

EXTRA MILE TRANSPORT
Non Emergency Medical Transportation Company

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Senior thesis submitted to my Integrated Studies Board of
Utah Valley University in partial fulfillment of the
requirements for a Bachelor of Science in Integrated
Studies

COMMUNITY HEALTH AND BUSINESS
MANAGEMENT

Orem, Utah

April 2021

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Thesis Approval Page

In partial fulfillment for a Bachelors of Science Degree in Integrated Studies with Communication Health and Business Management emphases, we hereby accept this Senior Thesis written by Tevita Netane.

Defended: April 30, 2021

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Introduction

The non emergency medical transport (NEMT) industry has grown and changed since its establishment with Medicaid in 1965. In the beginning of NEMT many patients were still missing important doctor's appointments due to lack of transportation. This resulted in minor medical problems turning into major medical problems which is a poor outcome for the patients as well as Medicaid (Cronk, 2018). Today we have rehabilitation centers, dialysis patients at home and skilled nursing facilities full of patients needing transportation to several doctor's appointments. With NEMT services patients are able to get timely medical care including preventative and primary health care which leads to less emergency and inpatient services. As a Head of Transportation for two years at a skilled nursing facility, I took several patients to their appointments daily. Although I filled my schedule, I still called out for help from local NEMT companies every day since there were always more patients needing transport.

The purpose of this paper is to communicate the large and increasing need of NEMT services and to propose a successful NEMT company to aid with this high demand.

Executive Summary

The purpose of this business plan is to obtain \$20,000 for the development of a non-emergency medical transportation company, Extra Mile, showcasing the expected financial and operational costs. Extra Mile will be a Utah based business that will provide non-emergent medical transportation for individuals in medical facilities or homes within Utah County.

Product & Services

Extra Mile Transport will provide transportation to and from medical appointments via wheelchair, stretcher and bariatric stretcher in an accessible van in the target area of Utah County. Extra Mile will also provide transportation to special events.

Financing

The financing we are seeking is a \$20,000, 10 year loan with a fixed interest of 5%. The financing will be used to purchase a geriatric van, transportation equipment, general office equipment and financing for the first six months of operation.

Management Team

Extra Mile Non-Emergent Transport LLC will be started by Tevita Netane. Mr. Netane has two years of experience as Head of Transportation with Orchard Park Post Acute Rehabilitation Center. He is graduating with a Bachelor's of Science in Integrated Studies emphasizing in Community Health and Business Management May 2021. This knowledge and experience will be crucial during the first year of operation.

Sales Forecast

We expect a strong rate of growth at the start of operations due to high demand. Non-emergent medical transportation includes transporting people who aren't able to drive themselves to doctor's appointments, most likely because they are in a wheelchair, stretcher or in a medical facility. Utah Valley has many skilled nursing facilities and rehabilitation centers that need help transporting all the patients in their care to their appointments. The great need for this non-emergent medical transport company in Utah County will result in revenue far surpassing the initial costs. The company should be profitable after 6-7 months.

Company Description

Mission Statement

Extra Mile Non-Emergent Transport LLC is a locally owned and operated non-emergent medical transportation serving skilled nursing facilities, rehabilitation centers, hospitals and even homes

in Utah County. Our mission is to empower individuals with transportation and high-quality service promising extra love, extra care and always going the extra mile.

Company Philosophy & Vision

Extra Mile means going above and beyond the job to help individuals feel cared for. It means not just a ride to an appointment but an experience, to help individuals to feel well cared for. Here we value safety, professionalism, respect, human dignity and compassion. Our vision is to provide service embodying those values to people across Utah County.

Goals & Milestones

Our ultimate goal is to have about 4 locations statewide. This would involve us starting in Provo, close to all the medical facilities. The way we plan to expand Extra Mile would be to:

- Keep our transportation schedule for 5-7 appointments a day for each van for a year before expanding with an additional van.
- Pay back the business loans that were taken out within a 5 year term.
- Carefully track the profit of Extra Mile. When we reach a 70% return we will be stable enough to open up in another area.

