

## Checklist: Starting a Non-Emergency Medical Transportation (NEMT) Provider Company



### **Disclaimer:**

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This document reflects common industry practices and considerations but does not establish regulatory requirements or guarantee compliance with any applicable laws, regulations, or payer requirements.

Organizations should consult qualified professionals for advice tailored to their specific needs and circumstances.

## 1. Legal and Business Formation

- Choose and register business name (confirm domain and business name availability)
- Form LLC with appropriate state agency
- Obtain Federal Employer Identification Number (EIN) from IRS
- Obtain necessary local and state business licenses and permits
- Research and comply with state-specific licensing and Medicaid enrollment requirements
- Apply for a National Provider Identifier (NPI) number
- Establish a relationship with a local business attorney
- Open a business bank account
- Establish a professional business email system using a custom domain (e.g., name@yourcompany.com); generic email services (e.g., businessname@gmail.com) are commonly viewed as less credible by payers, brokers, and institutional partners and may impact onboarding and contracting perceptions

## 2. Compliance & Regulations

- Familiarize with state Medicaid and local NEMT regulations
- Obtain required certifications (e.g., CPR, First Aid, CTS or PASS training)
- Ensure compliance with HIPAA privacy regulations
- Establish driver qualification files (background checks, MVRs, drug tests, medical exams)
- Set up a drug and alcohol testing program if required
- **Credential Portability & Verification:**
  - Consider implementing systems that support portable, verifiable driver and organizational credential records to streamline onboarding, audits, and payer or broker review processes
  - Some dispatch and routing platforms include basic credential management functionality; however, these tools are often limited to internal use within a single organization or platform
  - As organizations scale or participate across multiple networks, more robust, standardized solutions may be necessary to support portability, transparency, and interoperability
  - Participation in standardized credential registries, such as the NEMTAC National NEMT Provider Registry (NNPR), can support these objectives by enabling consistent verification of compliance across providers, brokers, and payers; organizations not participating in a registry should still ensure that their internal systems maintain equivalent levels of structure, accuracy, and accessibility

## 3. Insurance Coverage

- Identify an NEMT industry knowledgeable insurance broker
- Obtain appropriate commercial auto insurance
- Secure general liability insurance
- Acquire workers' compensation insurance (if required)
- Evaluate need for professional liability and cyber liability insurance

- Insurance premiums are often paid upfront or financed through third-party arrangements; operators should understand the structure, payment obligations, and potential impact on cash flow, as financed premiums create fixed monthly obligations regardless of trip volume

#### 4. Vehicles and Equipment

- Determine levels of service to provide (ambulatory, wheelchair, stretcher, etc.)
- Each level of service carries different operational, safety, staffing, and regulatory considerations; operators should clearly define which services they will provide and ensure that vehicles, personnel, training, and policies are aligned with those service levels
- Regulatory requirements for certain service levels, particularly stretcher transport, may vary by state or local jurisdiction; operators should verify applicable requirements, as some jurisdictions may require additional licensing, certification, or regulatory approval to provide higher-acuity services
- The use, handling, or transport of medical equipment (such as oxygen) may also be subject to additional regulatory, training, or operational requirements depending on jurisdiction; operators should ensure that personnel, equipment, and policies are aligned with applicable requirements
- When providing wheelchair-accessible vehicle (WAV) services, ensure vehicles are ADA-compliant and designed for commercial NEMT use; consumer-grade or aftermarket-modified vehicles not intended for commercial service may not meet applicable safety standards and may create compliance or insurance limitations
- When providing stretcher transport services, vehicles should be purpose-built or appropriately configured for stretcher operations and aligned with manufacturer specifications; this includes proper securement systems, climate control, visibility, and seating arrangements that allow an attendant to safely monitor the passenger during transport
- Vehicles not designed or manufactured to carry passengers—such as modified cargo or utility vans—may not provide appropriate safety, visibility, ventilation, or access for stretcher transport and may present significant safety, compliance, and liability risks.
- Decide whether to purchase or lease vehicles
  - Decide new or used
- Plan for reserve vehicles (10–20% of fleet size recommended) (if possible)
- Register and inspect vehicles as required
- Plan to identify the vehicles (choose, wrap, decals, paint job, signage, etc.)
- Equip vehicles according to minimum equipment standards, including:
  - Wheelchair securement devices
  - Fire extinguisher
  - First aid kit
  - Spill kit
  - Seatbelt cutter
  - Window punch
  - Install GPS tracking, vehicle cameras, and safety equipment
- Implement a preventive maintenance program with documented schedules
- Ensure vehicle technology and equipment selections align with payer, broker, and insurance expectations for safety, trip verification, and incident documentation

## 5. Service Area and Hours of Operation

- Clearly define and communicate your service area using zip codes, radius, city/county names, or a combination
- Establish and communicate hours of operation

