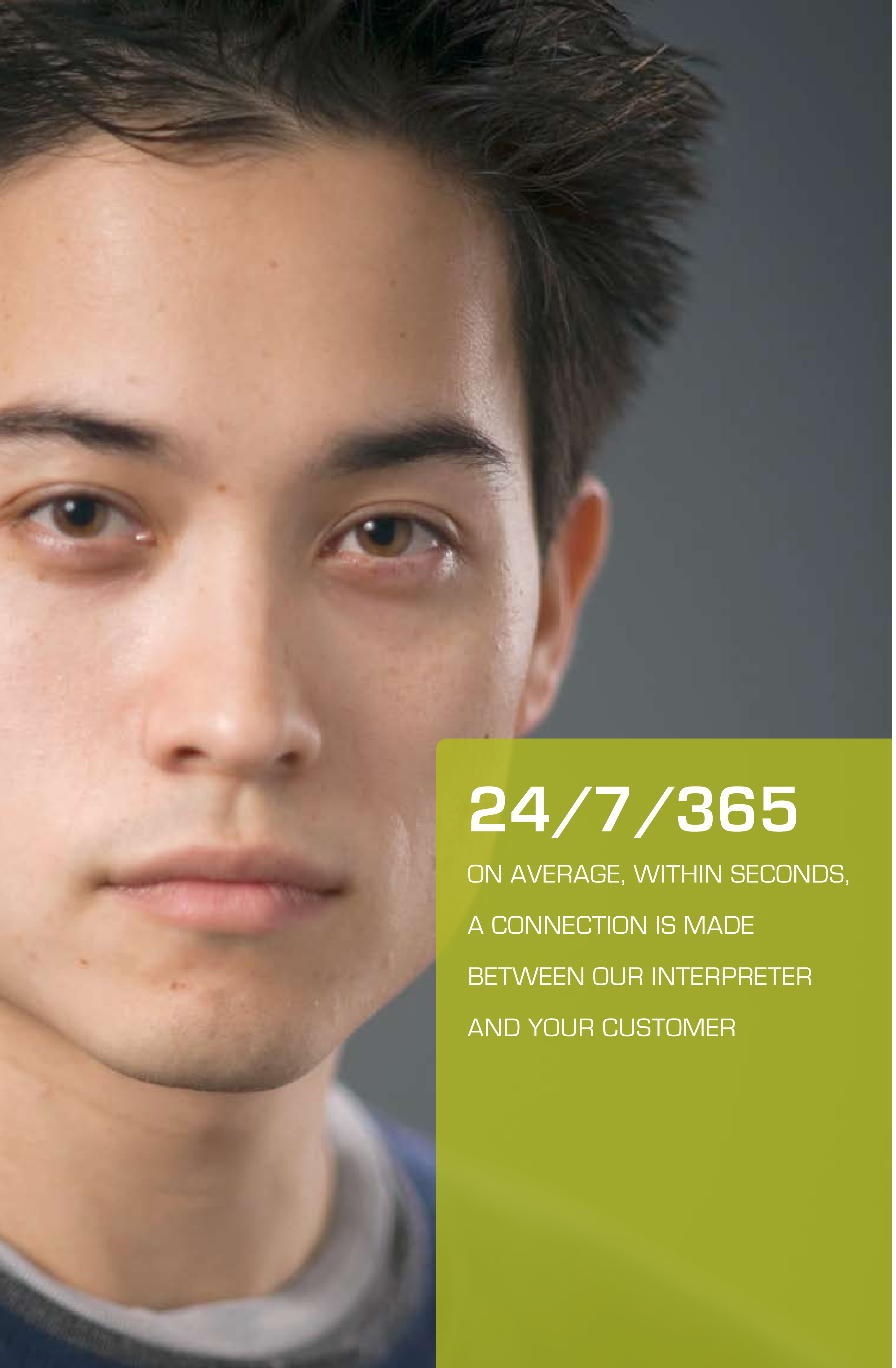
Contact Us Today for a Free Demo!



Language Line Services

INTERPRETING YOUR NEEDS

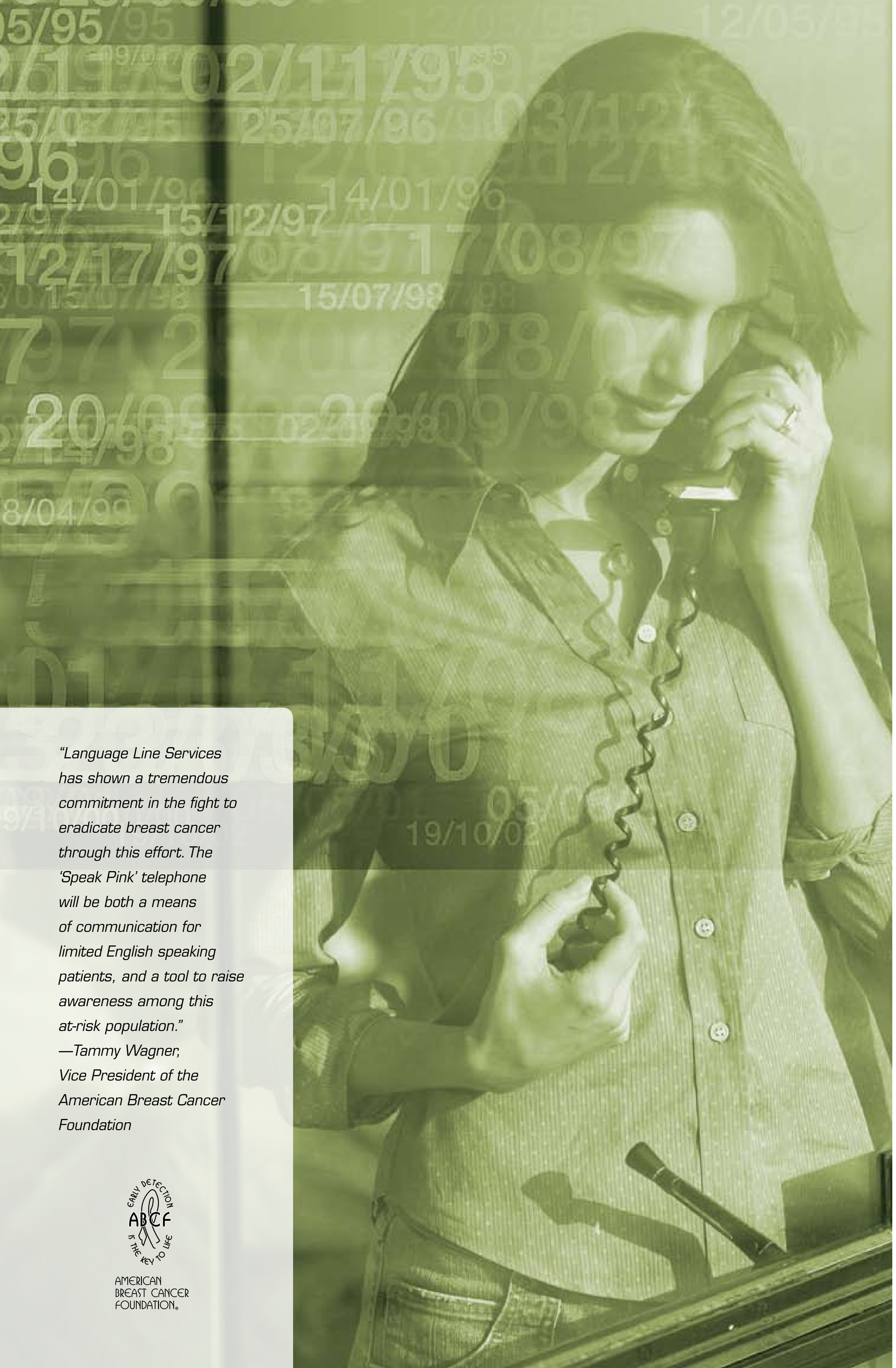

Language Line Services can help you communicate with each one.



A Life in the Balance

IN THE MIDDLE OF THE PACIFIC OCEAN, more than a thousand nautical miles from the nearest help, a Japanese fisherman falls gravely ill. Seriously worried, his crewmates send out a distress signal. A U.S. Coast Guard vessel responds, but no one on board speaks Japanese. Without a moment to waste, the Coast Guard contacts a Japanese interpreter and, with his help, is able to perform a preliminary medical diagnosis. The fisherman needs a doctor, and fast. An immediate rescue is his only chance. The interpreter quickly helps coordinate the details of a complicated plan that will require the combined efforts of the Coast Guard, a U.S. Air Force Para-Rescue Team, and every crew member on board the Japanese troller. Before long, the rescue team arrives on the spot. They rappel onto the fishing boat, stabilize the patient, and then airlift him to the nearest medical facility. The ordeal lasts ten, long hours. It's a close call. But the Japanese fisherman's life is saved.

This really happened. And the interpreter works for Language Line Services.



"Language Line Services has shown a tremendous commitment in the fight to eradicate breast cancer through this effort. The 'Speak Pink' telephone will be both a means of communication for limited English speaking patients, and a tool to raise awareness among this at-risk population."
—Tammy Wagner, Vice President of the American Breast Cancer Foundation

AMERICAN BREAST CANCER FOUNDATION®

THE RISING NEED FOR GLOBAL INTERPRETATION SERVICES

The melting pot is alive and well. According to the U.S. Census Bureau, the foreign-born population of our country has grown from 9.7 million in 1970 to 35 million in 2005. That represents 12% of our current population. And the number continues to grow as a new non-English speaking immigrant enters the United States every 19 seconds.

When you consider that almost one out of five (or 52 million) U.S. residents speaks a language other than English at home, and that these residents are nearly four times more likely to purchase products and services from companies that communicate with them in their native language, it's easy to recognize the significant revenue opportunities.

And the U.S. isn't alone. Statistics are similar in other English-speaking countries. Canada has the highest per capita immigration rate in the world, driven by economic policy and family reunification; Canada also accepts large numbers of refugees. Newcomers settle mostly in the major urban areas of Toronto, Vancouver and Montreal. By the 1990s and 2000s, almost all of Canada's immigrants came from Asia.