Target Market

Our target market would include any adult man or woman needing non-emergent medical transportation. This includes individuals without a drivers license, in a wheelchair or stretcher or residing in nursing facilities, rehabilitation centers or even their home. We initially will be serving individuals within Utah County.

Industry

The industry at this time is booming. Most nursing facilities that provide transportation are not able to take all of their patients to appointments, and thus they seek outside help from non-emergent medical transportation (NEMT) companies. There is a definite need for these NEMT companies and the need will only continue to grow. The largest population of customers for this service are geriatric patients. The 65 and older population is the fastest growing age group in the country at large. The United States Census Bureau reports, "The 65-and-older population grew by over a third (34.2% or 13,787,044) during the past decade, and by 3.2% (1,688,924) from 2018 to 2019" (US Census, 2020). As a new NEMT company we will be able to take advantage of this growing industry and serve many people.

Legal Structure

Extra Mile Transport will be organized as a limited liability company. This would allow Mr. Netane to be flexible enough to apply the mission statement of the company. This also allows the business to grow along with the industry needs.

Products & Services

Services & Prices

The price of our services will be as follows:

Type of Service	Description	Price
Ambulatory Pick up	Transport for individuals who don't need equipment to travel, who can walk or only need basic assistance.	\$25
Wheelchair Pick up	Transport for individuals who are confined to a wheelchair or who cannot walk on their own.	\$30
Stretcher Pick up	Transport for individuals who are in a stretcher.	\$65
Bariatric Pick up	Transport for individuals who weigh over 300 pounds and require stretcher transportation.	\$150

Fees	Price
Afterhours fee (5pm-9am)	\$20
Transportation Mileage Fee	\$2.50 per mile (last mile on one ways and round trips is free)
Oxygen	\$5.00 (Less than 4 Liters) \$10.00 (greater than 4 Liters)
Wait Time	\$15.00 per 30 Minutes
Deadhead Mileage	\$1.00 per Mile
Cancellation Fee (less than 24 hours notice)	\$30.00
Extra Assistance	\$25.00

Unique Features

The feature that gives us competitive advantage is that we provide more extensive services than just ambulatory and wheelchair pick ups. We provide stretchers, including bariatric stretchers that some transport companies don't have. This allows us to serve more people as well as bringing in a higher profit.

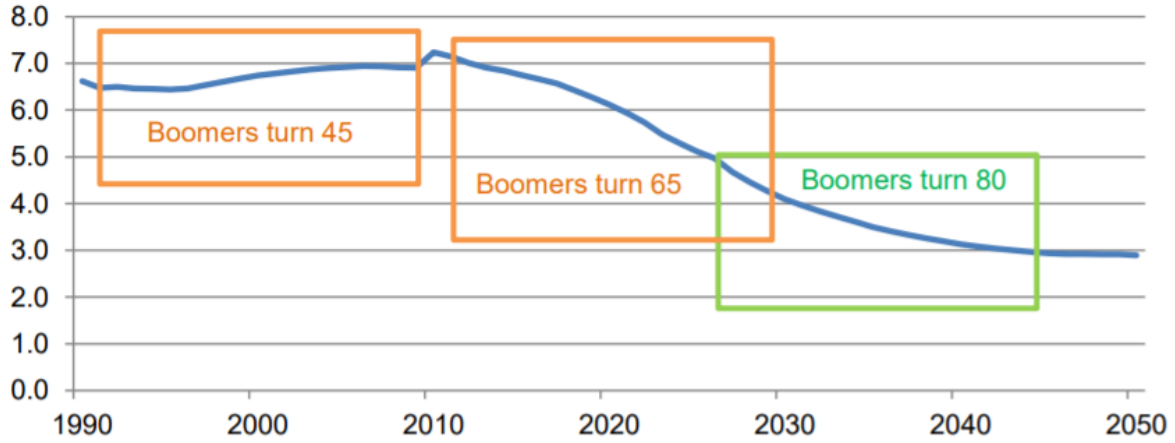
Another feature we include is to not charge mileage for the last mile we transport our patients for one way and round trips. This can provide more motivation for individuals to choose our company over other transports. It also is a constant reminder to our employees of our mission statement of going the extra mile for every individual we serve.