## 6. Financial Management

- Set up accounting software
- Develop budget plan and track expenses
- Ensure adequate initial funding (recommended 3–6 months operating expenses; many operators plan for 6–12 months depending on market conditions and payer timelines)
- Identify and monitor key financial reports (P&L, balance sheet, cash flow)
- Implement strong cash flow management practices
- Establish billing, invoicing, and payment systems
- Set up payroll or contractor payment systems

## 7. Contracts and Revenue Diversification

- Create standard client service agreements
- Diversify revenue streams (private pay, broker contracts, facility partnerships)
- Establish client intake and onboarding processes
- Develop a payer mix strategy to avoid dependency on a single source
- **Broker Engagement & Market Access:**
  - Engage early with brokers operating in your target market to understand onboarding requirements, service expectations, and network availability
  - Many brokers maintain established provider networks in a given market and may not be actively onboarding new providers
  - Even when additional capacity is needed, brokers may require time to evaluate new providers and build trust before assigning trips, as onboarding a new provider introduces operational and reputational risk
  - Evaluate whether your initial fleet size, service mix, and operating model align with broker participation requirements and timelines
  - Operators should plan for variability in onboarding timelines and trip volume ramp-up, even after initial acceptance into a network

## 8. Technology Integration

- Implement NEMT scheduling and dispatching software
- Ensure interoperability between dispatch, billing, and accounting systems
- Set up communication tools for drivers and passengers
- Obtain a virtual fax service for document transmission
- Upgrade to HIPAA-compliant email if handling PHI (sign BAA)
- Implement cybersecurity practices (encryption, password security)

- **Technology Baseline & Scalability:**

- NEMT operations are increasingly expected to be technology-enabled to support trip documentation, verification, auditability, and compliance
- Paper-based trip manifests and manual processes present significant limitations in accuracy, audit readiness, and defensibility as payer and regulatory expectations evolve
- Operators should implement integrated dispatch and routing platforms that support real-time trip management and data capture
- Confirm whether selected platforms integrate with brokers, payers, and third-party systems
- GPS tracking, electronic trip documentation, and digital verification tools are commonly expected to support compliance and trip validation
- In-vehicle technologies, including cameras and telematics systems, may support safety, incident documentation, and insurance risk management
- Technology selection should consider both current needs and long-term scalability
- Technology-enabled operations are widely considered foundational to meeting payer, broker, regulatory, and insurance expectations in the current NEMT environment

## 9. Policies and Procedures

- Develop policies aligned with NEMTAC standards:
  - Safety and accident prevention
  - Passenger confidentiality and privacy
  - Incident reporting and management
  - Vehicle maintenance schedules
  - Customer service expectations

## 10. Risk Management and Contingency Planning

- Develop emergency preparedness plans for vehicle breakdowns, passenger incidents, and operational disruptions
- Maintain insurance claims and incident reporting structures
- **Jurisdictional Risk:**
  - Evaluate regulatory differences across service areas, particularly near state, county, or municipal boundaries
  - Ensure compliance with all applicable licensing, insurance, and Medicaid requirements across jurisdictions
  - Establish safeguards to prevent unauthorized operations outside approved service areas

## 11. Marketing, Community Engagement, and Branding

- Create a professional website and Google Business Profile
- Establish social media presence
- Produce marketing materials (business cards, flyers)
- Utilize digital marketing strategies (SEO, email marketing)
- Attend and exhibit at local, state, and national industry conferences

- Join local and national industry associations
- Engage with healthcare and transportation communities
- Develop a service area
  - Clearly define and communicate your service area using zip codes, radius, city/county names, or a combination
  - Establish and communicate hours of operation

## 12. Operational Preparedness

- Establish dispatch and scheduling systems
- Optimize routing practices
- Create structured onboarding for new drivers
- Develop an employee handbook
- **Staffing Model:**
  - Determine staffing model (employees, independent contractors, or mixed) and ensure compliance with labor laws
  - Evaluate operational, financial, and regulatory implications of each model
  - Recognize that no single model is appropriate for all operations; structure should align with market and regulatory conditions

## 13. Training and Staff Development

- Implement initial and ongoing training programs (CTS, AMDS, etc.)
- Provide specialized training for handling vulnerable passenger populations
- Promote professional development and refresher training

## 14. Preparing for Accreditation

- Align operations with NEMTAC Provider Standards
- Conduct internal audits after the first year
- Target readiness to apply for NEMTAC Accreditation between 12–24 months after startup
- Develop a growth plan for scaling operations

## Ongoing Management

- Regularly review financials and operational KPIs
- Maintain policy compliance and update procedures
- Continuously evaluate insurance coverage
- Actively participate in industry associations and professional development
- Engage with local 911 centers, EMS, and fire departments to promote non-emergency transport services
- Build mentorship or peer advisory relationships
- Commit to continuous customer service excellence

- Attend local, state, and national industry conferences and training programs

## Business Model Considerations

### Understanding Your Operating Model

NEMT businesses can be structured in different ways, and it is important to align expectations with your intended model from the outset.