Non-official languages are important in Canada, with 5,202,245 (1 in 6) people listing one as a first language. Some significant non-official first languages include Chinese (853,745 first-language speakers), Italian (469,485), German (438,080), and Punjabi (271,220).

In the United Kingdom since 2002 more than 2.5 million new workers arrived from abroad. One new immigrant worker registers every minute and this does not include non-workers such as spouse or other dependents.

Top ten languages spoken in the US after English are:

Spanish	Vietnamese
Chinese	Italian
French	Russian
German	Polish
Tagalog	Korean

Source: U.S. Census Bureau

A COMMITMENT TO COMMUNICATION

Language Line Services was initially a volunteer organization when it was founded back in 1982. Throughout the years, an ongoing commitment to multi-lingual communication has made us the world leader in over-the-phone interpretation. Each day, 20,000 customers around the globe rely on the quality, accuracy, and professionalism of our highly skilled interpreter workforce.

The Language Line® Over-the-phone Interpretation Service enables you to communicate clearly with your customers, in more than 170 languages, within a matter of seconds. Our services are available 24 hours a day, 7 days a week, from any phone in any country. And our experienced interpreters are trained and certified to meet the specific needs of the major business services and medical industries.

Language Line Services is there to help bridge the language gap, quickly and conveniently, day or night, anywhere in the world.

Not a Moment too Soon

AN OFFICER GLANCES UP FROM HIS COFFEE and sees a yellow flash. As a taxi speeds past, the frightened-looking driver makes eye contact but doesn't slow down. The officer and his partner jump into their patrol car, hit the siren, and engage in pursuit. The taxi swerves suddenly to the side of the road, and a panicked driver leaps out waving his arms. "Hurry! She's in labor," the driver screams, motioning the officers to his cab. The officers race over to discover a terrified young Asian woman lying in the back seat. She apparently speaks no English, so the officer radios dispatch for a Chinese interpreter. After a brief exchange with the woman, the interpreter announces the woman is speaking Mandarin, and she's about to give birth to her first child, right there, and right then. Keeping the interpreter on the line, the officer promises the woman everything will be fine as he prepares for the delivery. Minutes later, the child is born. It's a boy. An ambulance arrives, and mother and child are transported safely to the hospital.

It really happened. And the interpreter worked for Language Line Services.

"Your World. Your Language.℠ service has received a very positive response. Over 57% of the calls received have resulted in sales, proving that this line is not only beneficial to consumers, but to businesses as well."
—Jody C. Garcia,
Vice President,
AT&T Diverse Channels

at&t

THE STRENGTH OF LEADERSHIP AND INNOVATION

In 1982, the City of San Jose was having trouble keeping pace with its expanding need for interpretation services. We came to the rescue with a service that met their specific needs, and the over-the-phone interpretation industry was born.

Since then, many others have entered the industry, but no one has built the same track record of innovation nor the breadth of products to keep pace with us in this constantly growing and evolving market. But words alone won't adequately tell the story. Below is an abbreviated list of some of the innovative services we offer today.

Language Line® Over-the-phone Interpretation Service – With one toll free call, you can have your English interpreted into more than 170 languages within moments, 24 hours a day, 7 days a week.

Language Line® Video Interpreter Service – We partner with Cisco and Paras & Associates to offer video-based interpretation for use with sign language and spoken languages where a visual component is important.

Language Line® Phone – Language Line phones facilitate face-to-face interaction, in thousands of locations, by eliminating language barriers with the touch of a button. Language Line Services is also proud to partner with the American Breast Cancer Foundation in providing the "Think Pink" dual-hand-set phones. Proceeds from these phones are helping to fight breast cancer.

Language Line® Document Translation – We're not limited to spoken and visual language interpretation services. Our document translation services can meet all of your written translation needs, ranging from signage to legal documents.

Language Line® Language Trak – Language Line Services allows customers to get alerts regarding changes in demographic and language patterns throughout the world. With 25 years of data on language access and demographic patterns, this unique and patent-pending service enables businesses, governments and health care providers around the world to better plan and prepare for imminent changes within their respective regional, national, and international markets.

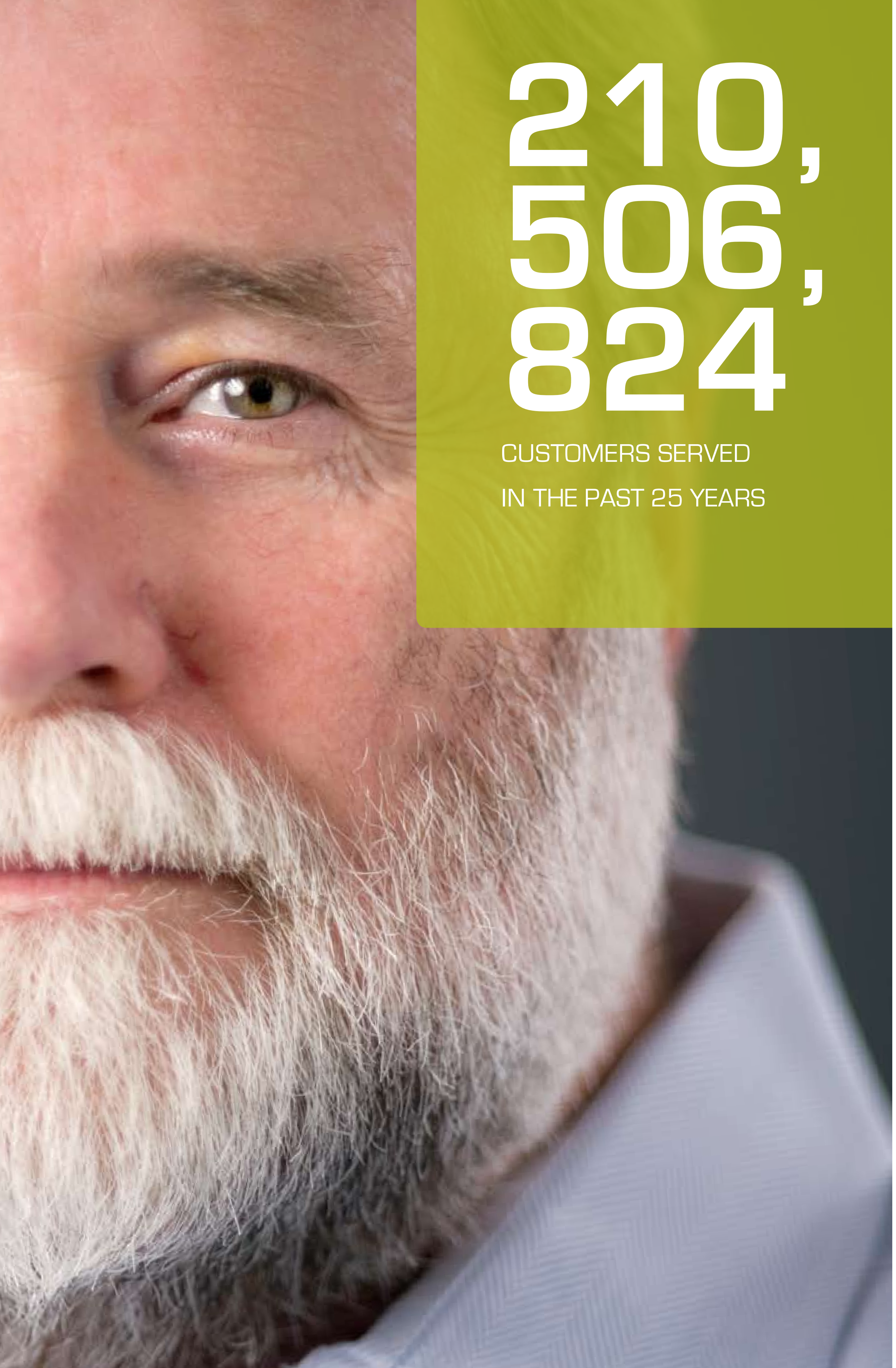
Language Line® University – We can also train and test your staff to ensure your customers receive competent service and support. International industry experts recognize Language Line University as the most effective tool in testing and assessing interpreter skills. Any place. Any time. Any industry.

Language Line® HealthPort – We are the exclusive provider, in partnership with Polyglot Systems, of HealthPort web-based, pre-programmed, healthcare set of instructions. This service is easy to deploy and enables nurses and medical practitioners to focus on medicine rather than interpretation.

Language Line® Direct Response – Our interpreters are also able to greet your callers in their own languages, identify their needs, and then introduce your English-speaking company's representative for further servicing.

Your World. Your Language.℠ – This is the first multi-cultural lead generation service ever developed. This unique service enables limited-English speaking callers to access a free interpreter who helps them carry out a call to a host of businesses and consumer services.

