

*See TennCare*

MAR 28 REC'D

**American College of Physicians**

Clifton R. Cleaveland, MD, FACP  
President-Elect

March 18, 1994

Ms. Carol H. Rasco  
Assistant to the President  
for Domestic Policy  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, DC 20500

Dear Ms. Rasco,

Thank you for meeting with my colleagues from the American College of Physicians and me on Tuesday, March 15th.

You requested press clippings on TennCare experiences. I obtained the enclosed sampler from statewide newspapers from the Tennessee Medical Association in Nashville.

As a physician in primary practice for 22 years in Chattanooga, I have seen first hand the severe dysfunction of TennCare. I am very much in sympathy with the President's proposals to reform health care in America. TennCare has been for me a most disillusioning experience. If TennCare is a prototype for what is ahead, then I must conclude that health care for Americans is indeed in jeopardy.

Thank you for your time and attention to our concerns.

Yours sincerely,

*Clifton R. Cleaveland, MD*

Clifton R. Cleaveland, M.D., FACP  
President-Elect

CRC/jlc



# Doctors hobble TennCare's start, McWherter says

## Pediatricians are major concern

By Phil West  
The Associated Press

NASHVILLE — Hospitals and pharmacies helped TennCare get off to a good start, but the response from doctors is still mixed, Gov. Ned McWherter said Tuesday.

"If providers this Wednesday would treat everybody they treated last Wednesday, we'd have no problems," said McWherter as he called on physicians to sign on to the new managed care program.

"The hospitals really helped us this weekend. The pharmacists really helped us. Some doctors helped us. But some didn't," McWherter said.

McWherter would not name names, but he and his staff have expressed disappointment that pediatricians have been slow to join TennCare, which began Saturday.

TennCare networks have 800 contracts with pediatricians. The total number of pediatricians participating is probably smaller because some signed up for more than one managed care network, said Dr. John Gore, TennCare's medical director.

A Tennessee Medical Association survey showed that 46 percent of the state's 900 pediatricians planned in mid-December to participate in TennCare.

That survey showed 30-33 percent of the TMA's 6,700 members planned to take part in TennCare.

Tennessee has about 10,000 practicing physicians.

Pediatricians complain they will be paid less under TennCare, which funnels government payments to health care providers through managed care networks, than they received under the Medicaid program.

Doctors say TennCare's 12 managed care organizations will take too much money for administration, leaving less for them than they received directly from the Medicaid program.

"I know of two plans that are paying pediatricians more than they received under Medicaid," McWherter said.

"The two plans with the most enrollees are paying pediatricians more."

Dr. John Netterville, a Brentwood pediatrician and outspoken TennCare critic, said Medicaid paid him just enough to meet his costs.

"I wasn't taking any money home. Under TennCare, they cut that even more," he said.

Netterville said 2 percent of his patients last year received Medicaid.

He said he is not participating in TennCare.

Some physicians report they have not been asked to participate by any of the 12 networks operating in the state, said TMA spokesman Russ Miller.

"Pediatricians ... have much



Gov. Ned McWherter

more to lose, and they've been shouldering the burden for the Medicaid population for years. And as a group they felt pushed more than anyone else," Miller said.

Members of the Legislature's TennCare Oversight Committee, in an unannounced meeting at the Executive Residence, reported that patients and physicians are still confused about TennCare.

"I met with about 70 or 80 doctors, and I found out they don't know what's going on," said Sen. Milton Hamilton, D-Union City and committee chairman.

State Finance Commissioner David Manning, one of TennCare's chief architects, told legislators he expects problems getting the program going but does not expect to propose changes through legislation.

"I think the biggest problem is information, getting word out about how it works and getting rid of some misinformation."

Two shifts of state workers and temporary employees were manning 140 phone lines Tuesday to answer TennCare questions.

# Blue Cross list full of mistakes

## Dead, retired docs on roster

By DUREN CHEEK

Staff Writer

It's hot off the presses, but Blue Cross Blue Shield's new directory still lists doctors who are dead, doctors who have moved out of state, and some who simply can't be found, an official said yesterday.

"There is no excuse for a directory that people rely on for health care to have dead doctors in it," said Linda McCarty, president of the Tennessee State Employees Association.

Blue Cross lobbyist John Greenwood told the state insurance committee the company had called each doctor on the list to ensure the directory's accuracy.

"I don't know how those slipped through. I'll find out why they did."

McCarty said a TSEA audit showed:

- Two group practices listed in Davidson County, Cumberland Pediatrics and Brentwood Surgery Clinic, could not be found.

- Dr. Lawrence Dry, listed as a physician in Anderson County, is a full-time attorney who no longer practices medicine.

- Dr. H. Lynn Massingale, an emergency medicine specialist, is listed in Anderson, Blount, Greene, Jefferson, Knox, McMinn, and Roane counties.

- Eighteen doctors contacted by TSEA staffers had no license; three they tried to contact are dead; 14 are practicing out of

state; 32 had no telephone listing; and 12 are retired.

The directory lists doctors and other health-care providers signed up with Blue Cross' Tennessee Preferred Network, which covers about 250,000 state and local government employees and teachers.

The network also covers more than 400,000 former Medicaid patients and working poor under the state's new TennCare program.

Hundreds of doctors have fled the network rather than agree to a Blue Cross requirement that they treat TennCare patients as a condition of remaining in the network.

Cavit Cheshier, executive secretary of the Tennessee Education, told the committee that his office has been besieged with calls from teachers unable to find a doctor.

"If our people are having trouble and can't get through the maze, think about the people out there with no education."

Cheshier asked the committee to determine whether it is possible to break the contract with Blue Cross and form another statewide insurance network.

McCarty said the TSEA audit shows that only about half as many doctors are participating in TP

now as were participating last June.

When you take out the dead doctors and others that shouldn't be counted, there are only 3,072 doctors left, compared to 6,368 listed last June, McCarty said.

State Finance Commissioner David Manning, chairman of the insurance committee, said Blue Cross has been supplying a sloppy provider list for some time.

State Treasurer Steve Adams said Blue Cross had a contractual obligation to notify the committee within 72 hours of any changes in the network. ■

NASHVILLE, TN  
TENNESSEAN  
2/6/94

# Health-plan summit slated

TMA President White has joined others to sign contracts

By DUREN CHEEK

Staff Writer

A summit aimed at solving some of the problems with TennCare was announced yesterday, and there were encouraging signs that the number of doctors willing to treat TennCare patients is increasing.

Sen. Milton Hamilton called a special meeting of the legislature's Oversight Committee on TennCare for Monday and has asked health-care providers and state officials involved in TennCare to attend.

"We're going to get the doctors, the hospitals, pharmacists, and the managed-care organizations together with state officials and committee members in one room around the same table and see what specific things can be done to make the program better," Hamilton said.

"This isn't a meeting to lodge complaints or to hear that more money's needed — it's a meeting to find solutions."

