



# Utah Transit Authority

## MEETING MEMO

669 West 200 South  
Salt Lake City, UT 84101

---

**Board of Trustees**

**Date:** 6/22/2022

---

**TO:** Board of Trustees  
**THROUGH:** Jay Fox, Executive Director  
**FROM:** William Greene, Chief Financial Officer  
**PRESENTER(S):** Monica Morton, Fares Director  
Kensley Kunkel, Mgr. Business Dev. and Sales

**TITLE:**

---

**Fare Agreement: Medicaid Transportation Contract (Utah Department of Health)**

---

**AGENDA ITEM TYPE:**

Service or Fare Approval

---

**RECOMMENDATION:**

Authorize the executive director to execute a Transit Cards Transportation Contract with the Utah Department of Health

---

**BACKGROUND:**

The State of Utah Department of Health (the Department) and the Utah Transit Authority (UTA) have historically partnered together to provide eligible Medicaid members with transit access. The purpose of the transit access is to help each member travel to and from medical appointments.

**Current Contract**

UTA is currently in the last year of a five-year (5) contract with the Department. The current contract will expire on June 30, 2022. The processes and procedures in the current Medicaid contract have not been updated for over three decades.

Each month the Department, in partnership with the Department of Workforce Services (DWS), print and mail out a paper punch pass to each eligible member. The paper pass is valid for that month on Bus, TRAX, Streetcar, and On-demand services. Each pass is printed with a number of punches specific to the member's needs as determined by the Department and DWS. To ride the UTA system, a member gives his/her pass to the Bus Operator who then punches the pass as proof of valid UTA Fare. If needed, the Operator will issue a transfer slip to be used on other eligible connecting transit services.

The annual value of the current contract has ranged between \$670,000 and \$1,220,000. Each month, UTA

issues an invoice to the Department of Health based on a percentage of total bus and light rail trips as found in the most recent on-board survey. Additional details about the billing can be found in Attachment B, Section E of the current contract (17-2291JH).

### Looking Ahead

In 2020, UTA updated the Authority's acceptable fare media and eliminated the Medicaid punch pass as an approved media.

For the past two (2) years, the Fares team has worked closely with leadership at the Department of Health and the Department of Workforce services to understand Medicaid pass processes, challenges, ridership and pass use, as well as opportunities for improvement. Upon completion of the evaluation, a plan was implemented to transition all members to an Electronic Fares Card (EFC) with an updated billing method.

Beginning July 1, 2022, the paper punch pass will no longer be distributed, and all Medicaid members will be issued an EFC pass for use on the UTA system. The pass will be valid fare for unlimited trips on UTA Bus, TRAX, Streetcar, and on-demand services.

---

### DISCUSSION:

In the spirit of partnership, UTA and the Department will enter into a five (5) year Transportation Contract. The value of the contract is \$1.21 million each year for the first two (2) years of the contract (\$2.42 million total). Beginning on January 1, 2024, UTA and the Department will review and renegotiate the contract value for the remaining three (3) years of the agreement based on ridership and pass usage obtained from tap data. UTA staff will come back to the Board for approval for years three through five once pricing is negotiated.

---

### CONTRACT SUMMARY:

<b>Contractor Name:</b>	Utah Department of Health
<b>Contract Number:</b>	22-F0281
<b>Base Contract Effective Dates:</b>	July 1, 2022 through June 30, 2027
<b>Extended Contract Dates:</b>	NA
<b>Existing Contract Value:</b>	NA
<b>Amendment Amount:</b>	NA
<b>New/Total Contract Value:</b>	\$2,420,000 for first two years.
<b>Procurement Method:</b>	NA
<b>Budget Authority:</b>	NA

---

### ALTERNATIVES:

Do not enter into an agreement with the Department of Health requiring Medicaid Members to find alternative transit options and forego the associated revenue.

---

### FISCAL IMPACT:

The total value of the contract is \$2.4 million (\$1.2 million per year for two years) and will be payable to UTA in two (2) installments of \$1.2 million beginning July 1, 2022.

---

**ATTACHMENTS:**

Contract