Strategic & Market Analysis

Economic Outlook

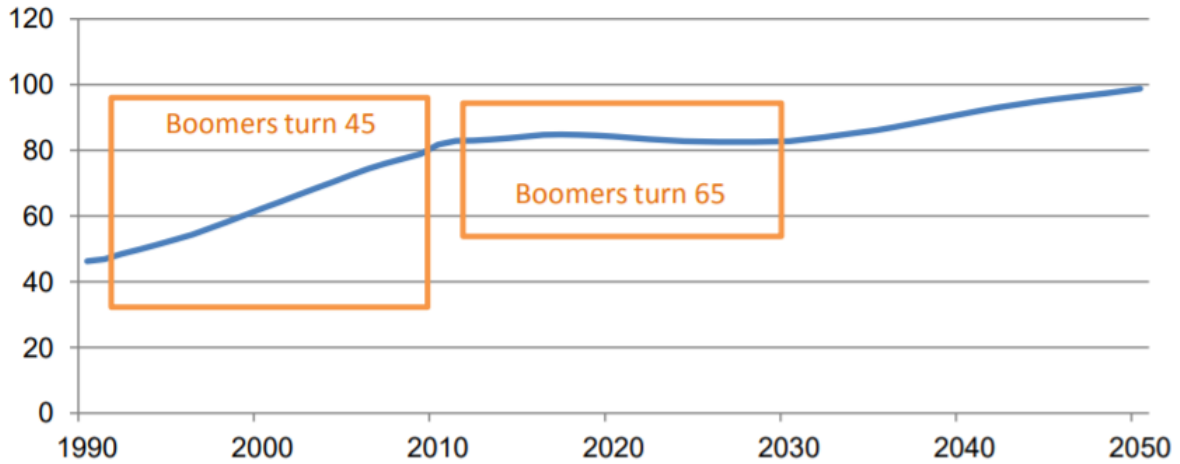
Economic burdens of aging baby boomers for healthcare and long term care facilities are continually on the rise as caregivers and skilled nursing facilities with demand scramble to keep up. Knickman states in his research article, *The 2030 Problem*, "A major public policy concern in the long-term care field is the potential burden an aging society will place on the care-giving system and public finances. The '2030 problem' involves the challenge of assuring that sufficient resources and an effective service system are available in thirty years, when the elderly population is twice what it is today" (Knickman, 2002). Baby boomers will overburden the resources we have to take care of them. To meet the needs of this growing population resources such as Extra Mile Transportation need to be established soon to meet the ever growing needs of our 65+ age population. We need more non-emergency medical transportation companies, community resources, and nursing & rehabilitation facilities to be able to take care of this growing population. Not only will our skilled nursing facilities, doctor's offices, post acute rehabilitation centers be full of baby boomers, but we also need to take into account the population outside of this age group that seek these facilities after accidents, injuries, etc. "About 4 million Americans yearly delay or miss their visits to hospitals or rehab because they lack proper transportation or don't have access to it for physical, mental, or developmental reasons" (Route Genie, 2020). y.