Meanwhile, Dr. Charles White, president of the Tennessee Medical Association, confirmed yesterday that he is among the latest group of doctors to sign contracts with managed-care organizations to treat TennCare patients.

That development was seen as having considerable significance because the TMA has been one of TennCare's most vocal critics.

White's practice is in rural West Tennessee, where the shortage of physicians available to treat TennCare patients has been the most severe.

Rep. Roy Herron, D-Dresden, said the situation in the area has improved somewhat with 14 physicians in Dyer County signing on to the program last week.

White said he and the other four doctors in Livingston negotiated TennCare contracts with Access Med-Plus after company officials satisfactorily explained or

eliminated terms the doctors found objectionable, including a contract renegotiable after one-year.

"On Dec. 31, if we find this has been just a losing proposition, we can get out," White said.

Access Med-Plus and Blue Cross Blue Shield are the only managed-care organizations offering TennCare plans in rural west Tennessee.

Although White has agreed to participate, he made it clear that he thinks the program still has major problems, including inadequate funding.

In addition to the TMA, Hamilton has invited representatives from the Tennessee Hospital Association, the Tennessee



## TennCare problems set for summit

FROM PAGE 1B

Hospital Alliance, the Tennessee Chapter of the American Academy of Pediatricians, the Tennessee Pharmaceutical Association, the state TennCare Bureau, the state Department of Finance and Administration, Blue Cross Blue Shield, the Tennessee Managed Care Network, Access-Med Plus and Heritage National Health Plan.

During a meeting of the House Health and Human Resources Committee yesterday, several lawmakers expressed concern that not enough doctors have signed up.

Rep. Gary Odom, D-Nashville, said he thinks the problem of a shortage of doctors to treat the indigent is not new — it was a problem under Medicaid as well.

Odom said sick people on Medicaid showed up at hospital emergency rooms because they couldn't find treatment anywhere else, and the problem is persisting under TennCare. ■

◆ Turn to PAGE 4B, Column 1

BRISTOL TN  
HERALD COURIER  
2/8/94

# 18 TennCare showdown produces few results

Associated Press

NASHVILLE — Little was resolved in a debate over TennCare Monday between health care providers, insurance companies, legislators and administration representatives.

Sen. Milton Hamilton, D-Union City and chairman of the Legislature's TennCare Oversight Committee, asked participants in the TennCare debate to attend a round table discussion of the program in an effort to solve problems with the program that began Jan. 1.

"I think you did exactly what we asked you to do," Hamilton said after a five-hour meeting of the oversight committee.

Hamilton admitted nothing was settled, but he noted the session was the first time that every participating group was represented.

Blue Cross-Blue Shield of Tennessee Inc. may cap the number of TennCare patients it assigns to doctors in rural areas. That should lower the prospects of rural physicians being overloaded with new TennCare patients at the risk of their other patients, vice president Glen Watson Jr. said.

Beyond that, participants said they saw little change.

The major obstacle to physician participation in the TennCare health care plan for the needy is a Blue Cross-Blue Shield requirement that every provider who participates in the 900,000-member Tennessee Preferred Network must also agree to see TennCare patients.

"The TPN-TennCare linkage disturbs everybody. They don't sound like they're willing to budge," said

Please see TENNCARE, Page 10A

## TENNCARE

From Page 1A

Dr. Charles White, a Lexington family practitioner and president of the Tennessee Medical Association.

Watson said nearly 5,200 of the state's more than 10,000 practicing physicians have signed up with TPN.

Doctors repeated their objection to participating in TennCare as a condition of seeing TPN patients. The two programs amount to more than 1.2 million patients, one out of four Tennesseans.

Physicians also said they resent the prospect of sharing financial liability with any of the

12 managed care networks in the TennCare program.

At one point, Hamilton asked Milan family practitioner Mickey McAdoo what it would take to get him to participate in TennCare.

McAdoo said he would have to be assured the managed care network would not unilaterally change its contract, such as forcing him to accept TennCare patients. He also said TennCare would have to pay enough for him to meet expenses, which run about 50 percent.

In general, McAdoo said doctors don't know enough about TennCare details.

Tuesday, Jan. 4, 1994

# TennCare stirs calls from anxious patients

Phones light up from state capital to doctors' offices to insurance hotlines.

By TOM CORWIN  
The Jackson Sun

Dr. Lou Manning realized how many questions are yet to be answered by TennCare when he saw a pregnant patient Monday and realized he couldn't tell her where he could deliver her baby.

In its first business day since the program started Saturday, TennCare created numerous worried phone calls and frantic pleas for answers at doctors' offices, the state capital and insurance company hotlines.

The University of Tennessee Family Practice Center in Jackson, where Manning is medical director, got more than 200 TennCare-related phone calls Monday, about three times more than normal.

That was a drop in the bucket compared to the state of Tennessee's TennCare hotline, which got more than 7,000 calls in one hour from patients and providers, said spokeswoman Diane Denton.

TennCare is Gov. Ned McWhorter's program that has signed up an estimated 1 million Medicaid patients with pri-

## WHERE TO CALL

If you have questions about the TennCare program, here are some numbers to try.

■ If you have Access MedPlus, call toll-free (800) 523-3112.

■ If you have Blue Cross, call toll-free (800) 836-6227.

■ Or call the state of Tennessee at toll-free (300) 669-1851.

vate insurance companies to provide for their care.

Those companies in turn were to sign up local doctors and hospitals to treat the patients. But the system is far from settled and numerous snags developed Monday in area physician offices.

Manning tried to assure the woman, who is 11 weeks pregnant, that something would be worked out.

As it stands now, HCA Regional Hospital is the only TennCare hospital in Jackson, but Manning can't practice there because of a contract obligation with Jackson-Madison County General Hospital, which is not taking TennCare.

"We're totally in a Catch-22 situation," Manning said.

Jackson General has contin-

"We're totally in a Catch-22 situation."

Dr. Lou Manning

ued to take patients regardless of their ability to pay, said spokesman Ken Marston, but has yet to reach an agreement with insurance companies on how it will be paid.

Dr. James King, a family physician in Selmer, is a TennCare provider but cannot take any new patients. He got 30 TennCare calls Monday and his staff scrambled to find some answers, he said.

But Blue Cross has been unable to tell him not only what other family practice doctors to refer those patients to but what specialists he can refer his patients to, King said.

"It's a pain," King said. "Pretty much what I'm telling patients right now is, if I can't see them, I tell them to go to the emergency room, which is what I think TennCare was supposed to prevent."

Using the emergency room that uses some of the most expensive treatment for ordinary care was one thing state officials cited as part of the wasteful Medicaid system TennCare replaced. But that problem likely will continue until some answers are provided, King said.

TUESDAY, JANUARY 4, 1994

## Swamped TennCare center to add staffers, phone lines

The TennCare Information Center plans to sharply increase its staff and number of telephone lines today to deal with a flood of calls about the state's newly instituted health-care reforms.

