

## Connecticut taxis see Veyo as bigger threat than Uber

March 10, 2018 5:46PM

By Martha Shanahan

As the rollout of a new contract providing medical transportation for the state's Medicaid recipients has made patients uneasy and unsure they will make it to their doctor appointments, the owners of Connecticut taxi and livery companies that once completed a bulk of those rides also are skeptical of the new company's technology-based methods and worry it could put them out of business.

Last year, the state Department of Social Services signed a contract with Veyo, a startup that promised a "higher level of technology ... anticipated to deliver higher levels of reliability, quality and transparency" to take over non-emergency medical transportation for the state's Medicaid recipients.

After more than two months of mix-ups and conflicting messages from the company, some Connecticut taxi and livery companies are uncertain about whether they will be able to continue to rely on the medical transportation industry to keep their businesses afloat.

The owners and managers of some taxi and livery companies in the state that previously relied on medical transportation business to make up the bulk of their income now say that Veyo's takeover of the transportation industry poses a bigger threat than Uber or Lyft ever did, and some say it feels calculated.

"That's the feeling I had from day one," said Joshua Glenn, the general manager of Harry's Taxi and Harry's Livery, which operates 25 taxis and livery vehicles in the New London area, and until last year relied on medical transportation for Medicaid customers for more than half of its business.

Veyo employees contacted Harry's staff in November, and in December the two companies began negotiating a contract that Glenn said featured "far, far lower" rates than the ones offered by Logisticare, the company that held the contract for medical transportation with the state before Veyo was selected to replace it through a competitive bid process last year.

"We're going far, far lower than we ever went with Logisticare," Glenn said. By the end of December — days before Veyo took over the responsibility for coordinating rides for thousands of people across the state — Harry's signed a contract with Veyo, and Glenn said he resigned himself to a future when medical transport no longer could support more than half of the company's monthly business.

"The idea was going to be to get as much work as we can out of them as we try to figure out what other business we could open and close," he said.

Harry's drivers were driving about 2,500 miles a day — around 200 trips — when Logisticare had the state contract. They would routinely take people to UConn's John Dempsey Hospital in Farmington or the Veterans Affairs facility in West Haven. "We would take people anywhere in the state," Glenn said.

Harry's now only fields about 15 or 20 requests for medical rides from Veyo per day. He said passengers that have ridden in Harry's taxis to their medical appointments for decades are now told the company does not have the capacity to take them. Meanwhile, vehicles sit unused in Harry's parking lot.

"We've had the feeling all along that their intention was to cause confusion and stress within the company," Glenn said. "It feels like a hostile takeover — they give you enough work where you kind of have to take it to keep people employed."

Gathered in a conference room in a Hartford office building on Tuesday, the owners of transportation companies who said they have been in the business for decades traded similar stories and anxieties. "Our work is down 50 percent ... and the rates are horrible anyway," said Sal Marotta, owner of Ambassador Wheelchair Services. "It's basically like the writing's on the wall. I can't sustain this kind of cut in work."

The taxi and ambulance company owners had gathered for an unofficial meeting of a committee meant to oversee the state's medical transportation offerings for Medicaid members, which the Department of Social Services disbanded last year. Many said they saw their longtime customers assigned to rides with companies operating vehicles from other parts of Connecticut or across state lines.

For a group of competitors that traditionally has been tight-lipped about their business and reluctant to share information or rides, the owners seemed relieved to hear that they were not alone in dreading the spread of algorithm-based ride sharing systems into the medical transportation industry.

**"When it's 15 cab companies sitting in a room, who generally don't collaborate ... at some point you have to pay attention," said Bonnie Roswig, an attorney with the Center for Children's Advocacy who helped convene Tuesday's meeting.**



*Livery driver Arthur Daniel of Harry's Taxi logs the start of the ride as he picks up Tricia Volpe for a ride to medical appointments. (Sean D. Elliot/The Day)*

Veyo President Josh Komenda has met with legislators and state health officials to explain and apologize for the long wait times, missed rides and miscommunication that Veyo users have complained of since Jan. 1. On Friday he appeared for a third time before the Medical Assistance Program Oversight Council, a group of state legislators, consumers, advocates, health care providers and administrators and state personnel, saying the ride cancellation rates and hold times have continued to drop.

In an interview Thursday, Komenda defended Veyo's internal computer system that assigns rides to transportation providers as "objective and democratic." "I would characterize our relationship with the network as, overall, generally positive," he said. "Is every provider in the network happy with us right now? Probably not. Most of them probably were very frustrated and incurred emotional and financial distress in January because of the transition."

But, Komenda said, as data in Veyo's computer system starts to reflect an accurate roster of rides and riders, and the company's algorithm begins to take over more of the duties of matching Veyo passengers with rides, any downturn in ride volume for local taxi companies reflects the unbiased choices of a computer system.

Employees at the Veyo call center, newly relocated to Windsor, don't have access to information about the mileage rates transportation companies agreed to. Their job simply is to enter information about a ride request into the computer system and allow the system to choose the company that has the highest capacity closest to where the ride originates, he said.

A separate group of employees at Veyo's so-called command center, also in Windsor, occasionally assign rides manually, he said.

Veyo has signed contracts with about 100 taxi and livery companies, Komenda has said. The company also has hired another 25 independent drivers who download the company's smartphone app, undergo a background check and training and take Veyo users to appointments in their own cars.

The use of these "independent driver providers" is allowed in Veyo's contract with the Department of Social Services.

"It's a very dynamic business," Komenda said. "Not everyone can get their way, and their preferences, and there are changes to the way things used to be."

Not all taxi companies have suffered under their contracts with Veyo. Sean Garvey, the owner of Rose City Taxi in Norwich, said he signed a contract with Veyo at the end of 2017. The promise of consistent ridership and the company's use of a smartphone app that could streamline communication between Rose City and Veyo was promising, he said.

As Veyo took over the coordination of rides in January, Garvey said he noticed the same problems that Medicaid members and taxi companies across the state experienced.

"Overall, it started off really rough," he said. "There was a lot of calls that came over from Veyo that had been cancelled ... a lot of miscommunication," he said.

But over two months, he said, things have settled into place.

"I notice I'm getting repeat customers," Garvey said. "Customers are able to request us ... and I'm getting less and less no-shows."

Garvey acknowledged his company is smaller than other local taxi fleets; only three Rose City vehicles are available to take rides through Veyo, and the bulk of his business still is booked by commercial customers.

"I'm small, and this is just to fill in when the phones are quiet," he said.

But other taxi company owners say they have tried to comply with the new system — asking their drivers to buy new smartphones compatible with the Veyo app, accepting lower rates and taking ride requests even when the passenger has already indicated multiple times they no longer need one — yet they still are rewarded with a paltry number of rides and little hope things will improve.

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