

St. Louis Business Journal

MONEY & MEDICINE

OCTOBER 1-7, 2010

MTM rides outsourcing trend to double revenue

BY DIANA BARR
dbarr@bizjournals.com

Medical Transportation Management is on a roll.

The company, which provides non-emergency medical transportation (NEMT) services, reported revenue of \$68.8 million in 2009. President and CEO Alaina Maciá said the company projects revenue of about \$94 million this year, and between \$125 million and \$130 million in 2011.

Last month, the company expanded into 14,000 square feet of leased space near its Lake St. Louis headquarters, as that 40,000-square-foot building is at capacity.

MTM manages the transportation benefit for managed care organizations, state and county governments, health systems and other programs that provide transportation for the disabled, underserved and elderly. The company's six call centers schedule trips, which are then handled by local, contracted transportation providers.

The company is bringing another contract online every month through January, Maciá said. MTM recently won one-year, renewable contracts totalling more than \$4 million to provide NEMT services to Medicaid beneficiaries through Health Plan of Michigan and its affiliated HMO serving Illinois, Meridian Health Plan. Both renewable contracts begin Nov. 1.

The company previously landed a new contract, effective Oct. 1, to administer NEMT services for the state of Missouri's Medicaid program. The one-year contract is valued at about \$26 million and has a



Brian Cassidy

Alaina Maciá expects MTM to hit \$94 million in revenue this year.

two-year renewal option.

To handle the new work, in early September the company added 60 workers, with about half those in support positions at its corporate headquarters here and doubling staff at its customer service center in Laurie, Mo., near the Lake of the Ozarks, to about 63.

In July, MTM began serving a five-and-a-half-year contract totaling \$82.5 million from the Minnesota Metro Counties Consortium to administer NEMT in eight counties in and around Minneapolis-St. Paul.

MTM has grown by about 174 employees in the last six months, to about 498, which includes about 271 at its headquarters here.

MTM's growth comes as more Medicaid-covered transportation contracts are outsourced to contain costs. "And as managed care organizations go to new states, we grow with them," Maciá said.

Kevin Campbell, vice president and senior research analyst with Nashville, Tenn.-based Avondale Partners, said while Medicaid is obligated to provide transportation, "it hasn't been managed very well by the states," with many essentially just issuing taxi vouchers. "The first year of outsourcing, they may be looking at a 30 percent to 35 percent cost savings overall," Campbell said.

MTM has rebid 20 contracts so far this year, representing revenue of about \$13.5 million. The company invested more than \$1 million to upgrade its technology and has a \$5.5 million credit facility with M&I Bank.

MTM also has seen success with new services. The company won a three-year contract, with two one-year renewal options at \$200,000 a year, to perform paratransit eligibility assessments for the transit system in Raleigh, N.C. MTM has a similar two-year, \$250,000 contract with the Tri-County Metropolitan District of Oregon. MTM also provides services to teach disabled individuals to navigate public transportation.

Separately, MTM's Ride Right affiliate has grown to 113 employees and about \$4 million in revenue on its own from zero last year, Maciá said. Ride Right provides either paratransit or fixed-route services in Ohio, Florida and Indiana.