TennCare Director Manny Martins said the center received up to 7,000 calls an hour yesterday from patients, doctors and others who have questions about the shift from Medicaid to TennCare. Some callers were initially unable to get through because of the jammed lines.

"Our reports are showing we are getting some busy signals," Martins said. "We want to make sure we are capable of handling all the calls."

Martins said an additional 50 lines will be brought in this morning and another 50 lines may be added this afternoon.

"We now have 130 people on the lines. By [today], we will probably double that," he said.

Martins said many of the calls are from the "working poor" who have questions about how they can enroll in the health-care reform program.

"I've gotten a lot of calls from Medicare recipients asking how it affects them and obviously it doesn't affect Medicare," Martins said.

For TennCare information, call 1-800-669-1851. This is a toll-free call.



◆ Money set aside to pay hospitals and doctors who treat non-paying patients. On 2B.

# TennCare service irks providers

## State panel hears concerns

By Bill Snyder  
Banner Senior Medical Writer

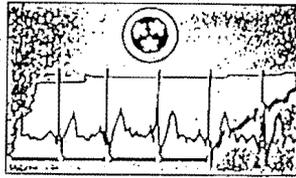
Tennessee pharmacists say they are losing money because of low payment rates under TennCare, the state's cost-cutting alternative to Medicaid that began Jan. 1.

"Stores across the state are having to borrow money to stay in business," Alamo pharmacist Jim Lavenue told the Legislature's TennCare Oversight Committee during a special called meeting to-

day. Committee chairman Milton Hamilton, a state senator from Union City, said he called the meeting to bring health care providers and state officials together in order to resolve some of the problems in TennCare.

"I'm becoming more concerned as each day passes," Hamilton said today.

"Don't underestimate the seriousness of the situation across the state," added Jim Moss, chief execu-



TENN CARE

utive officer of Jackson-Madison County General Hospital in Jackson.

"People are not being cared for because of the implementation of

TennCare."

On Jan. 20, 6-week-old Crystal Johnson of rural Crockett County died at the Jackson hospital from a rare birth condition. Her mother, Linda Johnson, said she tried for several days unsuccessfully to find a doctor willing to see TennCare patients.

Both state and federal health officials are investigating the death.

Other problems related by health professionals today included:

■ Hospitals are having to treat patients in the emergency room or

provide other services they are not equipped to provide because there are not enough doctors participating in TennCare.

Earlier this month, a man with a life-threatening intestinal bleed had to undergo emergency surgery at Fentress County General Hospital in Jamestown because hospital officials could not find a gastrointestinal specialist in the man's TennCare plan, hospital administrator Curtis Courtney said.

The man lived, but "we performed surgery we would not nor-

Please see TENNCARE, page A-2

## TennCare: Livingston hospital losing money daily on obstetrical care

■ Continued from page A-1

mally perform," Courtney said. "We must know the names of specialists enrolled in the (health plans)."

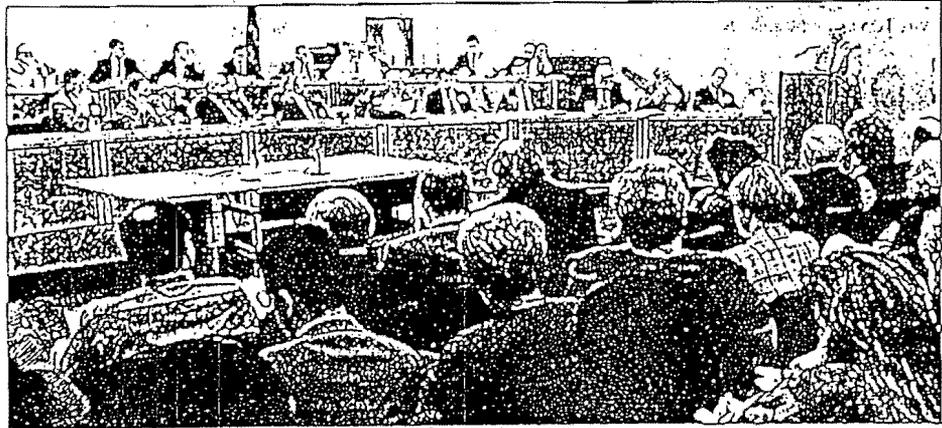
■ The private health plans that are providing services to TennCare patients still are providing confusing and conflicting information to doctors and hospitals.

Last week, a woman with a fractured ankle went to Maury Regional Hospital in Columbia. Danny Lou Wilson, the hospital's nurse manager, said her staff called the woman's health plan to find an orthopedic surgeon who could treat her.

The health plan first gave the hospital the name of a pediatrician, and then the name of an ophthalmologist, she said.

"The state has engaged in contractual agreements (with the health plans)," Wilson said. "These agreements are not being fulfilled because there are no health care providers."

Earlier this month, Maury Regional Hospital transported an AIDS patient to Meharry-Hubbard Hospital in Nashville because it could not find a doctor in the man's health plan willing to treat him in Maury County. The man died



Banner photo by Dave Finley

Dr. Charles White of the Tennessee Medical Association addresses the TennCare Oversight Committee.

shortly after arriving in Nashville.

■ Payment rates are low.

Courtney says one TennCare plan is paying \$250 a day for obstetrical care in the Jamestown hospital. But the nursing care alone for a woman delivering a baby would total \$180, he says.

The plan would pay \$250, leaving only \$70 for medications, hospital supplies and other costs.

"Our ability to continue to provide obstetrical care in our four-county area is going to be affected by this rate," he said.

■ The state has not yet dispersed funds for hospitals, such as Regional Medical Center in Memphis, that have large numbers of TennCare patients.

"We are continuing to trust the

state to meet the promises it's made," said Charlotte Collins, the Memphis hospital's vice president for corporate affairs.

But if the funds are not forthcoming, "we need to plan to downsize our services," she said.

Moss, the Jackson hospital administrator, suggested the program be slowed down. Limit new enrollment in TennCare until problems can be ironed out, he said.

Courtney, the Jamestown hospital administrator, suggested the different payment rates and services be standardized among the various TennCare health plans.

Physicians in solo practice in rural areas cannot afford the office staff necessary to deal with the differing requirements of dif-

ferent TennCare plans, he said.

Dr. Charles White, president of the Tennessee Medical Association, said Blue Cross should abandon its requirement that physicians join in its TennCare plan in order for them to continue participating in its large commercial plan, Tennessee Provider Network.

That tie-in actually "will restrict patients' access to care," he said, because many doctors have dropped out of the network rather than accept the conditions of the Blue Cross TennCare plan.

In addition, White said, the state should put a cap on certain malpractice awards and protect physicians from liability if they are sued by a TennCare patient.

# State ponders concessions on TennCare

## Aid with malpractice insurance could raise doctor enrollment

By Bill Snyder  
Banner Senior Medical Writer

State finance commissioner David Manning says he is willing to consider having the state pay part of the malpractice insurance premiums for physicians who participate in TennCare.