Figure 1
Caregiver Support Ratio, United States



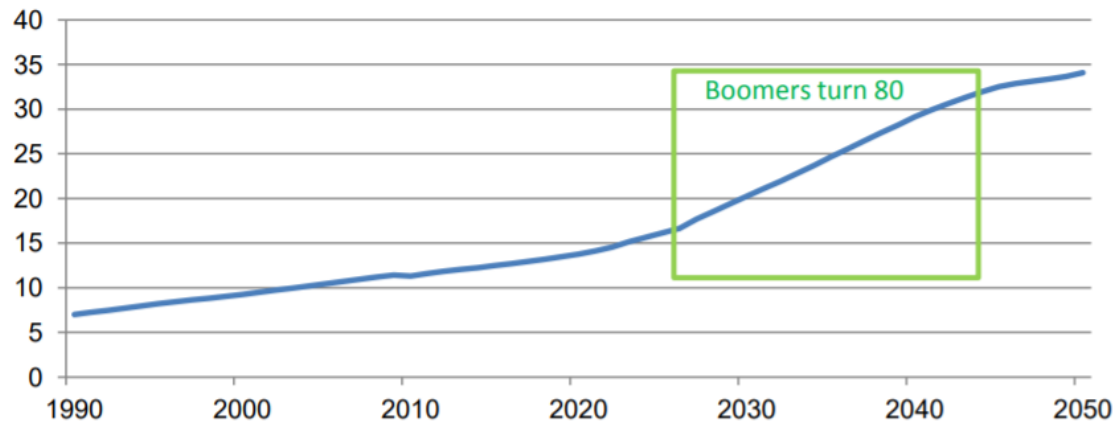
Source: AARP Public Policy Institute calculations based on REMI (Regional Economic Models, Inc.) 2013 baseline demographic projections.
 Note: The caregiver support ratio is the ratio of the population aged 45–64 to the population aged 80-plus.

Figure 2
Projected Age 45–64 Population, U.S.
(millions)



Source: AARP Public Policy Institute calculations based on REMI (Regional Economic Models, Inc.) 2013 baseline demographic projections.

Figure 3
Projected Age 80+ Population, U.S.
(millions)

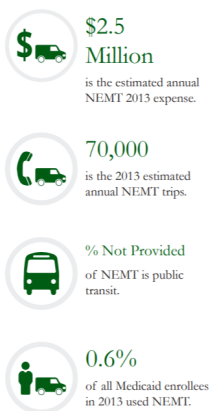


Source: AARP Public Policy Institute calculations based on REMI (Regional Economic Models, Inc.) 2013 baseline demographic projections.

(Redfoot, 2013)

Along with an increasing elderly population, COVID-19 has affected NEMT services as well. Due to COVID-19, many forms of transportation have been limited because of lockdowns, quarantines or limited space and capacity. In many instances transport is reserved for COVID-19 patients or more critical patients (Fraade-Blanar, 2020). And there is an increasing fear of public transportation that leads patients to need NEMT services to receive a private ride to appointments rather than to be exposed in a public especially to our vulnerable population. Since COVID-19 is projected to be around for a while it is important that NEMT services increase to allow for adequate transportation.

Industry Analysis/Competitive Analysis



According to PROPublica, there are 97 nursing facilities in Utah with 14 of them located in Utah County (PROPublica, 2021). It is projected that many more are to be built within Utah County. There are also about 10 hospital facilities within Utah County and numerous doctor's offices as well. Patients searching the internet can find NEMT companies in Utah County such as Loads of Love, Ride with Care LLC, National Medtrans LLC, Wasatch NEMT and Priority One Transport. According to the Transit Cooperative Research Program (the chart on the left) in 2013 it was reported that 2.5 million dollars were spent on NEMT transportation in Utah as well as about 70,000 NEMT annual trips (Edrington, 2018). There has been a consistent increase since 2013 showing that there are much more facilities and patients

needing help than NEMT companies can service. The demand is there so as facilities get the word on Extra Mile Transport, I have no doubt we can fill our schedule soon.

Customer Profile

Extra Mile Transport's average clients will be men or women 65 years old living in the target market of Utah County. Common traits include:

- Resides in a Medical facility such as Nursing Facility, Rehabilitation Center, Hospital, etc.
- Has medical insurance
- Ages 65+ years
- Has health problems that require transportation to doctor's appointments (that are not emergent)
- Prefers to be driven to medical appointments rather than driving themselves (or is unable to drive themselves)
- Lives within Utah County

Marketing Plan

Extra Mile Transport intends to maintain an extensive marketing campaign that will ensure maximum appearance in the community of Utah County and target market. We chose to stay within Utah County primarily to have rides in relatively close proximity to enable Extra Mile to transport as many people as they can in one day. Below is an overview of the marketing strategies of as many people as possible in objectives of Extra Mile Transport.