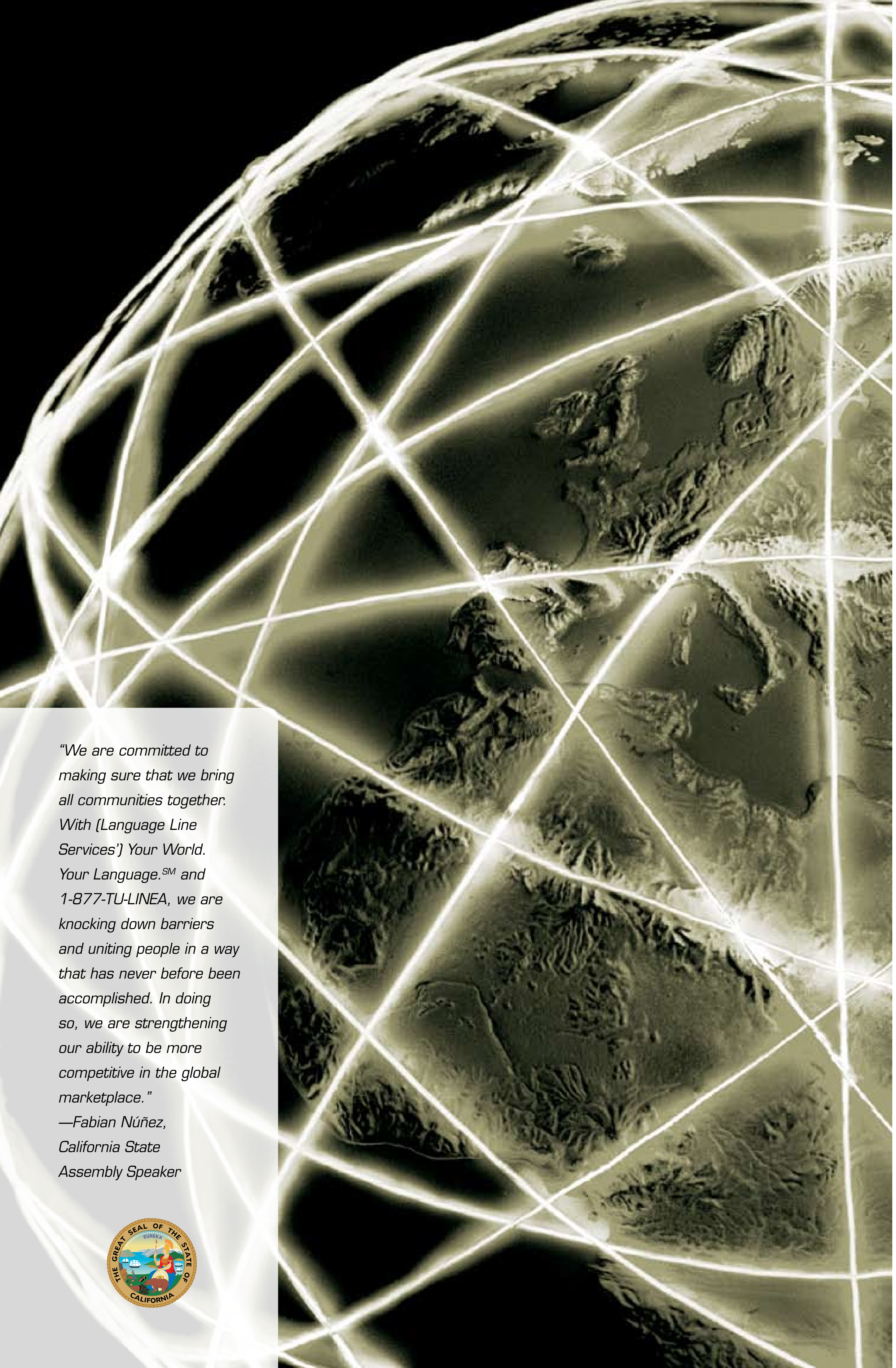
Language Line® On-site Interpretation Service – A video-based interpretation for American Sign Language and spoken languages provided in partnership with Cisco and Paras & Associates.



Millions on the Line

A NERVOUS FINANCIAL INVESTOR hovers above the phone on his desk. He's about to make a call to Madrid that could secure his firm a lucrative new account, or cost it tens of millions of dollars. This is his last chance. He has to get it right. And the person on the other end of the line doesn't speak a word of English. To make things worse, his company's interpreter isn't available. But he can't afford to wait. It's now or never. So he enlists the help of a third-party Spanish interpreter to help him navigate the subtleties of his conversation. He explains the nuances of his proposition. He emphasizes the gravity of its outcome. And he informs her it might be a very long call. It won't be a problem she assures him as she dials the number he's provided. "Hola," answers a voice at the other end. Several emotionally exhausting hours later, the investor hangs up his phone and exhales a deep sigh of relief. The deal is complete. All parties are happy. He immediately calls the interpreter back and implores her to accept a thank-you gift. She refuses. It's all in a day's work she insists.

This really happened. And the interpreter works for Language Line Services.



"We are committed to making sure that we bring all communities together. With (Language Line Services') Your World. Your Language.℠ and 1-877-TU-LINEA, we are knocking down barriers and uniting people in a way that has never before been accomplished. In doing so, we are strengthening our ability to be more competitive in the global marketplace."
—Fabian Núñez, California State Assembly Speaker

SERVING THE GLOBAL VILLAGE WITH GLOBAL EXCELLENCE

Our Experience

We created over-the-phone interpretation. So you can count on Language Line Services to provide the most accurate, objective, and confidential interpretation available. Our expertise spans virtually every industry from banking to emergency healthcare. Our world-renowned interpreter certification program is unmatched in the industry. And our testing and training services ensure you're working with only the highest caliber professionals.

Our Flexibility

We can supplement your existing in-house resources or be your sole source of language interpretation. With our constant call monitoring and our round-the-clock, scheduled staff, we can adapt quickly to any volume of calls.

Our Compliance

Language Line Services interpreters deal with sensitive information on a daily basis—everything from personal medical records to privileged corporate financial information. So we ensure that the highest standards of information security are strictly enforced. Our services comply with Sarbanes Oxley, Gramm-Leach-Bliley, and other security requirements as well. In addition, our healthcare interpreting services are bound by HIPAA agreements, which guarantee the privacy of patients.

Our Protection

Language Line Services set the industry standard for protection. Our insurance policies, which provide global coverage in excess of $15 million, include coverage for Theft and Disclosure of Confidential Information as well as other critical insurance concerns. And we're proud of the pristine reputation we've established for protecting clients and their sensitive data.

Top Ten languages spoken in Canada after English & French:

Chinese	German
Italian	Arabic
Cantonese	Portuguese
Punjabi	Tagalog
Spanish	Polish

Source: Census of Canada

Our Technology

To our clients, interpretation is mission critical. Our services and systems must be available at all times, regardless of worldwide events. To meet these needs, we invest millions of dollars annually to ensure 24/7/365 worldwide coverage and nonstop business continuity. With redundant technology centers, located in three geographically distinct regions, our clients remain protected even in the event of natural disaster or other regional service disruptions.

Our People

Language Line Services is comprised of more than 3,000 interpreters worldwide. And our employee workforce will soon double.

Each interpreter we hire must possess fluent native language skills. They must also be fluent in English, have keen cognitive memory skills, demonstrate excellent customer service skills, and undergo a comprehensive background check. Only 1 out of every 12 who apply meet those qualifications.

Once hired, employees are then trained to field every kind of call they may encounter. They must pass rigid internal certification programs, including the only medical certification program available in the marketplace. And they are also routinely monitored and evaluated.

"Being able to communicate with our clients in their own languages is a critical part of effectively serving our clients," said Mori Taheripour, Vice President of Corporate Diversity at the American Red Cross. "As a volunteer-based organization, the American Red Cross is grateful to be able to rely upon the affordable and immediate support that Language Line Services provides, especially in the wake of a major disaster when time is of the essence."
—Mori Taheripour, Vice President of Corporate Diversity at the American Red Cross

American Red Cross

Our Commitment

We created this industry. We refined it. And we continue to lead the way. Each and every day, our interpreters enrich the world around them. They enable business opportunities. They help save lives. They even help bring new lives into the world—interpreters assist, on average, in the delivery of 11 babies each day.

In times of emergency, or in times of commerce, seconds count. And Language Line Services responds within seconds. Our staff interprets more than 170 languages and takes calls from all over the world. Quality and experience matter as well. It's no wonder the Chief Interpreter of the United States State Department tells new hires who want a career in the diplomatic field to perfect their skills with a three-year assignment at Language Line Services.

Our Quality

We are the proud recipient of the prestigious Malcolm Baldridge and Eureka Quality Awards. And we've received numerous other accolades for performance, from institutions such as J.D. Power and The California Health Interpreters Association. After 25 years of service, we remain dedicated to providing our global customers with the best interpretation quality and services in the marketplace.

The difference we offer is our employee workforce. Unlike some new entrants into the marketplace which use an outsource contractor staffing model, we hire, train, and schedule our own employee workforce. Only the best interpreters answer our client calls. Why is this important? Employees can be trained, scheduled, and directed to offer the best global service possible.

Top Ten languages spoken in the U.K. after English:

Polish	Russian
Turkish	Bengali
Portuguese	Arabic
Somali	French
Czech	Kurdish

Source: U.K. National Statistics

Our Promise

Our 25 years of dedicated service to clients around the world means a great deal to us. Our ongoing leadership is the result of listening to customers and staying abreast of technology, immigration, and global demographics. We will continue to provide innovative solutions to the world's language barrier challenges to ensure that our customers' needs never go unfulfilled.

	1982	LLS Founded by a San Jose, CA Police Officer
Influx of Hispanic and Asian Population	1983	
	1984	
	1985	
	1986	
	1987	
	1988	
Loma Prieta Earthquake	1989	Strategic Business Unit of AT&T
	1990	
	1991	
	1992	
Language Line® Document Translation Introduced	1993	Surpassed 1 Million Interpretations
Northridge Earthquake	1994	Malcolm Baldridge Award
	1995	
Launched into Canada	1996	Atlanta Olympic Games
California Eureka Award		LLS Pre-paid Interpreter Card (patent pending)
	1997	
	1998	
Providence Equity aquired AT&T LLS	1999	Over 2 Million Interpretations
Launched into the United Kingdom	2000	
9-1-1 and Aftermath	2001	10,000th Customer Obtained
Language Line® University Introduced		Court and Medical Certification Introduced
Implemented 2nd Redundant Site	2002	Language Line® Phone Introduced
		Acquired Online Interpreters
	2003	
Video Interpreting Service Introduced	2004	ABRY Partners Aquired LLS
Hurricane Katrina	2005	J.D. Power Recognition
20,000th Customer Obtained	2006	Acquired London Language Line
Indonesia Tsunami		Implemented 3rd Redundant Site
Your World. Your Language.℠ Introduced		California Healthcare Interpreting Association Award
Breast Cancer Awareness Phone Introduced	2007	Acquired Institute of Cultural Competency
Spanish Rage Study Published		Rapid Connect Platform
Launched into Australia		National Medical Certification Task Force Convened
		Launch Language Line® HealthPort
Acquired TeleInterpreters	2008	Launched Global Advisory Council
Acquired Coto Solutions		
	2009	

Language Line services

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Canada: Telephone: 800 731-6415 • Email: info@languageline.com • Web: www.languageline.com/ca
Latin America: (Panama) Telephone: (+1) (507) 303-6022 • Email: info@languageline.com • Web: www.languageline.com/pa
United Kingdom: Telephone: 0800 169 2879 • Email: enquiries@languageline.co.uk • Web: www.languageline.co.uk
Australia: Telephone: +1 800 221-985 • Email: info@languageline.com/au

Network Development
503 Oak Place, Suite 550
Atlanta, Georgia 30349
Phone (866) 431-4635, **Fax (877) 352-5641**

Dear Iowa Transportation Provider

As you may know, the Iowa Department of Human Services has issued an RFP for a company to provide for administrative services for non-emergency medical transportation and related services for covered recipients in the state.