"That is something we could evaluate together" with the doctors, Manning told the Legislature's TennCare Oversight Committee on Monday.

Many doctors have expressed concern that they alone are liable for problems that arise from TennCare, the state's cost-cutting alternative to Medicaid, which took effect Jan. 1.

Manning said Gov. Ned McWherter will support "reasonable efforts" to reform the medical malpractice system in Tennessee, but added that reform may require legislation.

The finance commissioner also said that McWherter "will meet anybody anywhere at any time" to help iron out difficulties in the program.

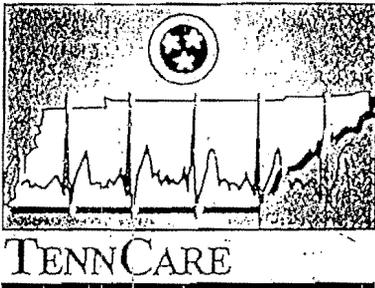
But Manning said separating Blue Cross' TennCare plan from its large commercial plan, Tennessee Provider Network, may not pass federal muster and could lead to the need for a tax increase to fund the program.

"We had two choices: taxation or using our leverage in the marketplace," Manning said. "If we move away from that, we've de facto made the other decision (taxation), which I don't think will be very popular."

Blue Cross and Blue Shield of Tennessee is requiring doctors to join its TennCare health plan to continue participating in the Tennessee Provider Network, which covers about 1 million state employees, teachers and other employee groups.

Many doctors have dropped out of the network, saying they cannot accept conditions of the TennCare contract. In some areas of the state, very few doctors have joined any of the 12 private health plans that serve TennCare recipients.

Glen Watson, a Blue Cross senior vice president, said his company "is willing to look at any improvement in the program" to attract physicians back to the network.



# TennCare: Health plans giving doctors, hospitals wrong information

■ Continued from page A-1

"We certainly are not going to ask physicians to carry more patients than they can," he said.

Fear of being swamped by TennCare patients has been another concern of physicians.

No action was taken Monday by the TennCare Oversight Committee, although committee chairman Milton Hamilton, a state senator from Union City, said legislative action might be necessary if the state, health plans and health care providers are not able to resolve problems in the program.

## State employees affected

Many of the questions from committee members had to do with concerns that TennCare was affecting state employees' health coverage.

State employees now have until the end of April to find new doctors in the Blue Cross network if their current physician has dropped the network. During this period, they will not have to pay increased out-of-pocket costs for seeing out-of-network physicians.

Manning said the state should not extend that grace period any further.

"One of the very fundamental aspects of any network is its ability to redirect patients" to doctors in the network who have agreed to give a discount, he said.

"If we permanently underwrite that difference, you've lost the network for state employees," the finance commissioner said. "The cost would be enormous."

Manning said he was in favor of giving state employees more options for health insurance coverage. But in some areas of the state, the Blue Cross network is the only option, he said.

## Providers' concerns

In other testimony, health care providers said:

■ Some pharmacists are losing money on prescription fees paid by some of the TennCare plans.

But a network of pharmacists, RxCare of Tennessee, which has signed up with eight of the TennCare plans, "seems to be working," state TennCare director Manny Martins said.

"Pharmacy services seem to be working fine in TennCare," he said.

■ Hospitals are having to treat patients in the emergency room or provide other services they are not equipped to provide because there are not enough doctors participating in TennCare.

Earlier this month, a man with a life-threatening intestinal bleed had to undergo emergency surgery at Fentress County General Hospital in Jamestown because hospital officials could not find a gastrointestinal specialist in the man's TennCare plan, hospital administrator Curtis Courtney said.

The man lived, but "we performed surgery we would not normally perform," Courtney said. "We must know the names of specialists enrolled in the (health plans)."

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"People are not being cared for because of the implementation of TennCare."

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Both state and federal health officials are investigating the death.

## Manning blasts idea to shift funds for TennCare

By Ed Cromer  
Banner Chief Political Writer

State Finance Commissioner David Manning attacked today as "fiscally irresponsible" a recommendation by the Legislature's TennCare consultant that the state's unemployment fund be used to supplement the controversial health care program.

Dr. James Schubert, consultant to the TennCare Oversight Committee, made the recommendation last week. He also suggested that Blue Cross/Blue Shield, the largest managed care organization participating in TennCare, phase out its contractual requirement that doctors in its statewide preferred provider organization also serve the company's TennCare patients.

Stan Johnson, president of United Rubber Workers Local 670, told the oversight committee today that his union strongly opposes any diversion to TennCare of money in the Employment Security Trust Fund.

Johnson also said workers' access to health care providers has been hurt by Blue Cross' TennCare

linkage, and that his organization would like to see this changed.

Sen. Milton Hamilton, D-Union City, the committee chairman, told the labor leader he did not believe the trust fund recommendation would be seriously considered.

And Sen. Bob Rochelle, D-Lebanon, described the recommendation as "amateurish," saying it would affect how he views other recommendations made by the

California consultant.

Schubert, who was scheduled to address the committee this afternoon, made the suggestion to the panel last week in a memorandum that pointed out "one of the expected benefits of the TennCare program is a reduction in the overall number of unemployed in Tennessee."

"This would (result) from eliminating the incentive for individuals

to remain unemployed, and thus Medicaid-eligible, in order to maintain health care coverage."

More people working would mean more Tennesseans paying into the state unemployment fund, Schubert argued.

The trust fund, used to pay unemployment benefits to out-of-work Tennesseans, maintains a healthy balance above \$600 million, state officials say.

# TennCare seen hurting those it aims to help

By Jon Hamilton  
The Commercial Appeal

RIDGELY, Tenn. — Meet Nina Lovell, a casualty of the war between West Tennessee doctors and Gov. Ned McWherter's TennCare program.

Lovell, 47, fractured her elbow in a fall Jan. 9 and has been searching for a doctor to set the bone ever since.

But the area's only orthopedic surgeon hasn't signed up for TennCare, which replaced Medicaid Jan. 1. Queries up to 90 miles away in Memphis have found no alternative, she said.

So Lovell's arm remains in the sling she got at Jackson-Madison County General Hospital, a 60-mile drive from her apartment in Ridgely. Relatives took her to Jackson after Methodist Hospital of Dyersburg found the fracture but couldn't get the bone doctor, Dr. Michael Heck, to make a cast, she said.

"It hurts real bad if I move it,"

Lovell said. "But there's others that are worse than me."

Heck declined to be interviewed Thursday or Friday. A member of his office staff said Heck treats some TennCare patients and that the TennCare plan run by Blue Cross scheduled an appointment for a woman meeting Lovell's description, then canceled it.

Lovell's plight offers an extreme example of the hardships some patients are encountering during TennCare's launch. Reports of problems have been especially frequent in the swath of rural counties between the northern edge of Shelby County and the Kentucky border.

