



How Much Does it Cost to Start an NEMT Business?

Description

Starting your own NEMT business is an exciting idea, but it's not one without its challenges. If you're wondering how much money you can make, how much money you need to start your own NEMT business, and other business-related questions, we broke down some of your biggest questions here. This is by no means an all-encompassing guide to starting an NEMT business, but it will give you some insight into the process.

Why is NEMT an important industry?

Non-emergency medical transportation (NEMT) is a life-altering service available to senior citizens across the nation. Many Medicaid beneficiaries aren't able to drive themselves, so they depend on NEMT services to safely get to and from their healthcare visits. There will be an estimated 70 million elderly citizens in America by 2030, which means the NEMT industry will only continue to grow. If you're ready to get into this profitable business, here's how you should start:

Write a thorough business plan

A business plan is a chance to prove to yourself and others that you have a complete idea of how to run an NEMT business. Your business plan should include a variety of things, including but not limited to: your location and why it's a good candidate for running a business, a breakdown of your finances and how you'll use them toward building the business, information about sets your business apart from others in your area, and your marketing plan. This plan will help if you want to ask for outside funding assistance, and it will also help guide you in the right direction if you run into some roadblocks.

Decide how you'll bill and collect payments

The first thing you need to figure out is whether you're going to work with Medicaid clients, private pay passengers, or both. Each type of passenger is billed differently, but the good news is, NEMT software can manage both. Medicaid claims are filed and paid out based on each state's reimbursement rate, so you'll want to check your local rules and regulations. With private pay passengers, you set your own

rates, so there's an opportunity to make a bit more cash. Both types of payments can be managed within software, where you can track incoming and previous payments.

How much does it cost to start your business?

The answer will vary based on your location, what type of trips you're doing, and how many trip opportunities you're landing. Someone who wants to purchase a fleet of brand-new vehicles will pay much more than someone who is going to use their personal vehicle for trips. Likewise, someone who wants to rent a building in their area will spend more than someone who plans to run their operation out of their home. The following are some of the expenses you may face when starting your business:

Vehicle insurance

Business registration fees

Facility rental

Facility upgrades

New vehicles

Fuel and vehicle maintenance

Employee salaries

Marketing expenses

Your location will have a big impact on your overall budget. If you're working in a city, your expenses will be higher than if you're located in a rural area. Different states have different reimbursement rates, so that's something you'll want to consider, too. If there's one piece of advice you should hold onto, it's that it's better to over budget than to be short on cash when you need it most.

If you plan to purchase new vehicles for your operation, one of the first things you're probably wondering is how much NEMT vehicles cost. Again, this will vary based on the model, but you're looking at a range of \$50-70K for a reliable, ADA-compliant vehicle. These are a few options that NEMT providers trust.

Dodge Legend handicap van

Ford Transit wheelchair van

Toyota Sienna wheelchair van

Hit the ground running

The hardest part of starting your own NEMT business is committing to the process. When you're equipped with the knowledge you need to successfully kickstart your business, there's nothing you can't handle. So, if you've been thinking about starting an NEMT business, consider this your sign to start today.

Category

- Blog

default watermark