LogistiCare, the largest most experienced Medicaid transportation management company (or "broker") in the country, would like you to consider joining our network. We are inviting you to fill out and return the enclosed Network Provider Questionnaire, Letter Of Intent (LOI) and Rate Proposal Sheet at your earliest convenience. After receiving these materials from you, we will make every effort to call you or visit with you one on one prior to the proposal due date. In the next few days you will receive an invitation to join us for an orientation meeting so we can meet, introduce ourselves and open the lines of communication. Working together we represent professional management and an experienced Iowa team of providers.

The attached Questionnaire provides us with essential information about your operation, which will help us in our network planning efforts. The LOI indicates your interest in joining our network, but does not represent any kind of binding commitment. You remain free to terminate the contracting process at any time, or to sign as many similar letters with other bidders as you may wish. The Rate Request Sheet will give us a better understanding of your particular market and the rate structure for your organization.

LogistiCare prefers to operate as a "pure broker" which means we do not provide direct transportation services, own vehicles or hire drivers. We rely 100% on local transportation companies and organizations to provide service. In order to be successful, LogistiCare needs relationships with transportation providers like you to provide the actual transportation in sedans, vans, wheelchair vehicles as well as stretcher vehicles and ambulances.

All you need to do to start the process of joining our network is **fill out and return to us** the enclosed **Network Provider Questionnaire**, non-binding **Letter of Intent** and **Rate Request Sheet** as soon as possible to allow us time to include your company and properly prepare our proposal..

These completed forms should be mailed **and** faxed to the following address:

LogistiCare Provider Network
503 Oak Place, Suite 550
Atlanta, GA 30349
(877) 352-5641 (FAX)

For questions about this process, please contact our office at (866) 431-4635 or via email at networks@logisticare.com or directly to rayb@logisticare.com or laurap@logisticare.com.
For further information about LogistiCare, please visit our website at www.logisticare.com.

Thank you for your interest.

Sincerely,

Ray Blanco & Laura Beth Pumphrey, Network Development

Network Development
503 Oak Place
Suite 550
Atlanta, GA. 30349

LOGISTICARE PROVIDER NETWORK QUESTIONNAIRE

Please provide all the requested information to the best of your ability via fax **AND** mail the original.
If you need more space, please write on the back or attach a separate sheet. Thank you.

COMPANY CONTACT INFORMATION

COMPANY NAME: ____

STREET ADDRESS: ____

MAILING ADDRESS: ____

CITY: ______________________ STATE: __________ ZIP CODE: ______________________

PHONE: __________________________ FAX: __________________________

EMAIL: ______________________________ WEB SITE : ______________________________

Which of the following best describes your company? Private____ Not for Profit_____ Taxi _____ Transit Agency______

Human Services Agency_____ Agency on Aging _____ Faith Based Organization______

NAME OF PERSON AUTHORIZED TO ENTER COMPANY INTO CONTRACTUAL OBLIGATIONS:

NAME: ____________________________________TITLE: ______________________

PHONE #: ____________________FAX:__________________EMAIL:________________

BASIC OPERATIONS INFORMATION

In what State do you operate? ____

How many total vehicles do you operate in the state? ______________________________________

How many vehicles do you operate per county by type (Total must equal number above)? Please fill below:

County	Sedan – Non Taxi	Taxi	Mini Van	Full Size Van	ADA Wheelchair Van	Non-emergency Stretcher/Gurney	BLS Ambulance	ALS Ambulance	Other (please specify)
Please complete with number of vehicles by type in each county									

How many drivers do you employ? ______ How many office personnel? ______ How many other? ______

Please describe your hours of operation:

Day	Hours of Operation	
	From:	To:
Monday		
Tuesday		
Wednesday		
Thursday		
Friday		
Saturday		
Sunday		

What type of 2-way communication system do you use to talk to your drivers? ______________________________________

____

Please describe your routing and dispatch technology and procedures: ____

____

____

____

Please describe your vehicle insurance coverage limits:____

____

MEDICAL TRANSPORTATION EXPERIENCE

Do you currently provide Non-Emergency Medical Transportation (NEMT) Services? ___________

Please list all local, state or other permits or licenses you hold. ____

Are you licensed as an ambulance service? ___________

Have you ever been terminated from a State/Federal program or convicted of Medicaid/Medicare fraud? ___________

Approximately how many *WEEKLY* one-way MEDICAL trips do you currently provide? _________ Other? ________

If you would like to increase this amount, what number of *weekly one-way* trips would you like to provide? _________

How many additional vehicles would you need to manage that level of operation?______________________________

Are you able to offer services in a language other than English? If yes, please indicate the language: _______________

If you currently provide NEMT services, please list the facilities you currently serve. (Attach separate list if needed)

____

____

DRIVER MANAGEMENT

Please describe your driver hiring and screening process: ____

Please describe your driver training and evaluation process: ____

QUALITY ASSURANCE PROGRAM

What steps do you take to monitor and ensure the timeliness, safety, and sensitivity of your transportation services?

DWMBE STATUS

If your company qualifies, or is certified as one of the following please check the appropriate box and complete the attached DWMBE questionnaire.

Type	Check	Designation	Ownership Definition
SBE		Small Business Enterprise	Business with less than 500 employees
MBE		Disadvantaged Business	Business with 51% or more certified defined US minority ownership
WBE		Woman Owned Business Enterprise	Business with 51% or more certified woman ownership
VET		Veteran Business Enterprise	Business 51% or more certified US military veteran owned
DVBE		Disabled Veteran Business Enterprise	Business 51% or more certified disabled US veteran owned
DBE		Disabled Business Enterprise	Business 51% or more certified disabled persons owned

OTHER COMMENTS OR CLARIFICATIONS: ____

COMPLETED BY: ______________________________ **TITLE:** ______________________________

E MAIL: ______________________________ **TELEPHONE**: ______________________________

DATE: ______________________________

PLEASE FAX FORM TO 877-352-5641, AND MAIL ORIGINAL
ATTENTION: NETWORK DEVELOPMENT
Email questions network@logisticare.com

LogistiCare®

Network Development
503 Oak Place
Suite 550
Atlanta, GA. 30349

DWMBE QUESTIONNAIRE

Company Name:__________________________________ **Date:**____________________

A **SMALL BUSINESS ENTERPRISE (SBE)** is any corporation, partnership, sole proprietorship, individual, or other business enterprise operating for profit with 100 employees or fewer, including employees employed in any subsidiary or affiliated corporation which otherwise meets the requirements of the federal small business innovation research program, except for the limitation regarding a maximum number of company employees.

Does your company qualify as a **SMALL BUSINESS?** Yes______ No______
Is your company certified as a **SMALL BUSINESS?** Yes______ No______

A **WOMAN BUSINESS ENTERPRISE (WBE)** is at least 51% owned by a woman, or in the case of a publicly owned enterprise, a business enterprise in which at least 51% of the voting stock is owned by minority group members; or any enterprise that is approved or certified as such for purposes of participation in the contracts subject to minority business enterprise requirements involving federal programs and federal funds.

Does your company qualify as a **WOMAN OWNED BUSINESS?** Yes______ No_______
Is your company certified as a **WOMAN OWNED BUSINESS?** Yes______ No______

A **MINORITY BUSINESS ENTERPRISE (MBE)** is at least 51% owned by minority group members, or in the case of a publicly owned enterprise, a business enterprise that is approved or certified as such for purposes of participation in the contracts subject to women owned business enterprise requirements involving federal programs and federal funds.

Does your company qualify as a **MINORITY OWNED ENTERPRISE?** Yes______ No_______
Is your company certified as a **MINORITY OWNED BUSINESS?** Yes______ No______

A **DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)** meets all of the following:
1. The business is at least, 51 percent owned by one or more disabled veterans or in the case of a publicly owned business, at least 51 percent of its stock is owned by one or more disabled veterans; a subsidiary which is wholly owned by a parent corporation but only if at least 51 percent of the voting stock of the parent corporation is owned by one or more disabled veterans; or a joint venture in which at least 51 percent of the joint venture's management and control and earnings are held by one or more disabled veterans.
2. One or more disabled veterans manage and control the daily business operations. The disabled veterans who exercise management and control are not required to be the same disabled veterans as the owners of the business concern.
3. A sole proprietorship, corporation, or partnership with its home office located in the United States, which is not a branch or subsidiary of a foreign corporation, foreign firm or other foreign-based business.

Does your company qualify as a **DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)?** Yes_____ No ______
Is your company certified as a **DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)?** Yes_____ No ______

A **VETERAN BUSINESS ENTERPRISE (VBE)** is at least 51% owned by a veteran, or in the case of a publicly owned enterprise, a business enterprise in which at least 51% of the voting stock is owned by veterans; or any enterprise that is approved or certified as such for purposes of participation in the contracts subject to minority business enterprise requirements involving federal programs and federal funds.