In communities such as Union City, Dyersburg, Tiptonville and Martin, where medical services are scarce and poverty abundant, McWherter's effort to revolutionize care for 1.5 million poor and uninsured residents has left thousands without

Please see INSURE, Page A8

From Page A1

## Insure

ready access to the doctors they saw under Medicaid.

For a few, including Lovell, the swiftly implemented cost-cutting program appears to have delayed or prevented needed treatment. The problems stem from an increasingly ugly battle between doctors who say TennCare's low fees would bankrupt them and state officials who say their coffers are empty.

"They'll have to come to some sort of compromise," said Dr. John Howard, a salaried emergency room doctor at HCA Volunteer General Hospital in Martin. "I hope for the patients' sake they work it out soon."



To Jean Willis, a missionary in Dyersburg, TennCare represents a promise broken by McWherter.

The governor vowed to reform the program while protecting patients, she said. But he hasn't.

Willis, 50, said she went on Medicaid three years ago after being disabled by fibromyalgia, a rare muscle disease. Prim and meticulously groomed despite pain that sometimes forces her to attend the local Church of Jesus Christ lying down, Willis counts herself among the lucky TennCare recipients.

Last week, her doctor and the rest of the Dyersburg Medical Group began accepting patients in the Access... Medplus TennCare plan. If they hadn't, Willis said, she would be driving 75 miles to Memphis for care.

"It would have been difficult," she said. "As it is, a trip to the doctor puts me housebound for several days."

Willis said she worries about other TennCare patients in her area, including a sister incapacitated by fibromyalgia.

"You would not believe the panic," she said. "People are being turned away from drug stores. They are being turned away from doctors. The people in Nashville made promises and things are different now."

Willis's condemnation of the state, rather than physicians, typifies comments by patients interviewed during visits to several clinics and hospitals in rural West Tennessee.

"I blame the governor," said Debbie Armstrong of Burlison, whose 20-year-old son, Marty, is severely handicapped and depends on TennCare. She said physicians should not be expected to lose money to care for TennCare patients.

Other patients said they supported their doctor's decision to reject TennCare.

Dr. David Guthrie, a member of the Dyersburg group, said TennCare patients often asked him what was going to happen, but rarely criticized him while the group held out. He said it probably helped that he saw some of his former Medicaid patients for free.

Guthrie said he hopes his TennCare patients in Blue Cross will understand the group's decision not to accept that plan in its present form. Blue Cross, he said, imposes too many requirements about how quickly TennCare patients must be seen and how many a doctor must accept.

"They are asking us to do more than we could physically do."

■ ■ ■

Signs of TennCare trouble surfaced early in rural western counties, home to more than 50,000 TennCare recipients.

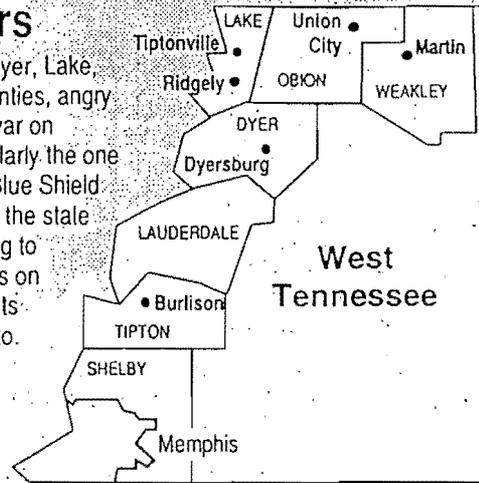
The region's fiercely independent medical community expressed rage when TennCare took shape late last year and have been openly defiant since it began operating Jan. 1.

"Patients are having a tough time," said Dr. Michael Kempton, an internal medicine specialist who has rejected TennCare but treats some TennCare patients for free. "The blame for that should rest squarely on the state."

Although battles also are raging in parts of Central and East Tennessee, none has been more

## Angry doctors

In Tipton, Lauderdale, Dyer, Lake, Obion and Weakley counties, angry doctors have declared war on TennCare plans, particularly the one run by Blue Cross and Blue Shield of Tennessee. They say the state and Blue Cross are trying to force them to take losses on care of TennCare patients so the state won't have to.



Staff map



Jean Willis

David Guthrie

painful or politically dicey than the conflict in the rural West, where several counties have been left with virtually no physicians in the program. This has proved embarrassing to McWherter, who still considers Dresden in Weakley County his home.

None of the 20 or so private physicians in Weakley has signed with a TennCare plan, said Bryan Dearing, administrator of 100-bed HCA Volunteer General Hospital. "The only TennCare patients we can take care of are emergencies."

Publicly, state officials downplay the region's problems. They note that Medicaid patients have long struggled to find doctors and that TennCare plans are obligated to provide care even if it means transporting patients elsewhere or sending them to nonparticipating doctors.

"Finding physicians to take care of low-income patients is not a new problem," said Rep. Roy Herron (D-Dresden). "We don't have enough doctors and other health-care providers in rural West Tennessee."

TennCare has its problems,

Herron said. But they are preferable to the hardship that would have occurred if the state had been forced to slash Medicaid to control the program's double-digit growth. Justified or not, the physician shortage in McWherter's old stomping ground has the state and Blue Cross scrambling for a solution.

A week ago, state finance commissioner David Manning met with dozens of physicians in Weakley County in an effort to win their cooperation. Soon after, the Dyersburg Medical Group in nearby Dyer County signed with Access.

But many other doctors say they remain unconvinced. And interviews with more than a dozen physicians from rural counties suggest antipathy toward the state has not abated.

Doctors have focused their wrath on the TennCare plan run by Blue Cross and Blue Shield of Tennessee, the insurer that dominates rural parts of the state and the TennCare market statewide.

They say Blue Cross has tried to use its control of the private market through its Tennessee Provider Network (TPN) to force rural doctors to accept TennCare patients under unreasonable terms. They rail against provisions that would cut fees for treating TennCare patients if the program's costs exceed projections.

"The state loaded the gun and Blue Cross pointed it at my head and pulled the trigger," said Kempton, the Martin internal medicine specialist.

He contends TennCare's low

SPECIAL APPEAL

MEMPHIS, SUNDAY, FEBRUARY 6, 1994



**Michael  
Kempton**

Despite the leverage Blue Cross enjoys, Kempton said he sees little chance that physicians will back down, or that Blue Cross will make its TennCare plan palatable.

Some doctors may leave the state, he said, adding that he has kept his license to practice in North Carolina. "I only opened this practice Oct. 4," Kempton said, surveying an office he said cost \$250,000 to set up. "I can already see it closing."

Manning, one of TennCare's designers, defends the Blue Cross approach and predicts many doctors eventually will come around. He notes that the company has eliminated some contract provisions physicians found particularly onerous.

"Blue cross has used its leverage to ensure the best price and access," he said. "We're trying to eliminate a two-tiered system for patients."

