



North Carolina Department of Health and Human Services

Pat McCrory
Governor

Aldona Z. Wos, M.D.
Ambassador (Ret.)
Secretary DHHS

August 5, 2013

The Honorable Louis Pate
Joint Legislative Oversight Committee on
Health and Human Services
Room 1028, Legislative Building
Raleigh, NC 27601-2808

The Honorable Nelson Dollar
Joint Legislative Oversight Committee on
Health and Human Services
Room 307B1, Legislative Office Building
Raleigh, NC 27603-5925

The Honorable Justin Burr
Joint Legislative Oversight Committee on
Health and Human Services
Room 307A, Legislative Office Building
Raleigh, NC 27603-5925

Senator Pate and Representatives Dollar and Burr:

I hope this letter finds you all doing well. I write to inform you that pursuant to Section 10.7.(d) of The Current Operations and Capital Improvements Appropriations Act of 2012, the Department of Health and Human Services (Department) will not be able to enter a contract for the management of nonemergency medical transportation (NEMT) because the Department was unable to determine that it would be cost-effective to do so.

In response to an RFP issued by the Department in October of 2012, several potential vendors submitted proposals; however, none was able to offer a rate less than can be achieved under the current system. The per-member, per-month (PM/PM) amounts quoted by the responding vendors ranged from approximately \$1.80 to approximately \$3.00. Each of these figures represents the price at which a vendor reported it could provide NEMT services in one of three regions of the state. The vendor which reported being able to offer this service for approximately \$1.80 in a region could not offer the service in either of the other two regions for less than approximately \$1.95. The current system, on the other hand, has averaged a statewide PM/PM of \$1.73 over the last six fiscal years, and we anticipate that by fiscal year 2015 the PM/PM will be even lower. Accordingly, the Department determined that it would not be cost-effective to contract for NEMT services.

The Department is aware that there have been issues with the current system over the past few years and is taking steps to avoid similar problems in the future. The Department intends to share best practices with the counties to assist in documenting NEMT trips and to enable the

www.ncdhhs.gov

Telephone 919-855-4800 • Fax 919-715-4645

Location: 101 Blair Drive • Adams Building • Raleigh, NC 27603

Mailing Address: 2001 Mail Service Center • Raleigh, NC 27699-2001

An Equal Opportunity / Affirmative Action Employer

counties to afford better customer service. The Department is also working with interested groups to identify and to achieve administrative savings in this program. These efforts, along with others, should result in a better system for the NEMT users and North Carolina's taxpayers.

Thank you for your efforts to improve the delivery of services to the citizens of North Carolina and for all that you do for our state.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Wos', written in black ink.

Aldona Wos, M.D.
Secretary

cc. Carol Steckel
Dennis Streets
Sherry Bradsher
Jim Slate
Adam Sholar
Pat Porter
Sarah Riser
Kristi Huff
Brandon Greife
Susan Jacobs
Denise Thomas
Steve Owen