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Public Works

City Transit
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MEMORANDUM

Equipment Maintenance
Roadway Maintenance
Collection & Drainage
Building & Grounds
Engineering

To: Mayor and City Council Members
CC: Gregg Mandsager
FROM: Kristy Korpi, Transit Supervisor
DATE: March 15, 2016
RE: Medicaid Contracts

INTRODUCTION:

The State of Iowa has made the decision to privatize Medicaid. In August 2015, four Managed Care Organizations (MCO) were selected. They are: Amerigroup, Amerihealth, United, and Wellcare. Wellcare was later removed as an MCO. The Managed Care Organizations have selected transportation brokers. They are: Logisticare, MTM, and Access to Care.

BACKGROUND:

The City of Muscatine of Muscatine Transit has provided rides for Iowa Medicaid Enterprise (IME) since 2007. Last fiscal year, this generated approximately \$95,000 of revenue for MuscaBus. We provided approximately 12,000 Route rides and over 14,000 ParaTransit rides. We charged \$3.68 for each of these rides. We were able to submit payment requests directly to IME through their portal. We requested payment monthly and received payments electronically. Since Medicaid has been privatized, we can no longer submit requests nor schedule rides directly. We will access the broker or MCO portal to accept rides and to submit billing requests. They require we bill weekly and it will be necessary for us to check the portal daily. With the increased administration time required, as well as increased training and administration costs required by the brokers and MCO's I propose we sell passes for Route rides at the standard rate of \$32.00 per month and charge \$15.00 per ParaTransit ride.

RECOMMENDATION/RATIONALE:

It is the recommendation of the Transit staff for the Council to approve the contracts with Brokers and Managed Care Organizations allowing us to continue to receive payment for Medicaid rides provided to our passengers.

**"I remember Muscatine for its sunsets. I have never seen any
on either side of the ocean that equaled them" — Mark Twain**