■ ■ ■

Not far from the rusting silos along Route 78 that greet visitors to Tiptonville (Pop. 2,100), the Lake County Primary Care Clinic employs the only physicians available to local TennCare patients. Its doctors, who also staff a sister clinic in Ridgely, have no choice: The federal grant that helps support the clinic requires an open door for low-income patients.

Before Jan. 1, some private doctors in the area took Medicaid, said several patients interviewed at the clinic. But no more. "I was going to a doctor in Newbern and he flat turned me down," said Joyce West, a wiry,

rates would sink his four-month-old practice. But he also will go broke rejecting TennCare patients, he said, which means losing access to private Blue Cross patients.

Despite the leverage Blue Cross enjoys, Kempton said he sees little chance that physicians will back down, or that Blue Cross will make its TennCare plan palatable.

toothless woman from Hornbeak, 30 minutes away.

West lives on disability payments of about \$460 a month and has enrolled in the Blue Cross TennCare plan. She said she sees doctors for arthritis, psoriasis and stomach ailments.

"I guess this is where I'll be coming from now on," West said.

The Ridgely clinic also is proving important to privately insured residents of Lake County covered by the Blue Cross TPN network. Although these patients can use TPN doctors who have rejected TennCare until March 1, several said they have switched to doctors they expect will stick with the plan.

Among the clinic's patients is Connie Smith, who works at a sewing factory and is covered by

TPN. "A lot of them used to take the card," she says, displaying her Blue Cross identification card. "But not any more."

Down the road in Ridgely, Nina Lovell is still searching for a doctor who will accept her Blue Cross card and put a cast on her broken arm. The swelling and bruising have subsided in the month since her fall, she said. But she fears the arm will be crooked when it heals.

Lovell said she is losing faith in the program that was supposed to make more doctors available to the state's poorest patients. "We called Memphis. We called Jackson. We called all over," she said. "They say they are going to get it straightened out. But TennCare has not been able to help me."

MADISONVILLE, TN  
DEMOCRAT/LAKER  
1/7/99

# TennCare continues to baffle consumers

By RICK HOWELL  
Staff Writer

A MADISONVILLE FAMILY physicians group reports a smooth transition to the TennCare program, despite concerns and confusion about the new health program from citizens here and across the state.

Joe Pazourek, office manager at Family Practice Associates in Madisonville, said Thursday the four doctors there have enrolled in Access Med Plus and Preferred Health Partnership at Fort Sanders.

Family Practice urged its patients before TennCare took effect to sign up with those MCOs if they wanted to continue to be served by their same doctor.

Family Practice Associates has, however, pulled out of the Tennessee Providers Network and chosen not to participate in the Blue Cross TennCare program.

"We have experienced very little problems in the transition,"

Pazourek said, "but then we were well prepared for it."

Under the new health plan that replaced Medicaid Jan. 1, TennCare patients must sign up with one of the state's 12 managed care organizations (MCOs) and use that MCO's doctors, hospital and pharmacists.

There are five such MCOs that serve Monroe County.

In a letter to Blue Cross' Chattanooga office from Dr. Josh Gettinger, Family Practice Associates explained its position on rejecting the company's TennCare program.

"We have been unable to resolve several issues with the Blue Cross/Blue Shield Company," Gettinger wrote. "...the Blue Cross TennCare contract puts us at 100 percent financial risk. If the Blue Cross TennCare program loses money in East Tennessee, we will be required to pay money back to Blue Cross TennCare. We cannot afford to take this risk."

The Blue Cross TennCare program contains a provision

**(The medical community) is being "forced out of it by Blue Cross' arrogance."**

— Joe Pazourek

known as "risk sharing" that requires health care providers to return money already paid to them if there is a financial shortfall in the system.

"From our vantage point," Gettinger wrote, "it does not seem as if Blue Cross is taking any risk in this process, but rather putting the entire risk on the shoulders of the providers."

"Our practice will not survive if funds have to be turned back," he added.

Pazourek said that the medical community doesn't want to get out of Blue Cross' program, but is being "forced out

of it by Blue Cross' arrogance."

He said he thinks the TennCare program "in the short term will probably be underfunded."

Meanwhile, Family Practice Associates are accepting only "limited new patients," he said. "Our patient load is totally filled up," he said, although that situation existed before the debut of TennCare.

Gettinger is joined by Doctors Barbara Levin, John Gazewood and Douglas Carpenter at Family Practice Associates.

Gazewood and Gettinger have consistently expressed concerns about the impact of TennCare on rural physicians, warning that lower reimbursements to physicians under TennCare than under Medicaid threatens the survival of rural health care providers.

State officials report heavy traffic on the state's TennCare hotline.

Anyone with a question can call the hotline from 9 a.m. to 7 p.m. eastern time. The number is 1-800-669-1851.

# 'I'm referring patients to Dr. Ned McWherter'

## 2 pediatricians close doors, blame reform

By Bill Snyder  
Banner Senior Medical Writer

Dr. Michael R. Sharpe says low payment rates under TennCare prompted him to shut down his Hermitage pediatrics practice.

"I either had to try to take care of these folks at a loss and see them not be taken care of properly, or close and get out," says Sharpe, 48.

"I chose the latter."

Sharpe, who is now working for a local emergency room, says when he closed his practice Friday he gave up about 2,000 patients, many of them chronically ill children.

Meanwhile, Dr. Joe Steranka says he will close his Dickson pediatrics practice at the end of January.

"I'm referring all my patients to Dr. Ned McWherter," Steranka says, referring to Tennessee's governor, whose cost-cutting TennCare program replaced Medicaid on Jan. 1.

Steranka says TennCare would pay him only about half of his cost of doing business.

"They don't want to pay for service," he says.

The 72-year-old pediatrician says he would like to continue practicing for another 10 years.

"But under these conditions," he says, "it's impossible."

Sharpe and Steranka may be the exceptions, but an informal poll by the *Nashville Banner* found many doctors who are not participating in TennCare.

The result: Some patients are having a hard time finding a doctor and are going to the emergency room for care.

At Jackson-Madison County General Hospital in Jackson, for example, emergency room visits are up by more than a third since the first of the year.

Many are TennCare patients, hospital spokesman Ken Marston says.

The 622-bed regional hospital, the largest medical facility between Memphis and Nashville, has not signed a contract with any of the private health plans providing services to TennCare patients.

Only about 16 of the 210 doctors on the hospital's medical staff have signed on with a TennCare plan.

The reason?

"TennCare is obviously underfunded," Marston says.

The hospital refuses to accept the risk of financial loss if and when the money runs out, he says.

In some other West Tennessee counties, "not a single physician has signed up," Marston says.

Says Dr. Ron Elder, a McMinnville pediatrician who is not participating in TennCare: "I think it's going to be a horrible mess for the recipients and providers. It's an injustice to everybody involved."

Many physicians are trying hard to make TennCare work, however.