Does your company qualify as a **VETERAN BUSINESS ENTERPRISE (VBE)?** Yes______ No _______
Is your company certified as a **VETERAN BUSINESS ENTERPRISE (VBE)?** Yes______ No ______

A **DISABLED BUSINESS ENTERPRISE (DBE)** is at least 51% owned by a disabled person, or in the case of a publicly owned enterprise, a business enterprise in which at least 51% of the voting stock is owned by disabled persons ; or any enterprise that is approved or certified as such for purposes of participation in the contracts subject to minority business enterprise requirements involving federal programs and federal funds.

Does your company qualify as a **DISABLED BUSINESS ENTERPRISE (DBE)?** Yes______ No _______
Is your company certified as a **DISABLED BUSINESS ENTERPRISE (DBE)?** Yes______ No _______

Letter of Intent to Participate in the Iowa Medicaid Non-Emergency Transportation Program

To Whom It May Concern:

LogistiCare Solutions, LLC, a transportation management company, has asked me to contract with them to provide transportation services under the NEMT program for the state of Iowa.

My company intends to contract with LogistiCare to provide Non-Emergency Medical Transportation services. I understand that any contract with LogistiCare for services under the NEMT brokerage program will be subject to the Hennepin County Department of Human Services and Public Health and the Metro Counties Consortium rules and regulations.

This Letter of Intent indicates only our willingness to provide transportation services under a future contract, and does not bind either my company or LogistiCare to any particular terms or conditions.

____

Name and Title

____

Transportation Company

____

Address, City, State, and Zip Code

____

Signature Date

Please return signed form to:

LogistiCare Provider Network
503 Oak Place, Suite 550
Atlanta, GA 30349
(877) 352-5641 (FAX)

RATE PROPOSAL

Please include your proposed rates for the Iowa Non Emergency Transportation program:

Class of Services	0-3 Miles (Average 2)	4-6 Miles (Average 5)	7-10 Miles (Average 8)	11-15 Miles (Average 13)	16-20 Miles (Average 18)	21 - 25 Miles (Average 23)	26 - 30 Miles (Average 28)	31-35 Miles (Average 33)	36 - 40 Miles (Average 38)	41 – 45 Miles (Average 43)	Over 45 Miles
Ambulatory	$	$	$	$	$	$	$	$	$	$	plus $ a mile over 45
Wheelchair	$	$	$	$	$	$	$	$	$	$	plus $ a mile over 45
Extra Pass - Ambi	$	$	$	$	$	$	$	$	$	$	plus $ a mile over 45
Extra Pass - WC	$	$	$	$	$	$	$	$	$	$	plus $ a mile over 45
Stretcher	$										
BLS	$										
ALS	$										

(Extra passenger does not include attendant or escort)

Mileage Plus Drop rate:

Ambulatory Drop: ___________________

Ambulatory Per Mile: ________________

Wheelchair Drop: ____________________

Wheelchair Per Mile: _________________

Stretcher Response: __________________

Stretcher Per Mile: ___________________

Company Info:

Company: ____________________________________

Contact Name: ________________________________

Phone: _______________________________________

Date: ____

Other Method/Explanation:

____

____

Fax Completed form to: 1-877-352-5641

Rate Sheet Explanation

Definitions:

Class of Service: This is the authorized method of service and travel. Ambulatory, wheelchair, stretcher etc are all class of service designations. This is also referred to as Level of Service or LOS.

Mileage Bucket: The designated mileage brackets, “0-3”, “4-6”, “7-10” etc.

Ambulatory: A passenger able to ride in a conventional vehicle without specialized equipment like a ramp or lift and capable of getting to and from the vehicle with minimal assistance.

Wheelchair: A passenger that is confined to and must ride in their wheelchair and cannot transfer to a regular seat in a vehicle and requires the use of a lift or ramp to load their wheelchair into the vehicle.

Extra Pass-Ambi: An ambulatory person that rides the vehicle on a shared trip, which is more than one individual on a multi-loaded singular route with the same or nearby destination address at the same time. (Nearby is defined as within ½ mile of each other. This would account for all programs in the same facility, including the same hospital grounds complex, medical facility, etc.)

Extra Pass-WC: A person confined to a wheelchair that rides the vehicle on a shared trip, which is more than one individual on a multi-loaded singular route with the same or nearby destination address at the same time. (Nearby is defined as within ½ mile of each other. This would account for all programs in the same facility, including the same hospital grounds complex, medical facility, etc.)

Escorts: An authorized person that must ride to assist a passenger who otherwise would not be able to travel via NEMT. No Payment for this ride. See explanation below.

Stretcher: Stretcher service shall be provided to an individual who cannot be transported in an ambulatory vehicle, a taxi, or wheelchair van and who does not need the medical services of an ambulance. Stretcher van service does not provide emergency medical transport and does not include any medical monitoring, medical aid, medical care or medical treatment during transport.

A driver and an assistant shall staff the vehicle, which is specifically designed and equipped to provide non-emergency transportation of individuals on an approved stretcher. A stretcher van is used for an individual who:
i) Needs routine transportation to or from a non-emergency medical appointment or service, and
ii) Is convalescent or otherwise non-ambulatory and cannot use a wheelchair, and
iii) Does not require medical monitoring, medical aid, medical care or medical treatment during transport. Self-administered oxygen is permitted as long as the oxygen tank is secured safely.

Each “Class of Service” has its own rate structure. Note the Class of Service is the first column and the per mile rate for that Class of Service should be written into the space beside the Class of Service under the appropriate mileage bucket.

In the case of mixed Class of Service or LOS in a shared ride, the first passenger in each LOS gets first per mile rate and all others are at EP per mile rate for their LOS.

Authorized “Escorts” provided by the passenger are not paid for as passengers. If the transportation provider has to provide an attendant or monitor, then a separate negotiated and agreed rate will be paid for the services.

Rate Calculations:

The rate within each “bucket” is calculated based on the average mileage of all trips within the range of the bucket. This number is usually around the middle of the bucket. This results in a higher per mile reimbursement on trips in the lower part of the “bucket” and lower reimbursement on the higher end.

Every trip has set administrative costs associated with it that do not vary regardless of the distance of the trip. In the shorter trips this cost, in addition to the operational costs that do vary based on the distance, must be accounted for within those few miles, this results in the need for a higher per mile cost in the shorter trips. The longer the trip, the more miles the administrative cost is diluted into, resulting in a lower per mile cost the longer the trip.

In order to calculate the rate for each bucket, the provider must determine all costs associated with the trips to cover the costs plus a reasonable profit margin. This cost is based on the average miles within the “bucket”, remembering that the revenue will be higher in the shorter trips and lower in the longer, but resulting on an average. As the buckets increase, the average per mile will decrease.

The rate is per leg not per round trip. A 4 mile round trip would be reimbursed at the rate in the 1 to 5 bucket X 2. In a multi-leg trip each leg would be reimbursed at the rate in the in the corresponding bucket.

Purpose:

The purpose of the buckets is to simplify the billing as well as minimize mileage disputes. Since the miles for each trip are calculated by third party software prior to assigning the trips to the provider, the buckets minimize the instances where any mileage discrepancies will result in revenue variance. If a trip is determined to be 5.6 miles by LogistiCare’s vendor and the provider believes the trip to be 9.6 miles the reimbursement would be the same. The same would apply to the reverse circumstance.

Per Mile:

You also have the option of submitting and per mile or base plus per mile in the appropriate area.

PASS

Passenger
Service and
Safety Certification

community transportation
ASSOCIATION

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Sexual Harassment

TRAIN-THE-TRAINER

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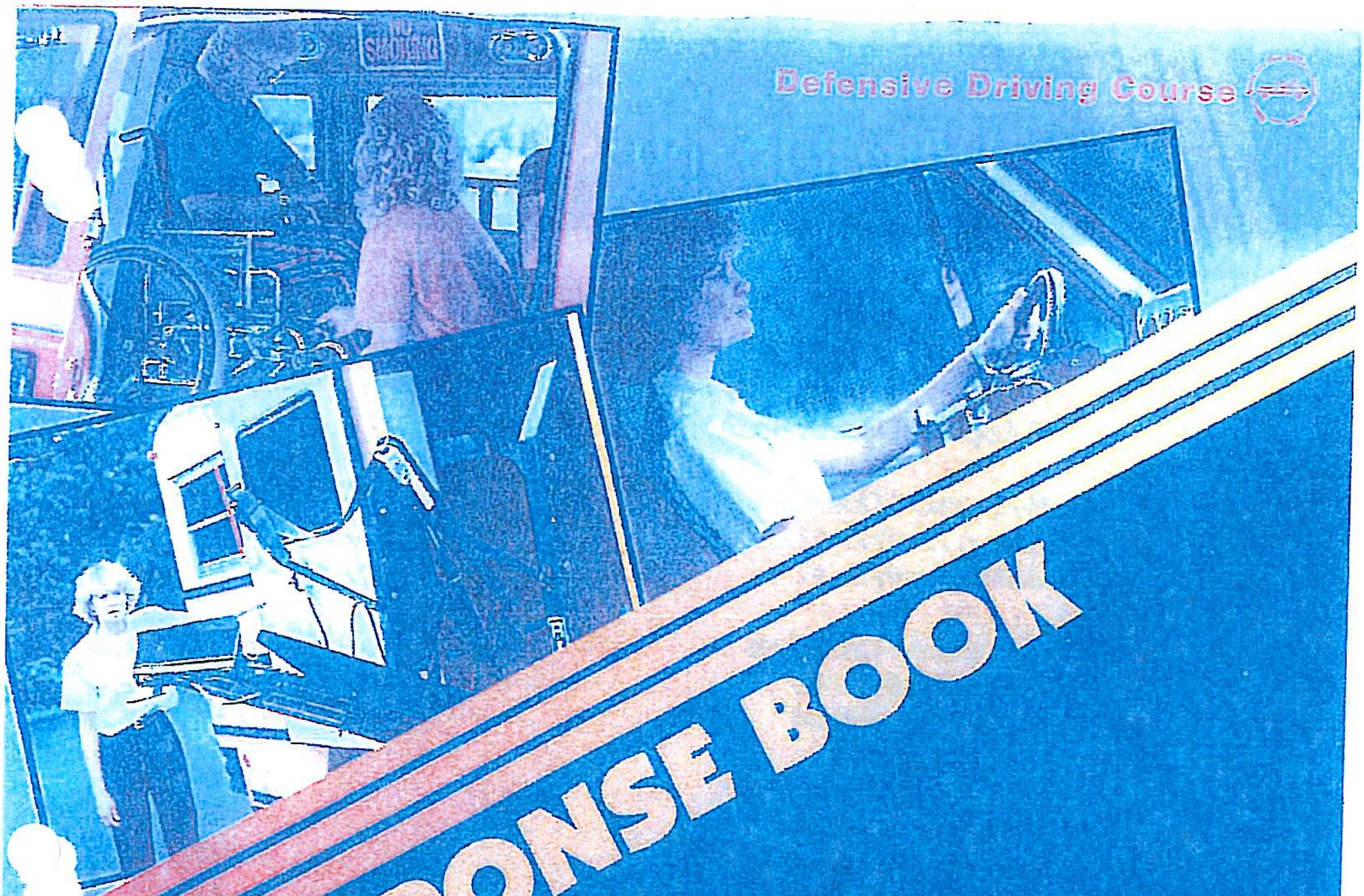
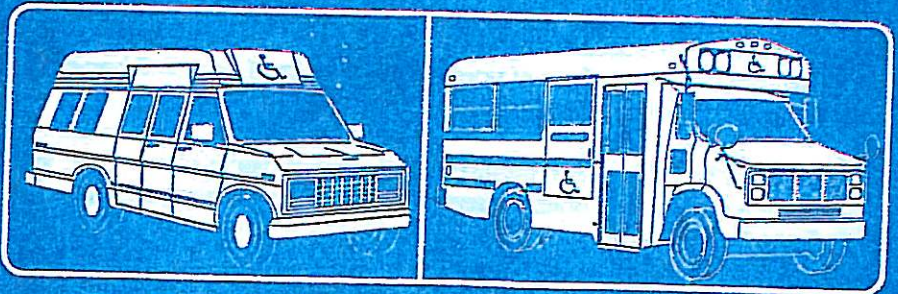
Defensive Driving Course



