

# Hochul campaign donor lands multi-billion dollar state contract

Russ Maxwell, president of Medical Answering Services, confirmed that he'd won the bid that will be worth about \$5 billion over a five-year period

[Chris Bragg](#) July 31, 2022 Updated: July 31, 2022 8:17 p.m.



The state Department of Health is awarding a multi-billion-dollar transportation contract to a company owned by a significant campaign donor to Gov. Kathy Hochul.

Will Waldron/Times Union

Russ Maxwell, president and owner of the Syracuse-based company Medical Answering Services, confirmed in an interview that he'd won the bid and he estimated that under the terms of the deal the state will pay over \$1 billion annually during the five-year contract.

Maxwell's company will serve as the "broker" arranging rides to medical appointments for Medicaid patients; the more than \$1 billion annually includes the significant cost of paying transportation providers, including taxi, livery and ambulette companies. Still, winning the contract should be lucrative for his Medical Answering Services, which will be paid a monthly fee for providing the non-emergency medical transportation brokerage management statewide.

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The contract has not been formally executed by the Department of Health, so details of the exact amount are not available on the public database maintained by the office of state Comptroller Thomas DiNapoli.

On April 24, campaign finance records show, Maxwell spent \$4,500 to pay for food, catering and flowers for a Hochul fundraiser. In addition, Maxwell gave Hochul an additional \$10,000 that day, and his husband Morgan McDole, gave \$20,000. Three days later, Maxwell gave \$10,000 and McDole \$20,000 to the state Democratic Party, which is closely aligned with Hochul's campaign and has heavily supported her.

The health department's request for proposals was issued last August. Several companies including Medical Answering competed in two separate bidding process — one to serve as a medical transportation broker in upstate New York, the other downstate — but in June, the Department of Health decided to award the business solely to Medical Answering Services for both regions.

Cort Ruddy, a spokesman for the Department of Health, said the governor's office was not involved in awarding the contract and that the process adhered to state Finance Law.

"The Department of Health has contracted with this vendor for more than a decade to provide critical transportation services to Medicaid patients and, after a competitive bidding process, awarded this vendor a procurement authorized under the state fiscal year 2020-21 budget to provide non-emergency medical transportation brokerage management services for New Yorkers enrolled in the Medicaid program," Ruddy said. "The Executive Chamber does not provide input on procurements managed by the department and had no involvement in the selection of the awards."

Maxwell said that he had never spoken to Hochul about the Department of Health bidding. He said he'd been a fan of Hochul's since the 1990s, when she was a member of the Hamburg Town Board in western New York and she had worked with Maxwell on an issue related to providing ambulance services — an experience that left Maxwell "very impressed" with her listening skills and "clarity of thought."

"I'm very proud of her that she's done so well," Maxwell said.

Indeed, while Hochul was lieutenant governor, Maxwell and McDole donated nearly \$54,000 to her campaign. Since Hochul became governor in August, the couple has donated more than \$81,000 to Hochul's campaign, plus the \$30,000 to the state Democratic Party.

The health department's request for proposals grew out of a panel formed by former Gov. Andrew M. Cuomo in 2020, which was meant to dramatically cut Medicaid costs at a time when the state faced a significant budget deficit. The 2020 state budget agreement granted the agency the authority to retain brokers to manage non-emergency medical transportation on a statewide or regional basis. Under the new plan, the broker would now arrange patient rides "at risk," meaning that the broker — which ended up being Medical Answering Services — would be responsible for the cost of rides, rather than the state.

Hochul's campaign has raised campaign funds at a record-setting pace —

more than \$34 million since she was sworn in as governor nearly a year ago — much of it from people with business interests before her administration.

"Consistent with Gov. Hochul's commitment to maintain high ethical standards, campaign contributions have no influence on government decisions," said Jerrel Harvey, Hochul's campaign spokesman.

The Times Union [recently reported](#) that the Department of Health had paid \$637 million since December to a New Jersey-based company, Digital Gadgets, owned by a family that has donated nearly \$300,000 to Hochul's campaign. Hochul's office said the government payments — made without a competitive bidding process — were necessary to quickly acquire a substantial number of at home COVID-19 test kits before school resumed in early January 2022, at a time when infection from the highly contagious omicron variant was spiking.

A recent analysis by the Empire Center for Public Policy, however, [raised questions](#) about that explanation, finding that a significant chunk of the health department's payments were made to Digital Gadgets after the virus' spike had subsided in February.

Maxwell and McDole also donated heavily to the campaign of Cuomo — \$236,000 — after Cuomo had successfully pushed through landmark legislation in 2011 allowing same-sex marriage in New York, which allowed the couple to be married.

In 2020, the Syracuse Post Standard [reported that](#) McDole, a firefighter, had donated a significant portion of his salary to Cuomo, at the same time McDole was pushing the state to fix a paperwork problem that would boost his pension. Cuomo ended up signing that bill into law, but McDole told the newspaper that Cuomo's same-sex marriage push, not the pension issue, had animated his campaign contributions.

In addition to contributing to the campaigns of Hochul and Cuomo, Maxwell

has donated heavily to candidates of both parties around the state. Since September, Maxwell has given two donations worth \$2,000 to U.S. Rep. Lee Zeldin of Long Island, the Republican running against Hochul in November's general election.