The 30 doctors in the Jackson Clinic in Dickson have signed up with three TennCare health plans.

In Clarksville, nine pediatricians have helped set up a managed-care clinic for children, most of whom are covered by TennCare.

The Cumberland Care Clinic opened Monday in the doctors building next to Clarksville Memorial Hospital.

The clinic is owned and operated by the hospital, which hopes to save money by avoiding unnecessary use of its emergency room.

The doctors can cut their operating costs in the hospital-run facility while expanding access to greater numbers of patients.

Dr. Joel Pedigo, one of the pediatricians, says one of the problems with TennCare is that it was rushed into place.

"But we're going to do OK," he says. "We're going to make it work."

Other health care providers aren't so sure.

"I'm afraid the actual health care that people receive is going to go downhill," says M.J. Salomon, a Nashville optometrist.

Salomon fears that lower pay will drive the best students away from health careers, leaving them to less-qualified people.

"I can see medical care deteriorate down the road," he says.

Gordon Bonnyman, a lawyer for Legal Services of Middle Tennessee, consumer advocate and strong supporter of TennCare, says he also is concerned.

"I don't want to be an apologist for a program that's hurting people," he says.

"On the other hand, I don't want to play into some pretty selfish and mean-spirited lobbying efforts by people who have some vested interests in the old arrangement," Bonnyman says.

"It's going to be quite a challenge to figure out what's going on."

DANDRIDGE, TN.  
JEFF. CO. JRNL.  
1/12/94

## Doctors insist contract changes don't sway them in support of TennCare

NASHVILLE (AP) - TennCare's biggest health-care network has dropped a contract provision doctors find distasteful, but physicians say they still won't rush to sign on with the program.

Blue Cross-Blue Shield of Tennessee Inc., the state's largest TennCare network, dropped the so-called "take-back" provision Tuesday from its contract with participating doctors. That clause would have allowed the company's managed-care organization to take back money it had already paid physicians for treating TennCare patients to cover losses at year's end.

Memphis urologist Richard Pearson, chairman of the Tennessee Medical Association board, said Blue Cross-Blue Shield is doing nothing more than normal business practices.

"They've said that if they agree to an honest debt to a doctor, then they won't come and take it back," Pearson said.

"That contract is sufficiently faulty. If they took out a clause a week it would be Halloween before it would be a contract anybody could take seriously."

Doctors at Middle Tennessee Medical Center in Murfreesboro told Gov. Ned McWherter on Monday that the take-back provision is one reason many are not signing up to treat TennCare patients through Blue Cross-Blue Shield.

Physicians said they also object to the requirement that physicians must accept TennCare patients as a condition of treating 300,000 people covered by the Tennessee Preferred Network.

"Get rid of those two things and I would participate in the program," urologist Theo Shepard said in the meeting with McWherter.

Shepard said Tuesday he will not

believe the take-back provision has been changed until he sees it in writing.

Even then he said he worries that TennCare payments to the managed-care network could run out before the year ends and physicians would be left treating patients for free.

Other physicians have objected strongly to that part of the contracts with the Tennessee Preferred Network, operated by Blue Cross-Blue Shield.

"In other words, (Blue Cross-Blue Shield) ... will not retroactively recoup money already paid to providers. This issue had caused concern among physicians relative to TennCare patients," said Glen Watson Jr., senior vice president for Blue Cross-Blue Shield of Tennessee.

"The physicians asked that we reconsider this particular aspect of our agreement and we are doing so."

The take-back clause is "a very technical provision," Watson said.

"But the truth of the matter is, if you had to invoke that provision, the program would have already failed."

The more than 100 physicians meeting with McWherter in Murfreesboro also cited the risk of increased financial liability from treating former Medicaid patients as one reason for their reluctance to participate.

TennCare is McWherter's plan to provide health care for 500,000 uninsured Tennesseans and 1 million Medicaid recipients through networks of health maintenance organizations and preferred provider organizations.

Watson said 5,602 physicians had agreed, as of Thursday, to participate in the Tennessee Preferred Network.

Tennessee has about 11,000 practicing physicians.

OAK RIDGE, TN  
OAK RIDGER  
1/26/94

# Only two doctors in governor's home county on TennCare roll

by Phil West  
Associated Press

18

MARTIN — Doctors in Gov. Ned McWherter's home county are so angry over TennCare that only two have signed up for the program.

Physicians from four northwest Tennessee counties unloaded on McWherter's finance-commissioner during a late-night meeting Tuesday at the University of Tennessee-Martin.

"The whole plan is ridiculous," said Dr. Susan Brewer, one of Weakley County's two pediatricians.

State Finance Commissioner David Manning absorbed 2½ hours worth of comment — more angry tirades than direct questions — during an informational meeting with Weakley County's 23 physicians.

Also on hand were more than 40 doctors from Obion, Dyer and Lauderdale counties.

"It's a start," Manning said afterward.

He said Weakley County's physician participation is the lowest in the state.

Physicians criticized several aspects of McWherter's TennCare health care plan for the needy and uninsured Tennesseans.

The doctors were especially incensed with Blue Cross-Blue Shield Inc. of Tennessee, the largest of TennCare's 12 managed care organizations.

Physicians railed at Blue Cross-Blue Shield's requirement that doctors accept TennCare patients as a condition of treating any of the 200,000 Tennessee Preferred Network participants.

Doctors call that the "cram-down" provision.

The TPN is a managed care health plan for state employees, teachers, higher education and other public employees. The network also supplies health care for

Tennessee Valley Authority and some private sector employees. It is administered by Blue Cross-Blue Shield.

"The problem is basically it was one of the poorest public relations projects ever. They never explained it to the doctors. That's why there's so much hostility," noted Dr. Terry Cruthirds, a Martin pathologist.

"The doctors feel it was crammed down their throats."

Physicians also found fault with Blue Cross-Blue Shield's inaccurate directory of participating TPN physicians. Of the 10 Union City doctors listed as participants:

- Five no longer live there.
- Three are not known to colleagues.
- One is a hospital pathologist who does not treat patients.
- One no longer accepts new patients.

"I can't imagine who would sign up for this program," said Union City Dr. Robert Young, one of Obion County's three obstetrician-gynecologists.

Manning said Blue Cross-Blue Shield "has always been sloppy in the way they put those lists together.

"I can't defend it, and I won't defend it," he said.

Earlier in the day, Blue Cross-Blue Shield reported that 5,196 physicians have agreed to participate in TennCare and TPN.

"I believe that's twice as big as anybody else in the state," said Glen Watson Jr., Blue Cross-Blue Shield's senior vice president.

He said the company's list of physicians normally is printed once a year.

Errors are bound to occur because a physician will continue to be listed unless he notifies Blue Cross-Blue Shield he is withdrawing or leaving town.

**CLINIC**

KINGSPORT, TN  
TIMES-NEWS  
1/30/99

# Obtaining list of TennCare providers no easy task

From staff reports

It's no easy task getting a list of health care providers serving TennCare patients.

