



FOR IMMEDIATE RELEASE
July 2, 2003

Contact: Robin Wrinn
Vice President of Corporate
Communications
(770) 907-7596, ext. 437

LogistiCare Celebrates Two Years of Operations in Virginia – Company Benchmarks Outstanding Service Record and Service Job Growth

ATLANTA -- LogistiCare Solutions, LLC, the nation's leading provider of specialized transportation network management, today marked its two-year anniversary of operations in Virginia with an open house at its Norton, Va., network operations center (NOC). In attendance were City of Norton and other local officials. LogistiCare began managing non-emergency transportation (NET) for Medicaid recipients in three regions of Virginia on July 2, 2001. Since then, it has expanded its service statewide, fulfilled its commitment to grow service job opportunities in Southwest Virginia, and sustained an outstanding performance record to deliver increased health care access for one of the state's most medically fragile populations.

"As a company, we are excited that we successfully capitalized on growth opportunities, both inside and outside of Virginia, enabling us to exceed our employment goals in Norton. We take even greater pride that our primary Virginia client, the Department of Medical Assistance Services (DMAS), which oversees the state's Medicaid program, has recognized the high quality work performance we deliver, even under extreme conditions," said John L. Shermeyen, LogistiCare chairman and chief executive officer. "We provided the quality services to Virginians and the budget stability that DMAS sought, even during a very challenging operational expansion this past year. Moreover, we fulfilled our commitment to expand our Norton NOC into a regional center supporting operations in other states, thereby more than doubling service job opportunities in one of the more economically depressed areas of Virginia. We are thankful for our successful partnerships with local government and businesses, as well as the availability of stable and loyal workers, which enabled us to successfully grow our Virginia operation."

Role Expansion and Growth

In July 2002, LogistiCare created 10 additional jobs at its Norton NOC when the company won a contract from the Delaware Department of Health and Social Services to manage non-emergency transportation needs for that state's Medicaid and Chronic Renal Disease program. Call intake for the Delaware contract is managed at Norton.

The company's other significant expansion occurred in December 2002, when LogistiCare, in five days, assumed an additional four regions of Virginia previously served by another company. That urgent expansion more than doubled LogistiCare's workforce in Virginia, as well as tripled the Medicaid recipients it served, from 80,000 individuals to 250,000.

To support its expanded role, LogistiCare also opened four new regional offices and expanded its local transportation provider network from approximately 90 companies to more than 340. On a monthly basis, LogistiCare now manages more than 280,000 trips, as compared to 50,000 two years ago. It continues to enjoy a 99.99 percent performance record.

The Community – Labor Force in Southwest Virginia

When LogistiCare established operations in Virginia, the company elected to locate its network operations (call center) on the two top floors of the Hotel Norton in Norton, Va., thereby becoming the major tenant of

--MORE--

a key development project of The Virginia Coalfield Economic Development Authority. The refurbishment of the Hotel Norton was designed to increase opportunities for employment and enhance the economic base of the City of Norton and the coalfield region. Since 2001, LogistiCare has added approximately 60 jobs at the Norton NOC, where it currently employs more than 80 people. These individuals on average handle a monthly call intake volume of 75,000 calls – six times more volume as compared to October 2001. LogistiCare's presence in Virginia contributes annually \$5 million to the state's economy in payroll and purchases. In Norton, the company contributes annually more than \$3.5 million to the local economy in payroll and local purchases.

About the Transportation Network Manager Model

LogistiCare pioneered the transportation network management system or “brokerage” concept, which offers government and commercial organizations a complete, single-contract, outsourcing solution for their specialized transportation needs. LogistiCare's market approach centralizes management of certain gatekeeping processes through network operations centers, while managing through regional offices a network of multiple transportation companies to deliver the actual trip service. LogistiCare's sophisticated network operations center technology in combination with field management of local transportation companies, or “providers,” ensures the appropriate level of service (e.g., ambulatory, stretcher, and wheelchair) is provided in the most efficient and satisfactory manner. Prior to this approach, a fragmented system of multiple providers offering varying levels of service existed. Network operation centers manage call center operations, including eligibility screening, reservations, billing, reporting and IT support. Regional offices manage networks of commercial, non-profit and public transportation providers. Regional office management ensure proper provider relations, facility outreach, quality assurance, and in many instances routing and dispatching.

About LogistiCare in Virginia

In Virginia, LogistiCare employs 110 people and operates six regional offices and one network operations center in Norton, Va., to provide non-emergency transportation management services to the Commonwealth. The company won a two-year transportation brokerage contract for three regions in July 2001 with the Virginia Department of Medical Assistance Services (DMAS) and another contract with UNICARE in November 2001. In December 2002, the company agreed with DMAS to assume on an urgent basis responsibility for four new additional regions. This massive implementation effort sustained health care access for Medicaid recipients. On an annual basis the company coordinates with 300 local companies and arranges more than 3.3 million trips for 250,000 people requiring specialized non-emergency transportation services. LogistiCare's scope of services include Medicaid recipient eligibility verification and screening, trip scheduling and routing. The company also sub-contracts with and manages the performance of third-party local transportation companies (providers) that will provide the actual trip service. In that capacity, LogistiCare performs provider billing verification and trip reimbursement, while ensuring overall NET program quality assurance.

About LogistiCare

Headquartered in Atlanta, Ga., LogistiCare, Inc., is the nation's leading manager of outsourced specialized transportation network management services for government agencies, managed care organizations, self-funded insurers, hospitals, transit authorities and school boards. The company currently holds more than 26 contracts in nine states and the District of Columbia and manages a national network of more than 650 transportation providers. Its 26 office locations throughout the United States coordinate over 7 million trips for more than 3 million recipients each year. LogistiCare originated as a software solutions developer and later evolved into an outsourcing company based on the success of its proprietary management software. Its services are distinguished by an emphasis on customer service and quality assurance, complemented by the most advanced technology, including telephone, Internet, mobile data, global positioning systems and other wireless devices. To learn more about LogistiCare and its services, visit www.logisticare.com.