- **Owner-Operator Model:**  
A single vehicle or small fleet operated directly by the owner. This model may provide income but is typically limited in scalability and may not support participation in larger payer or broker networks.
- **Scaled Provider Model:**  
A multi-vehicle operation with staffing, systems, and infrastructure designed to support contracts, payer relationships, and growth. This model requires greater upfront planning, capital, and operational structure.

Operators should be clear about which model they are pursuing. Transitioning from a small owner-operator structure to a scalable provider model often requires significant changes in capital, staffing, technology, and compliance systems.

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## Frequently Asked Questions – Planning and Launch Considerations

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How much does it cost to start an NEMT business?

Startup costs vary widely. Operators should plan not only for startup expenses but also sufficient operating capital to sustain the business for 6–12 months while securing contracts and payer approvals.

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Why is insurance difficult to estimate?

Insurance is a highly variable cost influenced by geography, vehicles, driver history, and other factors. It should be treated as a major and variable constraint that can impact both entry and scalability.

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How long does it take to start generating revenue?

Operators should plan for several months before consistent revenue is established. Medicaid enrollment, broker onboarding, and contracting timelines vary and may delay revenue.

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Do I need broker contracts to succeed?

Many operators rely on brokers, but diversification is critical. Private pay and facility relationships can provide earlier revenue while broker relationships develop.

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Why is it difficult to get broker contracts as a new provider?

Many brokers operate within established networks and may not be onboarding new providers. Even when they are, onboarding requires time and trust due to operational and reputational risk.

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Can I start with one vehicle and grow over time?

Some operators begin with a single vehicle; however, this approach may limit access to contracts and consistent trip volume. Growth often requires additional capital, staffing, technology, and operational restructuring.

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How should I choose dispatch and routing software?

Select platforms based on scalability, integration with brokers and payers, and long-term operational needs. Changing systems later can be disruptive.

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Can I start with paper manifests and transition later?

Paper-based systems are increasingly difficult to sustain. Implementing technology from the outset supports compliance, auditability, and operational stability.

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What should I consider near jurisdictional borders?

Regulatory requirements may differ across jurisdictions. Operators must ensure compliance in all service areas and implement safeguards against unauthorized operations.

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Should I use W2 employees or 1099 contractors?

There is no single correct model. Each carries different operational and regulatory implications. The appropriate structure depends on the business model and regulatory environment.

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What is the biggest mistake new operators make?

Underestimating the time and capital required to reach stable operations.

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How much operating capital should I plan for?

While 3–6 months is a common baseline, many operators plan for 6–12 months depending on market conditions.

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Do I need to use a registry like NNPR?

Participation in a registry is not required; however, operators should ensure that their credential, driver, and vehicle records are structured, current, and accessible in a way that supports onboarding, audits, and payer or broker review.

As operations grow or involve multiple contracts and platforms, maintaining this level of organization internally may become increasingly complex and difficult to sustain consistently across multiple contracts, audits, and platforms; standardized approaches may support more efficient management of

these requirements

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### How important is vehicle utilization?

Vehicle utilization is a key factor in financial sustainability. Low or inconsistent trip volume can significantly impact revenue, particularly in early stages or when entering new markets. Operators should consider how trip volume will be generated and maintained over time.

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### Are modified cargo or utility vans appropriate for stretcher transport?

Vehicles not designed to carry passengers may lack appropriate safety features, visibility, ventilation, and space for attendants to monitor passengers. Operators should ensure that vehicles used for stretcher transport are appropriately designed or configured for that purpose and aligned with manufacturer specifications and operational requirements.

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### Should I obtain a National Provider Identifier (NPI)?

While an NPI may not be required for all NEMT operations, many payers, brokers, and healthcare partners expect providers to have one as part of onboarding, credentialing, and data exchange processes.

An NPI serves as a standardized identifier within the healthcare ecosystem and may support interoperability across systems, including billing, eligibility verification, and encounter data matching. It can also enhance credibility and recognition when working with healthcare providers and organizations.

Many operators choose to obtain an NPI early in the startup process to align with these expectations and avoid potential delays in contracting or integration.

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### Pre-Launch Self-Assessment

- Do you have sufficient operating capital for 6–12 months?
- Do you have a defined and realistic revenue pathway (not dependent on immediate broker onboarding)?
- Are you dependent on a single payer or broker?
- Can your model sustain delays in onboarding, low utilization, or inconsistent trip volume?
- Is your intended business model aligned with your goals (owner-operator income vs scalable provider operation)?
- Do you have the fleet size, structure, and operational plan required to access your target market?

- Are your systems (dispatch, documentation, credential management) capable of supporting compliance, audits, and growth from the outset?

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