RESPONSE BOOK

TRANSPORTING PASSENGERS WITH SPECIAL NEEDS:



A COACHING PROGRAM™

National Safety Council

FLI®

FLI LEARNING SYSTEMS, INC.

Driver Response Book

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INTRODUCTION

Transporting Passengers with Special Needs: A Coaching Program has been specifically designed for drivers like yourself who must be skilled in both defensive driving and passenger assistance techniques. The course is structured in a "coaching" format, where your instructor acts as a facilitator rather than a lecturer, giving you the opportunity to play a major role throughout. Regardless of your experience level, you will benefit from the give-and-take discussions and hands-on exercises in the course.

This Response Book will serve as a basis for your involvement in group discussions. In it, you will answer questions about and analyze situations concerning both defensive driving and passenger assistance techniques. The Response Book is yours to keep for post-course review.

By learning and applying the skills and techniques presented throughout the course, you will take a major step in ensuring your safety and that of your passengers.

PEDIATRIC FIRST AID, CPR, AND AED

National Safety Council

Higher Education

Boston Burr Ridge, IL Dubuque, IA Madison, WI New York
San Francisco St. Louis Bangkok Bogotá Caracas Kuala Lumpur
Lisbon London Madrid Mexico City Milan Montreal New Delhi
Santiago Seoul Singapore Sydney Taipei Toronto

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Transportation Provider: ____ **Vehicle #**__________________

Vehicle Make: ____________________________ **Year:** ______ **Capacity:**_______________

VIN #: _______________________________ **New** **Add** **Delete (circle one)**

Insp. Date: ____________ **Insp. Time:** ____________ **Odometer Reading:** _______________

Check Items	Pass	Service	Fail	Check Items	Pass	Service	Fail
Exterior Safety				**Signs**			
Horn**				Exterior Signage			
2 Exterior Mirrors**				"NO SMOKING/EATING/DRINKING"			
Brakes**				"All passengers wear seat belts"			
Brake Lights**				Plackard Signs (Interior)			
Headlights**				**Structural**			
Turn Signals**				Wall Padded/Headliner			
Parking Brakes**				Internal Fish-eye Mirror			
Tires -3/32**				Vehicle Body Intergrity			
Communication				Doors Operational**			
2-way Radio**				**W/Chair Lift Vehicle Hydraulic Drop Fl. (circle one)**			
Cellular Phones**				56" Headroom**			
Interior Safety Equipment				Hydraulic/Electric Lift			
Step/Running Board				Hand Rails**			
Seat Belts**				Controls Inside**			
2 Seat Belt Extensions				Shoulder Restraint**			
Seat Belt Cutter**				Lap Belt**			
Child Seats				4 Floor Straps-Forward Facing**			
Rubber/Carpet Floor				Lift Lock In Up/Position**			
Spill Kit				Engine Interlock**			
First Aid Kit				Lift Reflector Tape			
Fire Exting. Mounted**				Lift Control Securement**			
Fire Exting. Tagged				Metal Mesh Non-Skid Plate**			
3 Emer. Reflectors				56" h X 30" w Door Opening**			
Interior Lights				Emergency Manual Lift**			
Upholstery				**Stretcher Vehicle**			
Clean Interior				Gurney - 400 lbs. Capacity**			
Windows**				Gurney Lowering and Raise			
Operational A/C**				Gurney - 3 belt minimum			
Operational Heat**				Manufacturer Gurney Mounts**			
Functional Speedometer				**Comments:**____			
Functional Odomoeter							
Information Package							
Cab Card				____			
Registration				____			
Insurance ID Card				____			
Accident/Incident Forms				____			
Map - Service Area				____			

**Vehicle may be Red-lined

VEHICLE STATUS: **Pass** **Pass w/Qualification** **Fail/Redline (delete)**

(Circle one of the above)

RE-INSPECT DATE:_____________________ *(If status is "Pass w/Qualification", re-inspect within 10 days)*

FIELD MONITOR SIGNATURE:____

DRIVER SIGNATURE:____

Inspection Stickers

JAN JUL
FEB LogistiCare AUG
MAR SEP

VIN #

APR OCT

License Plate #

MAY NOV

2010 2011 2012

JUN DEC

JAN JUL
FEB LogistiCare AUG
MAR SEP

VIN #

APR OCT

License Plate #

MAY NOV

2010 2011 2012

JAN JUL
FEB LogistiCare AUG
MAR SEP

VIN #

APR OCT

License Plate #

MAY NOV

2010 2011 2012

JUN DEC

LogistiCare®

503 Oak Place, Suite 550
Atlanta, GA 30349
1-800-486-7642
www.logisticare.com

April 16, 2010

Dear Medicaid Member,

On September 1, 2004, LogistiCare began using vouchers to pay gas reimbursement.

Accompanied with this letter is a blank voucher. Please fill free to make as many copies as you need for all future doctor appointments. **Your doctor/counselor must sign the voucher to show that you were at your appointment in order for your driver to get paid. We will only except vouchers with original signatures no copies allowed.**

Here's how it works:

1. When you call in a trip, you will be given a job/trip number.
2. **Write the job/trip number and the trip date on the Voucher.**
3. Fill in all of the other blanks **except** the doctor/counselor signature space.
4. Take the Voucher with you and have the doctor or counselor sign it.
5. If you go more than once a month you can put several trips on one form.
6. **Only the person designated as the person to be paid when your reservation was set-up would be paid. If you have different people being paid you must submit a separate voucher form for each person.**
7. Mail the signed form(s) to:

   Billing Department - GA Gas Reimbursement
   503 Oak Place, Suite 550
   Atlanta, GA 30349
8. Vouchers must be received within 30 days of your appointment or they may be denied.

If you change the date of your appointment, you must call the Reservation Line or payment could be denied.

VOUCHERS DUE IN OUR OFFICE BY	CHECK MAILING DATE	VOUCHERS DUE IN OUR OFFICE BY	CHECK MAILING DATE
12/13/04	01/10/05	06/06/05	07/08/05
12/27/04	01/24/05	06/20/05	07/22/05
01/10/05	02/08/05	07/04/05	08/08/05
01/24/05	02/22/05	07/18/05	08/22/05
02/07/05	03/08/05	08/08/05	09/08/05
02/21/05	03/22/05	08/22/05	09/22/05
03/07/05	04/08/05	09/05/05	10/10/05
03/21/05	04/22/05	09/19/05	10/24/05
04/04/05	05/09/05	10/10/05	11/08/05
04/18/05	05/23/05	10/24/05	11/22/05
05/09/05	06/08/05	11/07/05	12/08/05
05/23/05	06/22/05	11/21/05	12/22/05

If you have any questions, please call Sonya Mul-key, your gas reimbursement representative, at 1-800-486-7642, ext.438 or Quen Curry, the Billing Department Supervisor at ext. 473.

Thank you

MILEAGE REIMBURSEMENT TRIP LOG AND INVOICE FORM

DRIVER NAME: ______________________________ RELATIONSHIP TO MEMBER: ______________________________

(Must be the payee designated when the trip was set up)

DRIVER MAILING ADDRESS: ______________________________ DRIVER PHONE #:______________________________

CITY/STATE/ZIP: ______________________________

MEMBER NAME: ______________________________ MEDICAID MEMBER ID #: ______________________________

IS TRIP A STANDING ORDER? Y N IF YES, CIRCLE THE DAYS TRAVELED WEEKLY: S M T W T F S

Trip Date	Trip/Job #	Medical Provider Name & Phone #	Physician/Clinician Signature*	TOTAL MILES
		Name: Phone #:		
		Name: Phone #:		
		Name: Phone #:		
		Name: Phone #:		
		Name: Phone #:		
		Name: Phone #:		

***Each date of service must have a physician or clinician signature in order for reimbursement to be approved.**
NOTE: Each trip will be confirmed with the physician's office before payments will be made.

