

3 February 2014

To the Honorable Mo Health.Net Oversight Committee.

Dear Chairman McBride, Director Parks, and distinguished committee members.

I respectfully request that Medicaid expansion/reform start with Mo Health.Net no longer using full-risk non-emergency medical transportation brokers. I also request greater oversight for the current NEMT broker Logisticare.

For a eight years my brother and I owned/operated a small non-emergency medical transportation company. We had contracts with Mo Health.Nets' full-risk brokers Logisticare, and Medical Transportation Management (MTM). With *skin-in-the game*, first-hand we witnessed, Mo Health.Nets' NEMT brokers malfeasance. This malfeasance has stolen Mo Health.Nets ability to do NEMT budget work accurately.

My brother and I reported, on 11 January 2011, to Mo Health.Net, the way in which the NEMT broker MTM was managing the Transportation Provider net work. Of particular concern was the use of Ride Right, a company owned by the CEO of MTM.

At issue was Ride Rights' *Core of Independent Contractors (CIC) driver program* being used to run fee for services Medicaid trips.

And the appearance of malfeasances related to the prohibition of self-referrals, and 1099 worker misclassification. This appearance of malfeasance was given creditability in a email, my brother and I, received from Mo Health.Net.

On January 31, 2011, Mo Health.Nets' director of program operations said; "Mo Health.Net has stopped MTM from operating a CIC driver program with Mo Health.Net fee-for-service population."

MTM then, in a few short months, made excuse to breach their contract, and under emergency conditions Mo Health.Net re-hired Logisticare back.

Now with Logisticare in-charge of NEMT operations again, the destruction of my small business continued, with Logisticares utilization of "off the books" 1099 misclassified drivers.

This was similar to MTM using Ride Rights' CIC driver program, only Logisticare did not own the small transport company's. Logisticare unjustly enriched themselves, enjoying the lower cost from the providers that illegally avoided pay-roll taxes. It was at this time that I blew the whistle concerning the NEMT provider net-work using "off the book" 1099 drivers to the Department of Labors chief investigator Cindy Guthrie.

I was begging Chief Guthrie to push her investigation forward quickly, because the 1099 drivers were being given most of the trips by the broker Logisticare, and my small transport company was failing as a result.

That's when the unthinkable happen; I was horrified with a call from the director of operations Logisticare St. Louis. On this conference call, the Logisticare Operations Boss tactfully notified my brother and I, that the State of Missouri informed him that I was a problem, and that he needed to get out in front of it. This really scared me---as I felt *the State of Missouri had ratted out the whistle blower.* The Logisticare operations director could not tell me why the state would communicate with him about my small transport company, and not copy me in. After this conference call, I knew that my small transport company was **DOOMED.**

Not long after this, I was left in shock, when I discovered that Chief investigator Cindy Guthrie at the Missouri Department of Labor was fired from her position. Although the Specifics of the unjustifiable termination of Chief Guthrie are not public, she was reinstated to her post, and **the Department of Labor & Mo Health.Net directors were replaced.** *(Thank You Gov. Nixon for this corrective action.)*

**My own personal view is:** *the appearance of collusion between the Mo Health.Net & The Missouri Department of Labor to stop, or delay a investigation into the state Medicaid program, is clear in my eyes.*

I would also like to point out, Missouri NEMT Medicaid investigation that started in 2010 concerning kick-backs being taken from small transport providers by Mo Health.Nets NEMT Broker Logisticare. Small transport providers are brutalized with extortions by Logisticare. After the investigation was completed, a Logisticare transportation router was convicted of taking kick-backs by December 2011. This criminal activity of pay-to-play was a culture of bullying that did real harm in the Missouri transportation provider net-work, *while Mo Health.Net remained suspiciously silent*. Compare and contrast this factual event with the honest & open transparency by the previous acting director r/t the recent Mo Health.Net HIPPA epic failure. (What a breath of clean air & leadership she was.) Also lets not forget that in 2005 Governor Nixon zestfully returned money to the Great State of Missouri due to Full-Risk broker bidding malfeasance.

The historic boldness of malfeasance activity by Mo Health.Net NEMT brokers is clear evidence that Full-Risk brokers behaviors are ruthless in all aspects of their ability to inappropriately lower utilization by deception and manipulation. Other States like Wisconsin, Maine, and North Carolina, just to name a few, verify this truth with real investigations. With great pride, it's common for the Logisticare CEO to boast about besting the required contractual ratio 20/80 split between broker cost and transportation cost, in their favor.

The privatization, Full-Risk brokering non-emergency medical transportation services to private contractors, is a scam. *The Full-Risk NEMT broker system is crony capitalism, that is damaging the Missouri Medicaid program cost transparency.*

The Full-Risk broker system is a Mo Health.Net monopoly given to one particular company to “gate keep” and lower utilization anyway possible. Taking all of the profit, and leaving nothing for transport providers. Therefore transport providers have zero financial ability to maintain or replace vehicles, pay employee taxes, buy insurance, or comply with required state credentialing, and safety standards. Missouri tax payers pay the cost, and the NEMT broker keeps the money. It is wrong to pay NEMT brokers up-front for services they have no intention of delivering, thereby increasing their profits.

**Full-risk NEMT brokers unjustly enrich themselves by shedding trips by any means possible because of a fiduciary duty to making profits for stock holders and owners.**

In my humble personal opinion, all that I have seen gives the appearance to me that in the past years, Mo Health.Net has hidden their knowledge of Medicaid NEMT malfeasance to artificially maintain low program cost, preserve abstract budgets, and to keep the Political Action Campaign moneys flowing to Law Makers.

The NEMT contract cost is miscalculated. There are hidden cost, not only from broker malfeasance of shedding trips that obscures utilization data, but the cost of policing the Full-Risk Broker is ever increasing.

In conclusion, I wish to Thank Gov. Nixon for the appointment of Dr. Parks as Director of Mo Health.Net. Dr. Parks ethics are proven, his knowledge & compassion for the Medicaid population he will serve in this position is AWESOME. He understands of how the Medicaid recipients feel disenfranchised, and their desperations like no other director before him. Dr. Parks please reform the NEMT program, and put an end to this abusive bullying by Full-Risk NEMT brokers on Missouri's' frailest residents. I am confident that you will discover Missouri deserves better, and take action.

I also would like to extend a heart felt Thank-You to the volunteers of this committee, for your determination in making Missouri a better place for us all.

Respectfully submitted for your consideration,

A handwritten signature in cursive script that reads "Albert A. Reine, Jr. RN". The signature is written in black ink and is positioned above the typed name.

Albert A. Reine, Jr. RN