



LogistiCare Responds to Article in St. Louis Business Journal

June 14, 2005

St. Louis Business Journal
One Metropolitan Square, Suite 2170
St. Louis, MO 63102

Dear Editor:

After reading Patrick Thimangu's June 10 article, I am writing to set the record straight.

First, I feel that it was irresponsible to use a headline that links my company to issues that MTM is facing in states other than Missouri. To the extent that compliance issues have been raised in Missouri, these issues reside with the state, not with the actions of my company in the bid process. My company does not do business in New York or Minnesota.

Second, my company and MTM are fierce competitors in all states, except currently in Missouri where LogistiCare has agreed to be a subcontractor for MTM, if MTM is awarded the contract for Medicaid non-emergency medical transportation (NEMT). Further, each company recently has submitted independent bids for contracts in Georgia, Philadelphia and Virginia, and for various HMO contracts.

Third, my company and MTM have never had a direct working relationship. I feel that the statement made in the article's third paragraph about collaboration confuses two distinctly separate and unrelated events – an unsuccessful joint bid in Virginia in 2000 and the currently pending bid in Missouri. In addition, my company was never part of the bid process in Minnesota, as was suggested later in the article.

Last May, LogistiCare won the Missouri NEMT contract hands down, earning 99 of a possible 100 points from the review committee, based on our superior proposal and technology.

But the state chose to void our contract, because someone in the Office of Administration failed to perform a simple clerical task – checking a box on a form – that in no way was material to the outcome or fairness of the bid process.

More recently, the state's support of MTM's provider-exclusivity contracts created a situation that favored MTM, virtually guaranteeing that it would be the lone compliant bidder. I can only assume that this is the same reason why none of the other bidders that participated in the first RFP decided to submit a bid the second time around.

The lack of competition created in Missouri was a direct result of the RFP process, not the actions of bidders. The Missouri Office of Administration is solely responsible for its own predicament.

LogistiCare has behaved at all times in an arms-length, business-as-usual, legal and proper way.

John L. Shermeyen
President and Chief Executive Officer
LogistiCare

* This letter was published in the June 17, 2005 print and online editions of the St. Louis Business Journal.