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Legislators Tell Administration To Get Bids For New \$6M-A-Year Transit Contract; Lobbyists Hover

Jon Lender, May 29, 2016

Continuing complaints about LogistiCare – a company being paid about \$25 million over four years to arrange non-emergency medical rides for Medicaid patients – have led legislators to take an unusual step. They've passed a bill telling the Malloy administration to solicit competitive bids for a new contract beyond Dec. 31, when the current four-year contract runs out. The bill would require that the "request for proposals," or RFP, include more-extensive contractor performance standards than in the current contract so that services in the future would be improved.

LogistiCare has been dogged in recent years by complaints alleging: missed or late pickups for rides to and from medical or mental health appointments; leaving elderly or juvenile patients stranded; long "hold" times at its the call center; and unpaid claims submitted by subcontracting taxi and van companies that provide the actual rides it sets up. The Atlanta-based company says it has addressed such problems and calls them infrequent.

But the state House and Senate still voted unanimous approval in the past month of a bill directing the state Department of Social Services to issue the RFP for the new contract by Nov. 1, even though DSS has the option to extend it without bidding. Bill supporters have said they want to make DSS do a better job of enforcing standards for contractor performance and accountability in areas such as wait times and complaint response.

Now the focus is on Gov. Dannel P. Malloy, who has until June 4 to decide whether to sign or veto House Bill 5437, "An Act Concerning Non-Emergency Transportation for Medicaid Recipients." "We are still reviewing the bill," Devon Puglia, a spokesman for the governor, said. Meanwhile, Malloy is being watched closely by some corporate executives, well-connected Capitol lobbyists and advocacy groups for children, the poor and the disabled.

"In light of the overwhelming support for this bill, the public interest in competitive bidding, and the grave concern over the current performance level under the existing taxpayer-funded contract, we urge you to sign HB 5437 into law," more than 40 representatives of advocacy groups, consumers and service providers said in a May 13 letter to Malloy.

"There really is no reason for the governor not to sign it," said the lead signer of the letter, attorney Sheldon V. Toubman of the New Haven Legal Assistance Association. "If it he didn't sign it, the taxpayers would continue to pay millions of dollars per year for the current abysmal level of performance, as clearly recognized by the legislature, a level akin to what we have seen with the DMV." (The state Department of Motor Vehicles has been hobbled by computer problems and long customer lines since last summer.)

Toubman said the RFP process would assure that, no matter who's hired – even if it's LogistiCare again – "it will be under a much tighter contract." He noted that LogistiCare's own general manager for Connecticut, Casey Tillman, has expressed support publicly for the social services department to conduct an RFP process. Tillman affirmed that in a statement sent to The Courant Friday, saying: "We fully support the legislature's direction to the Department – that is, for DSS to use an RFP in awarding the new contract – "and we communicated that to the Governor and his staff."

"From our experience operating in 39 states, we've shared with the State best practices we believe would improve service, increase access and mitigate costs," Tillman said. He said the company would "welcome amendments to the ... contract that would incentivize performance improvements," noting that the existing contract "prohibits us from paying or giving performance mandates to the transportation providers and drivers with whom we subcontract."

"We manage nearly 4.7 million trips annually in Connecticut. Our contract dictates that 99 percent of rides are performed without issue, and the state's own records show that we've exceeded that objective every month since 2013," Tillman said.

David Dearborn, a spokesman for the social services department, said whether the bill is signed into law or not, "we have been taking a hard, critical look at this entire medical transportation area ... It's not a simple matter of LogistiCare or some other contractor or contractors. It's much broader -- it's a matter of how to best structure and operate an entire program."

"So, overhauling and re-bidding the entire program is definitely on the table as an option," he said, adding that "re-bidding

is a very likely option – that we'll issue a competitive re-procurement for the entire service – as part of a broader structural improvement of how the service is operated and delivered. We want to improve the program, not simply play musical chairs with a contractor or multiple contractors."

Lobbyists Hovering

Almost any time millions of state dollars stand to be gained by private companies, you can expect an appearance by some of the biggest lobbying firms in Connecticut. And, sure enough, Office of State Ethics records show that two of the top 10-ranked lobbyist firms (in terms of the number of clients they represent) have been engaged on the issue:

--Gaffney, Bennett and Associates, the top-ranked firm with 70 clients in 2015, was retained in March, at a \$5,000 monthly rate, to represent LogistiCare at the Capitol during an upsurge in public criticism of the company. Gaffney Bennett lobbyist Steve Kinney, a Democrat with strong connections over the years to former U.S. Sen. Christopher Dodd, met with Malloy's staff about those issues, the governor's office confirmed.

--The Kowalski Group, the 7th-ranked Connecticut lobbying outfit in 2015, was hired in March as a subcontractor to a Boston lobbying firm that has a \$6,600-a-month agreement to represent MTM Inc., a Missouri-based medical and human services transportation brokering firm. Lobbyist Linda Kowalski had a brief encounter in a Capitol hallway with a member of Malloy's staff and introduced an MTM executive.

That executive, MTM Vice President Phil Stalboerger, said Friday that "a number of legislators have been asking if there are other companies who provide statewide non-emergency medical transportation brokerage and, if so, how they do it. MTM has been providing statewide transportation brokerage services in over 28 states throughout the country and currently has a presence now in Connecticut working with Managed Care Organizations. We are exploring the potential for doing this work in Connecticut's Medicaid program."

MTM, LogistiCare and four other companies or nonprofit groups sent in responses to a recent "request for information" by the DSS concerning what should go into the new Medicaid transportation contract. In general, such a response can be interpreted as potential interest in bidding on the new contract.

Another one of the firms that responded to that DSS information request, Coordinated Transportation Solutions Inc., has hired lobbyist Michael Dugan – who isn't ranked among the top Connecticut lobbyists in the number of clients he has. A registration form at the ethics office says Dugan would receive \$200 an hour to represent it in 2015 and 2016, up to an anticipated total of \$15,000.

LogistiCare has continued in recent months to hit the news here and elsewhere. In March, it was accused of ignoring doctors' orders on transporting children to chemotherapy treatments in a complaint to the civil-rights section of the U.S. attorney's office in New Haven.

The complaint, filed by the Center for Children's Advocacy in Hartford, recounted a problem that arose when a Waterbury mother and her son were driven by taxi to the son's chemotherapy appointment at Connecticut Children's Medical Center in Hartford. A physician transportation form ordered that they ride by themselves, but another passenger was in the taxi, "sick and coughing," and the mother couldn't refuse the ride because the boy's treatment was "very regimented," the complaint said.

LogistiCare issued an apology for that, saying it knew of two incidents where drivers transported children "whose medical conditions qualify for single occupancy transportation." It said those drivers and "the agent responsible for insuring compliance with these protocols" were suspended or disciplined.

About a week ago in New Jersey, where LogistiCare provides the same kind of services as it does in Connecticut, the Mental Health Association of New Jersey released results of a survey of about 300 Medicaid recipients concluding that the vendor was "unreliable," too often arriving late or not showing up. Asked about that, Tillman said: "Comparing complex operations across states and jurisdictions with different contractual obligations and varying performance standards is unfair and misleading."

And there've also been published reports in the past week that LogistiCare's parent company, Providence Service Corp., has moved its corporate headquarters from Arizona to Stamford, Malloy's hometown. The company's CEO had previously worked as a financial executive in Greenwich, it was reported. Asked if that corporate move has any relation to LogistiCare's effort to keep the Connecticut contract, Tillman said, "Our corporation's decision to move its headquarters is unrelated to LogistiCare's work in Connecticut. Our division remains headquartered in Atlanta."