Marketing Objectives

The Marketing Objectives of Extra Mile Transport include:

- Establish relationships with relevant staff at medical Facilities and Social Workers in the Hospitals within the targeted market.
- Have a noticeable presence in medical facilities across Utah.
- Be a well known resource for the community of the targeted market.
- Implement a local campaign with the targeted market through brochures and presence at local health events.
- Develop an online presence by developing a website with Extra Mile Transport's information and with a social media outlet.

Marketing Strategies

Extra Mile Transport intends to incorporate various marketing strategies that will make us easily marketable to men, women, and families within our target market. These strategies include being present in the community through attendance at local events as well as networking in the

health community by being in facilities. This includes visiting skilled nursing facilities and rehabilitation centers, networking with their Healthcare Administration and Head of Transport passing out brochures or offering them deals for initial rides booked.

Extra Mile Transport will have a community presence to gain exposure to the families of Utah County. This will include having a booth at local health events to meet families that we can be serving. We will pass out business cards and brochures to families to educate them on our business as well as non-emergent medical transportation in general. This would include a website where they can access all of our information including contact information, services, prices, etc. We also plan to have a social media presence to educate people on our services, values, hours and educating them on non-emergent medical transportation as well as geriatric facts.

Extra Mile Transport will also have a strong network connecting us with healthcare professionals. Initially we will pass out business cards to hospitals, skilled nursing facilities, post acute rehabilitation centers, doctor's offices and any other medical facilities. We'd make sure to connect with social workers, healthcare administrators, and transportation coordinators to advocate for our service to our target market..

Brand/Logo





NON-EMERGENCY MEDICAL TRANSPORTATION

These logos are meant to emphasize a road and physically going the extra mile. The last logo is my favorite because there is more focus on the X which emphasizes which symbolized for me to go over and beyond the job (as does the letter).

Financial Plan

Sensitivity Analysis

Even in the event of an economic downturn, Extra Mile Transport should not see a major decline in income. The economy doesn't affect medical transport as individuals still have medical needs to be met. Medical transport services are in demand regardless of the general economic climate since they are an essential service for health.

Required Funds

At this time, Extra Mile Transport requires \$20,000 of debt funds. Below is a breakdown of how these funds will be used.

Projected Startup Costs

LLC licensing	\$50
Van	\$15,500
Transportation Wheelchairs	\$130
Wheelchair anchors	\$350
Oxygen equipment	\$170
Stretcher	\$2,400

Business Cards/office supplies	\$200
Office equipment	\$1,200
Total Startup Costs	\$20,000

Billing/Insurances

In most cases we will be billing skilled nursing facilities and rehabilitation centers. In some cases we will bill families that can get reimbursed by their insurance if it covers NEMT transportation. We will work to qualify for Medicaid/Medicare insurance to optimize our service to as many individuals as we can in Utah County.

Each ride will be documented and entered into an invoice. We will send weekly invoices to families and for each medical facility (such as a nursing facility or rehabilitation center) we will send their invoices every month. If facilities or families pay their bill within two days of receiving their invoice we will give them 10% off their bill.

Financial Projections

The need for NEMT companies are rising as the healthcare need rises as well we geriatric care. The key factors driving this rising industry are more people are aging and are filling medical facilities. These factors are continually increasing and will positively affect our revenue and profit.

Projected Sales & Income

The charts below show that this company has a potential of making sales of \$170, 460 a year with a consistent average schedule with one operating van with me as the only operation transporter. It also shows that we can start seeing profits as soon as 6-7 months. We can also expect a possible \$76,106 after a year of sales in the first year operating at 115% of our average scheduled sales. Once we get to this financial point it will establish Extra Mile Transport well enough to start another van allowing us to double these profits.

