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Governor Inslee Signs Bill Supporting Nonprofit NEMT Brokers

Olympia, Washington – April 2, 2014 – As Paratransit Services’ Brokerage General Manager Ann Kennedy and others looked on, Washington Governor Jay Inslee signed Substitute House Bill 2318 into law on April 2. The Bill, which amends Revised Code of Washington (RCW) 51.12.070, provides much needed financial protection for non-profit companies who contract with the State to broker Non-Emergency Medical Transportation (NEMT).

The NEMT program provides transportation assistance for covered medical appointments to people who are on Medicaid. This service is provided at no cost to the Medicaid client. Washington State Health Care Authority contracts with regional brokers to administer this service by providing call intake, eligibility screening, and, where appropriate, arranging transportation with a ride provider who subcontracts directly with the broker. Paratransit Services, a nonprofit company based in Bremerton, Washington, is NEMT broker for nine western Washington counties.

Paratransit Services initiated the legislative request leading to SHB 2318 after one of its subcontracted ride providers went out of business while still owing the Washington State Department of Labor and Industries (L&I) a substantial amount in underpaid insurance premiums. As the ride provider was no longer an active company, Paratransit Services was held liable for the premiums. A review of existing legislation indicated that even when NEMT brokers take reasonable steps to ensure that subcontracted ride providers are compliant with L&I insurance requirements, the brokers still face exposure to this type of existential financial risk.

With the assistance of State Representatives Larry Seaquist and Sherry Appleton, and support from State Senator Jan Angel, Paratransit Services presented its case to the state legislature. Brokerage General Manager Ann Kennedy provided testimony to the House in support of the Bill, which will amend existing legislation (RCW 51.12.070) by exempting nonprofit NEMT brokers from L&I responsibility for their subcontracted ride providers, on the condition that the ride providers maintain a separate set of books, and the NEMT broker checks annually with the Department of Labor and Industries to verify that the ride providers have industrial insurance accounts that are in “good standing.”



Present for the signing at the Governor's conference room in Olympia were (l to r in photo): Dylan Doty and Rick Jensen, governmental consultants; Governor Jay Inslee (seated); Amanda Web, Public Information Officer for Sen. Jan Angel; and Ann Kennedy, Paratransit Services Brokerage General Manager.

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