Office Use Only: Do not write in this space.
Total mileage to be paid:________________________ Total amount for this invoice:____________________ Batch #: ___________ Batch date:______________

__**PLEASE FILL OUT A SEPARATE FORM IF THE PAYEE IS DIFFERENT FOR EACH TRIP**__

I hereby certify the information contained herein is true, correct and accurate. Signature ______________________________

VOLUNTEER DRIVERS NEEDED

Sooner Ride coordinates volunteer drivers for the Oklahoma Sooner Ride Program to transport Medicaid recipients to and from their medical appointments anywhere in the state of Oklahoma. Drivers volunteer their time, but are paid **$.40** per mile, per qualified Medicaid recipient for the use of their personal vehicle.

DESIRABLE CHARACTERISTICS

Dependable, professional, courteous, caring, cordial, and independent individuals that enjoy people and like to travel.

REQUIREMENTS:

1. Must be 21 years of age or older.
2. Have a valid Oklahoma driver's license.
3. Provide copy of Motor Vehicle Record with no more than two (2) driving violations within the past 12 months and no more than one (1) at fault accident within the past 2 years.
4. Provide proof of a clean criminal background and drug screen.
5. Insurance: $100,000 liability per person
   $300,000 liability occurrence
   $50,000 property damage
6. Must have a clean safe vehicle with working seat belts, and working heating and air conditioning.
7. Must carry a first aid kit, spill kit, seatbelt cutter, fire extinguisher, 3 triangle reflectors and a cell phone.

IF INTERESTED PLEASE CALL 1-800-435-1034 EXT 603 FOR MORE INFORMATION

Welcome

Thank you for your interest in the Sooner Ride volunteer driver program. This packet will tell you a little about the program and the requirements. Please take a moment and read over all of the information. If you feel that this is the type of job for you (Full-time or Part-time), fill out the attached forms in their entirety and return them with the other requested information.
(See checklist)

Please feel free to call at any time with any questions or concerns you might have.

Jim Young
Utilization and Review Coordinator
1-405-499-0060 Ext. 603
1-405-499-0090 Fax

Kim LaFevers
Transportation Manager
1-405-499-0060 Ext. 604
1-405-495-1665 Fax

VOLUNTEER DRIVER SYSTEM – OKLAHOMA

DRIVERS NEEDED

SoonerRide, administered by Logisticare, Inc. coordinates volunteer drivers to transport Medicaid members to and from their medical appointments anywhere in the state of Oklahoma into surrounding states. Drivers volunteer their time, but are reimbursed **$.40** per mile, per qualified member for the use of their personal vehicle. Reservations for transportation will usually be for 50 miles or more since contracts exist with transit companies for local trips. SoonerRide does not guarantee a specific amount of trips or mileage per day.

DESIRABLE CHARACTERISTICS:
Dependable, professional, courteous, caring, cordial, and friendly individuals that enjoy people and like to travel.

REQUIRED EQUIPMENT:
Cell phone or pager.

Fax machine for transmission of trip reservation information. Due to telephone numbers, addresses, appointment times and dates, fax machines reduce the chances of errors when verbally transferring information.

REQUIREMENTS:
1. Must be 21 years of age.

2. Valid Oklahoma driver's license

3. No more than two (2) driving violations within 12months.

4. No more than one (1) at fault accident within 12 months.

5. Criminal background check and Motor Vehicle Record (MVR) run within the last 30 days.

6. Clean Drug Screen run and submitted within the last 5 days.

7. Insurance: $100,000 liability per person
   $300,000 liability occurrence
   $ 50,000 property damage

8. Clean, safe vehicle with working seat beats, and working heating and air conditioning.

9. Carry at all times a First Aid Kit, seatbelt cutter, fire extinguisher, spill kit, and 3 emergency reflectors.

10. Visible signage stating no smoking, eating, or drinking in vehicle.

IN ADDITION ALL VEHICLES MUST PASS INSPECTION BY LOGISTICARE AND MEET ALL SAFETY REQUIREMENTS. VEHICLES ARE ALSO REQUIRED TO BE INSPECTED ON A YEARLY BASIS TO INSURE COMPLIANCE WITH ALL SAFETY GUIDELINES.

SOONERRIDE

DRIVER INFORMATION SHEET

NAME: ____

ADDRESS: ______________________________________

____

PHONE NO. ______________________ **CELLULAR NO.** ______________________

PAGER NO. ______________________ **FAX NO.** ____________________________

DRIVER'S LICENSE NUMBER. ____________________ **STATE:** _______________
EXPIRATION DATE: __________________________

1. **Do you plan to transport in a car or a van?** _________________________________

2. **Please note the make, model, & year of the vehicle.** ___________________________

3. **How many passengers does your vehicle hold?** ______________________________

4. **What days are you available to transport recipients?** ___________________________

5. **What hours are you available to transport?** _________________________________

NOTE: ***(It is against Sooner Ride's policy for a volunteer driver to hire or utilize additional drivers.)***

VOLUNTEER DRIVER REGISTRATION

Any person desiring to volunteer his or her time to transport Medicaid members residing in Oklahoma, must complete and sign this Volunteer Driver Registration form and return it to the following address:

SoonerRide
Attention: Sherry Peters
6101 W Reno Avenue, Suite 550-A
Oklahoma City, OK 73127

(Please Print Clearly)

Volunteer Name: ____
First **Middle Initial** **Last**

Mailing Address: ____
Street Address **P.O. Box/Apt.**

____
City **State** **Zip Code**

Home Address: ____
(If different from your mailing address) **Street Address** **P.O. Box/Apt.**
____
City **State** **Zip Code**

Telephone # (   )______/___________ ***Pager*** # ___________________________

Social Security # ______/________/_______ **Date of Birth** ________________

ACKNOWLEDGEMENT:
I have signed my name below to indicate that I desire to volunteer to transport Medicaid members to medical appointments. Naturally, I may refuse to volunteer for any specific transport and may stop volunteering to provide transportation all together at any time. Because I am a volunteer, I retain the right to volunteer my time as a volunteer driver only at such times I wish to make myself available. ***(conditions apply see attached***). **I UNDERSTAND THAT I AM STRICTLY A VOLUNTEER AND NOT AN EMPLOYEE OF SOONERRIDE OR LOGISTICARE, INC.,** and agree I do not have any benefits available to

employees of LogistiCare, Inc., including but not limited to wages, health insurance, accident insurance, worker's compensation and retirement benefits. I agree that anytime I my vehicle to perform volunteer transportation, I am responsible for making certain that the vehicle is properly insured. If I fail to do so, I, not LogistiCare, Inc. will be responsible for any costs, expenses or losses resulting from an automobile or other accident that might occur while I am providing volunteer transportation services and that the insurance on my owned vehicle shall be primary. I expect to be reimbursed solely for my mileage expense associated with using my own vehicle. I understand that I will be reimbursed by LogistiCare, Inc. only for the number of miles driven. **I have read, understand, and agree to the entire above paragraph.**

Signature__________________________ **Date**_______________

VOLUNTEER DRIVER INFORMATION FORM

LogistiCare, Inc.
Attn: Sherry Peters
6101 W Reno Avenue, Suite 550-A
Oklahoma City, OK 73127
Phone: 405-499-0060 or 1-800-435-1034
Fax: 405-499-0090

FAILURE TO ADHERE TO THIS POLICY COULD RESULT IN THE DENIAL OF PAYMENT FOR TRIPS COMPLETED BY THIS VOLUNTEER.

Name of Volunteer: ______________________________

Today's Date: ______________ **Date of Birth:** ______________

Social Security Number: ______________________________

Home Telephone: (   ) ______________ **Pager: (   )** ______________

Cell Telephone: (   ) ______________ **Fax: (   )** ______________

Oklahoma Drivers License Number: ______________ **Expires:** ________

Please attach a copy of the following items to this form:

- Motor vehicle report for the last three (3) years
- Criminal Background check
- Drug Screen
- Drivers License
- Social Security Card
- Insurance certificate and vehicle registration

TERMINATION OF VOLUNTEER STATUS
For Logisticare office personnel ONLY

Volunteer Name: ______________________________

Effective Date of Termination: ______________ **Reason, if any:** ______________

____

____

DL Number: ______________ **Social Security Number:** ______________

CERTIFICATE AFFIDAVIT
(SELF ATTESTATION)

TO: LogistiCare, Inc.
Attn: Sherry Peters
6101 W Reno Avenue, Suite 550-A
Oklahoma City, OK 71327

FROM: ______________________________
____
____

RE: **VOLUNTEER DRIVER PROGRAM**

DATE: ______________________________

I, _______________________ (print), certify that I meet and agree with the following requirements:

- Have a valid Oklahoma driver's license **(copy attached).**
- Have no more than two (2) moving violations and/or more than one (1) chargeable accident within the past 12 months **(3 year MVR attached).**
- Have a clean drug screen and criminal background check **(copy attached).**
- Have the required vehicle insurance as required **(copy of insurance certificate attached).**
- Have a valid Oklahoma vehicle registration.
- Will not be under the influence of alcohol and/or drugs while transporting patient's to/from their medical related destinations.

VEHICLE REQUIREMENTS

1. All vehicles are required to be inspected prior to being used for the Volunteer Driver Program for SoonerRide. Yearly inspections of all vehicles is also mandatory. You will be notified when it is time for your vehicles yearly inspection.

2. All vehicles are required to have signage posted in their vehicle stating there is no smoking, eating, or drinking allowed.
3. Carry at all times a First Aid Kit, seatbelt cutter, fire extinguisher, spill kit, and 3 emergency reflectors.

______________________________________ ______________________
Signature (Do not sign without notary present **Date**

____
Notary Signature and seal

SoonerRide

VOLUNTEER DRIVER CHECKLIST

1.) Driver information sheet
2.) Volunteer Driver Registration
3.) Volunteer Driver Information Form
4.) Certificate Affidavit ***(Notarized)***
5.) Copy of (OK.) driver's license
6.) Copy of Social Security Card
7.) Copy of (3 **year**) M.V.R
8.) Criminal background check (1 **years** prior to date)
9.) Drug screen
10.) Copy of insurance policy w/ necessary requirements
11.) Copy of Oklahoma vehicle registration.