Average sales	Fees	Sales in a year
4 wheelchair pick ups a day averaging 21 miles with 1 person needed oxygen with a wait time of an hour per pick up	\$30 pick up fee \$50 mileage fee (last mile free) \$30 wait fee Total per pick up= \$110	\$160,160
1 stretcher a week	\$65 pick up fee	\$7,540

	\$50 mileage fee (last mile free) \$30 wait fee Total per pick up= \$145	
1 bariatric pick up a month	\$150 pick up fee \$50 mileage fee (last mile free) \$30 wait fee Total per pick up= \$230	\$2,760
Total sales in a week: \$3,278.08	Total sales in a month: \$14,205	Total sales in a year: \$170,460

Operating Costs	
Start up costs	\$20,000
Gas a month (almost \$56 to fill every week and a half)	\$168
Livery insurance a month	\$500
Software membership a month	\$20
Monthly Operating Costs	\$688

Sales	Operating Costs	Profit (accumulative)
Month 1: \$0 (start up)		-\$20,000
Month 2: \$1,420.50 (10% average sales)	\$688 a month	-\$19,267.50
Month 3: \$2,130.75 (15% average sales)	\$688 a month	-\$17,824.75

Month 4: \$3,551.25 (25% average sales)	\$688 a month	-\$14,961.50
Month 5: \$4,971.75 (35% average sales)	\$688 a month	-\$10,677.75
Month 6: \$6,392.25 (45% average sales)	\$688 a month	-\$4,973.50
Month 7: \$7,812.75 (55% average sales)	\$688 a month	\$3,527.25
Month 8: \$9,233.25 (65% average sales)	\$688 a month	\$12,072.25
Month 9: \$10,653.75 (75% average sales)	\$688 a month	\$22,038
Month 10: \$12,074.25 (85% average sales)	\$688 a month	\$33,424.25
Month 11: \$13,494.75 (95% average sales)	\$688 a month	\$46,231
Month 12: \$14,915.25 (105% average sales)	\$688 a month	\$60,458.25
Month 13: \$16,335.75 (115% average sales)	\$688 a month	\$76,106

Start-up Process

1) Register Extra Mile Non Emergent Medical Transportation as an LLC

As stated above Extra Mile Transport will be organized as a domestic limited liability company to Mr. Netane to be flexible enough to apply the mission statement of the company. This also allows his business to grow along with the industry needs. We have even confirmed the availability of this name on Utah Department of Commerce's site (<https://secure.utah.gov/bes/>). We will also need to apply for a Employee Identification Number (<https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>).

2) Prepare all Legal Documents and Licensing Needed

Drivers will need to have a driver's license and be trained in CPR, defibrillator operation, vitals assessment, and other life-saving techniques. We will also need licensing enable to obtain auto insurance as well as licensing with insurance companies so insurance such as Medicaid would be able to pay us.

3) Obtain insurance

We need livery insurance which is commercial auto coverage for businesses that transport people. These are expensive because we transport people but also because we transport a vulnerable population. The requirements for this insurance includes the vehicle's age and capacity, age of drivers, vehicle features (oxygen tanks, equipment, wheelchair or gurney straps), safety equipment and written procedures. Information on livery insurance is available through progressive because they have specific information on NEMT companies.

<https://www.progressivecommercial.com/commercial-auto-insurance/livery-insurance/non-emergency-medical-transportation-insurance/>

4) Buy start up materials

We are budgeting around \$15,500 for a used NEMT van that already has the ADA accommodations needed. Knowing this would be a fairly low price we will be searching for a van in this budget throughout this whole process. There are vans consistently on sale through Facebook groups dedicated to NEMT vans. We are looking for makes from Toyota or Honda around 2015 models.

We will also need to purchase wheelchairs, oxygen tanks, anchors and a stretcher with plans to stay under \$20,000 of start up costs.

5) Market to Customers

As stated above we will market ourselves to hospitals, skilled nursing facilities, post acute rehabilitation centers as well as health fairs in the community. We will do this by passing out our brochures and information to facilities when their transport is too busy.

6) Establish NEMT Software

We will need software for invoices, website, contacts and payment services.

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