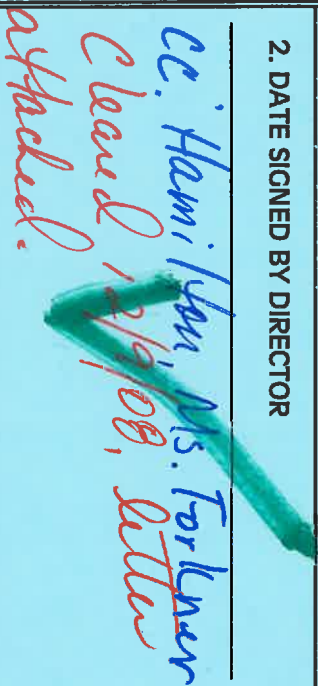


**DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR**

ACTION REFERRAL

TO	DATE
<i>Kendall Quinlan</i>	<i>12-17-08</i>

DIRECTOR'S USE ONLY		ACTION REQUESTED	
1. LOG NUMBER <div align="center">000317</div>		<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____	
2. DATE SIGNED BY DIRECTOR <div align="center">  <i>C.C. Hamilton, MS, Forlner</i> <i>Cleared 12/9/08, letter attached.</i> </div>		<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>12-17-08</i> <input type="checkbox"/> FOIA DATE DUE _____ <input type="checkbox"/> Necessary Action	

APPROVALS (Only when prepared for director's signature)	APPROVE	* DISAPPROVE (Note reason for disapproval and return to preparer.)	COMMENT
1.			
2.			
3.			
4.			



November 28, 2008

Mr. Kendall F. Quinton, Senior Consultant
SC Department of Health
& Human Services
PO Box 8206
Columbia, SC 29202-8206

Dear Mr. Quinton:

The Board of the Charleston Area Regional Transportation Authority (CARITA) at its 11/19/08 meeting discussed the number of service requests from your contractor, Logisticare, serving HHS clients in the Charleston metropolitan area. During the month of October 2008, CARITA had 300+ requests from Logisticare which were above the normal level of requests for Tel-A-Ride service.

As you may know, CARITA operates our Tel-A-Ride Program as a required ADA supplement to our Fixed-Route Service operated within the Charleston urbanized area. Each Tel-A-Ride trip is a \$22 expense to CARITA. This amount exceeds the \$3 Tel-A-Ride fare. Thus, a substantial increase in ridership for Tel-A-Ride clearly erodes our capacity to serve our normal clients.

It is our understanding that Logisticare is under contract with your Department at a fixed price per passenger. It is also our understanding that Logisticare is a private company operating for profit from this contract. The CARITA Board has requested that Staff obtain the current rate paid to Logisticare per ride for paratransit services provided under your contract with Logisticare. We look to receive your information by 12/09/08 so that we may report to the CARITA Board in response to their query. In the event that this information is not readily available via simple request, please advise ASAP so that we may submit a formal request under the provisions of Freedom of Information Requests.

While we are pleased with our ridership increases across our entire system, we cannot afford to subsidize a private company operating at a profit within the State of South Carolina.

Mr. Kendall Quinton
November 28, 2008
Page 2

I very much appreciate your assistance in providing this information. I look forward to further discussions regarding this issue.

Sincerely,


Howard R. Chapman, P.E.
Executive Director

HRC/srw
Cc: Mr. Glennith Johnson



State of South Carolina
Department of Health and Human Services

Mark Sanford
Governor

December 9, 2008

Emma Fortner
Director

Mr. Howard R. Chapman, P.E.
Executive Director
36 John Street
Charleston, SC 29403

Dear Mr. Chapman:

In your November 28 letter you noted your understanding that Logisticare is under contract with the Department of Health and Human Services to provide Medicaid transportation at a fixed price per passenger. You went on to request the current rate paid to Logisticare per ride for paratransit services provided under the contract.

The department's contract with Logisticare is not structured on a per ride basis. The contract is structured as a capitated rate that varies within the six regions into which the state has been divided. Charleston is in Region VI which also includes Hampton, Jasper, Colleton, Beaufort, Dorchester, and Berkeley. The per member per month rate in Region VI is \$8.60 per member per month.

As you can see the cost per trip would depend upon the number of trips a Medicaid beneficiary takes in a month. For example if the beneficiary takes four trips in a month the cost per trip would be \$2.15 per trip.

I hope this information is helpful to the CARTA board in moving forward. If I can be of any further assistance please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Kendall F. Quinton".

Kendall F. Quinton
Senior Consultant

KFO/mk