Please mail all of the above to:
Logisticare, Inc.
Attn: Sherry Peters
6101 W Reno Avenue, Suite 550-A
Oklahoma City, OK 73127

All faxes containing confidential information (drug screen, MVR, & criminal background check) should be faxed to Sherry Peters at: **1-405-499-0090**

NOTE: You must provide all the required information to become eligible to drive. Your information will be reviewed and you will be contacted in reference to the status of your eligibility

Welcome

Driver Name: ___________________

Thank you for your interest in the Sooner Ride Volunteer Driver Program. You have passed all of the eligibility requirements and can now begin transporting Medicaid recipients. Please fill in the space below with the date you are ready to begin transporting and fax this back to Sooner Ride 1-405-495-1665 Attention: Jim Young as soon as possible.

Start Date: ___________________________

Please feel free to call anytime with any questions or concerns that you may have.

Your Provider Representative is: ______________________
Toll Free Phone: 1-800-488-0817 Ext ______
Direct Phone: 1-405-499-0060 Ext _______
Fax: 1-405-495-1665

Kim LaFevers
Transportation Manager
Toll Free Phone: 1-800-488-0817 Ext 604
Direct Phone: 1-405-499-0060 Ext 604
Fax: 1-405-495-1665

Logisticare Solutions 6101 West Reno Avenue, Suite 550-A, Oklahoma City, Ok 73127

POLICIES AND PROCEDURES

It is Sooner Rides mission to provide safe, courteous, and on-time transportation for Medicaid eligible members. As a volunteer driver for the Sooner Ride Program it is also your responsibility to be as safe, courteous, and on-time as possible. Sooner Ride expects you as a Volunteer Driver to be a professional and to treat the Sooner Ride staff as well as the Medicaid recipients in a respectful and courteous manner.

Members have the right to complain and they will notify Sooner Ride if a driver is not courteous, safe, and on time. Complaints regarding bad attitudes, profanity, late pickups, and no-shows are all grounds for dismissal from the Volunteer Driver Program. We also require a minimum 48-hour notice if you are unavailable to work on a certain day. Failure to adhere to this policy will result in (1) week suspension.

Members are expected to conduct themselves in a mature and courteous manner as well. Please communicate immediately any problems or concerns you may have about any member that you transport to the Oklahoma City office.

If you have to pick up a member earlier or later than what is printed on the trip manifest that you receive from Sooner Ride you are required to call that member in a timely manner to confirm that they agree with the change. You must also call Sooner Ride so any change can be documented. If the member does not agree with the proposed change you must reroute the trip to the Oklahoma City office immediately. If you are too late to pick up a member and they have to reschedule their appointment this will be considered a no-show complaint against you and **you will not be reimbursed.** Please call the Sooner Ride office as soon as possible anytime you will not be able to complete your scheduled trips.

We are required by the Oklahoma Healthcare Authority to keep driver information updated. When you receive a request for updated driver information such as insurance, MVR, or drug screens it is your responsibility to provide this information in a timely manner. If you do not comply you will not be able to participate in the Sooner Ride Volunteer Driver Program until such information is received.

- **Blank Runs** – A Blank Run is considered a trip where you have driven from your home to the member's home and they are either not at home or they cancel the trip when you arrive. When this happens you will need to call your Volunteer Driver representative at **1-800-488-0817** as soon as possible. You are also required to send in a cancellation sheet for documentation. Sooner Ride will not pay for Blank Runs that were not called into our office and documented immediately.

- **Wrong information on your trip logs**: You are required to fill out a Sooner Ride Trip log for each trip that you do for Sooner Ride. You will receive instructions in your orientation on the proper way to fill out a trip log. Trip logs with incorrect information will be denied. Trip logs must be turned in with the correct dates, correct trip numbers, and the Medicaid member's signature on both legs of the trip. It is solely your responsibility to send in accurate and correct information. The billing department is not allowed to make corrections for you. If you see that mileage is incorrect on any trip please contact your Volunteer Driver representative to have the error corrected **before you send your billing in.**

- **48 Hours Notice:** All Volunteer Drivers are required to give a minimum of 48-hours notice if you cannot work on a specific date. Failure to give Sooner Ride 48 hours notice can result in suspension or termination from the Volunteer Driver Program. You will also be required to fill out a re-route sheet for any trips that you have already received. That sheet must be faxed to the Sooner Ride office at **405-495-1665.**

- **Rerouting Trips:** If you receive a trip on one of your regularly scheduled work days that you cannot do because it either conflicts with trips that you may already have or you have to many trips you are required to fill out a reroute form and fax it to your Volunteer Driver representative at the Sooner Ride office at 1-**405-495-1665** no later than **1pm the day before the scheduled trip**. If the trip is on a Monday the trip should be rerouted by 1pm on the previous Friday. Saturday and Sunday are not recognized as business days.

- **<u>Switching trip:</u>** Each driver is expected to transport the patients that were assigned to him or her. If there a problem and you cannot do the trip please use the re-route form supplied to you and send the trip back to the Sooner Ride office. Never let another Volunteer Driver transport a Sooner Ride member that has been assigned to you. Doing so will result in your immediate dismissal from the Sooner Ride Program.

- **<u>Allowing others to drive:</u>** It is against Sooner Rides policy for a Volunteer Driver to utilize or hire additional drivers to work for them. When you are approved for the Volunteer Driver Program you and you alone are covered to drive your vehicle while transporting a Sooner Ride member. If you are found violating this rule you will be immediately dismissed from the Sooner Ride Program. If you have a friend or family member that wants to participate in the Volunteer Driver Program please have them contact the Sooner Ride office.

- **<u>Additional Passengers and Escorts:</u>** An escort is medically necessary individual whose presence is required to assist a member during transport and/or while at the place of treatment. The escort must remain with the member at all times. Only one escort is allowed per member and the escort must be over the age of 18. Minor children may not serve as a medically necessary escort. Any adult member that has an appointment is not allowed to bring any minor children with them unless they have an appointment as well. You must have a trip number for each person that you transport (except a medically necessary escort). Any child under the age of 18 is required to have a parent or guardian with them at the time of transport.

- **<u>Transporting to and from other destinations:</u>** Only pick up and drop off locations scheduled and sent to you by Sooner Ride will be approved for reimbursement. Making additional stops for a member such as to the grocery store, mall, friends or family members homes may not be included in your mileage. If a member needs to stop at the pharmacy to pick up a prescription please contact the Sooner Ride office immediately and an additional leg will be added to your trip. Failure to do so will result in non-payment of any additional mileage.

- **<u>Transporting without a trip number:</u>** You must have a valid trip number to receive reimbursement for a trip. Do not accept any trip assignment from any Sooner Ride staff member without getting a trip number. If there is a pattern shown of transporting members without a trip number you may be dismissed from the Volunteer Driver Program.

- **Billing Process:** In order for billing to process trip logs for payment they must have the original signature from the member. Because of this policy we cannot accept any trip log by fax. The original trip log must be mailed to:

  Logisticare, Inc.
  503 Oak Place, Suite 550
  Atlanta, GA 30349

If any trip log is received by fax it will not be processed. Instead it will be sent back to the driver. This will cause a delay in payment, because all trips are verified prior to payment.

If you have any questions or concerns please contact you provider representative at 1-800-488-0817 or 1-800-488-0817.

SOONERRIDE

1-800-486-7642
www.logisticare.com

January 31, 2007

Dear Medicaid Member,

We enclosed a blank voucher with this letter. You can make as many copies as you need. **Your doctor/counselor must sign the voucher to show you were at your appointment in order for your driver to get paid.**

Here's how it works:

1. When you call in a trip, you will be given a job/trip number.
2. Write the job/trip number and the trip date on the Voucher.
3. Fill in all of the other blanks **except** the doctor/counselor signature space.
4. Take the Voucher with you and have the doctor or counselor sign it.
5. If you go more than once a month you can put several trips on one form.
6. **Only the person designated as the person to be paid when your reservation was set-up will be paid. If you have different people being paid you must submit a separate form for each person.**
7. Mail the signed form to:

   Billing Department- GA Gas Reimbursement
   503 Oak Place, Suite 550
   Atlanta, GA 30349

8. Vouchers must be received within 30 days of your appointment or they may be denied.

You must call the Reservation Line if you change the date of your appointment or payment could be denied.

Gas Reimbursement Vouchers Due In Our Office	Gas Reimbursement Check Disbursement Date	Gas Reimbursement Vouchers Due In Our Office	Gas Reimbursement Check Disbursement Date
12/18/06	01/15/07	07/05/07	08/01/07
01/04/07	02/01/07	07/18/07	08/15/07
01/18/07	02/15/07	08/07/07	09/04/07
02/01/07	03/0107	08/20/07	09/17/07
02/15/07	03/15/07	09/04/07	10/01/07
03/05/07	04/02/07	09/17/07	10/15/07
03/19/07	04/16/07	10/04/07	11/01/07
04/03/07	05/01/07	10/18/07	11/15/07
04/17/07	05/15/07	11/05/07	12/03/07
05/04/07	06/01/07	11/19/07	12/17/07
05/18/07	06/15/07	12/05/07	01/02/08
06/04/07	07/02/07	12/18/07	01/15/08
06/18/07	07/16/07	01/04/08	02/01/08

Please call 1-800-486-7642, ext.488 or 481, if you have any questions.

Attachment 2
Policy & Procedures Manual
Intentionally Omitted
(Confidential)

Attachment 4
LogistiCAD Screen prints
Intentionally Omitted
(Confidential)

Attachment 5
LogistiCAD Reports Description
Intentionally Omitted
(Confidential)

Attachment 7
Staff Training Materials
Intentionally Omitted
(Confidential)

Attachment 13
Provider Manual
Intentionally Omitted
(Confidential)

Attachment 14a
Driver Training Screen prints
Intentionally Omitted
(Confidential)

Attachment 15
Draft Iowa Provider Contract
Intentionally Omitted
(Confidential)