Local lawmakers report mixed results in obtaining lists of doctors who are enrolled in the state's new TennCare health care program for the poor.

Reps. Ken Givens, D-Rogersville, and Keith Westmoreland, R-Kingsport, have gotten lists from some, but not all, of the managed-care organizations serving their constituents in TennCare.

State officials, asked about a master list of TennCare providers, say the lists have to come from the individual managed-care organizations.

Inquiries by the Times-News Friday to the TennCare "hot line" office about lists of providers produced a referral to call Diane Denton of the Tennessee Department of Health.

"We're telling recipients that they need to get the provider list from the MCO, because it is the MCO's responsibility, not the state's responsibility, to maintain their provider network and to maintain the list," Denton said.

"It's their responsibility to maintain it, and they're the ones you'd need to go to get it from," she added.

There are five MCOs serving TennCare patients in the Northeast Tennessee region — Blue Cross and Blue Shield of Tennessee, Access...Med Plus, Advantage Care, John Deere Health Care/Heritage National Health Plan, and Preferred Health Partnership.

Getting lists can involve several phone calls, and local lawmakers have expressed frustration not only with the difficulty in getting a response, but also about apparent inac-

curacies in the lists that have been released.

The Knoxville News-Sentinel has reported that lists have included the names of dead and retired physicians, and the names of some doctors who moved out of Knox County years before.

The largest MCO serving TennCare recipients, Blue Cross/Blue Shield of Tennessee, has released a TennCare directory and acknowledges problems have been reported with the listings.

"A lot of people have complained about it," said Vivian Langford of

Blue Cross, discussing the Blue Cross TennCare directory.

She said some doctors listed in the directory have "moved or retired or something," she said.

"We were trying to get that (directory) in the hands of all the recipients by the second week in January because the state was pushing us to get the directory out," she explained.

Another problem with the directory, she said, was that some doctors who were listed have refused to see TennCare patients.

Please see OBTAINING, page 7B

# Obtaining list of TennCare providers no easy task

Continued from page 1B

They had been listed since they're in the Tennessee Providers Network.

Blue Cross/Blue Shield, which manages TPN, is requiring doctors in the network — which serves employees of the state government, the Tennessee Valley Authority as well as many nongovernmental employees in the state — to also see TennCare patients.

"If they refuse patients, then they cannot be part of (TPN). The reason we're doing that is that we want to make sure these people (in TennCare) have the same access as we all do to health care,"

she said.

Langford said Blue Cross/Blue Shield is preparing an updated TPN directory.

"The finished directory won't be ready until next week," she said.

State Rep. Ron Ramsey, R-Blountville, said it shouldn't be so difficult to get accurate lists of health providers for TennCare patients.

"It's just a big runaround. ... It shouldn't be that way. I would think in the next couple of weeks, if lists aren't available, there's going to be some major problems," Ramsey said.

# TennCare called 'catastrophic'

## BMH official: Confusion widespread

By Anna C. Irwin  
of The Daily Times Staff

Blount Memorial Hospital Administrator Joe Dawson called the TennCare plan "a disaster for hospitals, physicians and patients" in his report to Blount County Commission Monday night. He called it "really catastrophic" in a report on the same topic Tuesday in a meeting of the hospital's board of directors.

"In many cases, it's very, very sad," Dawson said, telling of cases where patients are being forced to change physicians and hospitals because not all are participating in all of the managed care organizations now responsible for insuring those formerly covered by Medicaid.

"Medicaid recipients and the uninsured are having difficulty knowing how to sign up and many physicians have chosen not to participate," Dawson said. "It's even more confusing than anticipated."

Blount Memorial will sign a contract with Access Med Plus today after signing contracts earlier with Join Deere Health Care/Heritage National Health Plan and Preferred Health Partnership (PIHP).

However, Dawson said the hospital will not contract with the two remaining managed care organizations serving the area — Blue Cross and Advantage Care. He said both companies have linked their TennCare contracts to commercial contracts. Since the hospital will be reimbursed for only 55 percent of the cost of treating TennCare patients, Dawson said it would be impractical to agree to care for patients in other Blue Cross or Advantage Care insurance plans.

The refusal to sign a TennCare contract with Blue Cross will apparently mean the commercial contract with the company's Tennessee Preferred Network cannot be renewed by the hospital when it expires April 1. It may also mean that the hospital's employee insurance coverage through Blue Cross will be transferred to another company when the current contract expires in June.

"TennCare will mean about \$1 million less in revenues for the hospital at best," Dawson said, "but more likely a \$1.5 million reduction in income annually. It will probably be at least three months before we really know the impact."

Dawson said all patients who come to Blount Memorial Hospital will be treated and, in true emergencies, all five of the insurance carriers will pay for their care at the 55 percent rate. However, those who are not signed up with one of the three plans in which Blount Memorial is participating will be personally responsible for payment of their bills.

Dawson advised those enrolled in Blue Cross or Advantage Care to seek treatment at another facility unless the situation is life-threatening and Blount Memorial is the nearest hospital.

Patients in the emergency room are being given information sheets with a brief explanation of the billing procedure and reminding that former Medicaid recipients have until Jan. 31 to select or change their managed care organization. Others eligible for TennCare, the uninsured who may purchase coverage by managed care organizations on a sliding rate scale, may sign up throughout the year or until the state's cap on the number covered in this category is reached.

(Please see TennCare, Page 2A)

## Atchley: TennCare may ruin provider network

By Phil West  
The Associated Press

NASHVILLE — Tennessee Preferred Network, which supplies health care for more than 200,000 Tennesseans, may collapse under the weight of TennCare's problems, state Sen. Ben Atchley said Tuesday.

Atchley, a Knoxville Republican, said physicians are refusing to participate in TennCare because its largest network requires doctors to accept TennCare patients as a condition of treating TPN patients.

Doctors don't like being told what to do and are withdrawing from TPN, which is being administered by Blue Cross-Blue Shield of Tennessee Inc., Atchley said.

"That network, I submit to you, is in trouble if they don't get this worked out," he said during a Senate Finance Committee meeting.

The TPN supplies doctors, hospitals, pharmacists and other health care providers for state employees, teachers, higher education and other public employees. The network also supplies health care for Tennessee Valley Authority and some private sector employees.

Health care providers must agree to accept TennCare patients if they want to continue seeing TPN patients under Blue Cross-Blue Shield contracts.

That is a sticking point with many providers, especially doctors.

Atchley said he has tried since December to obtain from Blue Cross-Blue Shield a list of TennCare physicians for his district but has not received one from the insurance company.

He accused Blue Cross-Blue Shield of stonewalling the exact number of TennCare providers because the number of physicians will drop dramatically March 1. That's the end of a 60-day period in which physicians must continue to treat TPN patients before the doctors are released from their TPN commitments.

Blue Cross-Blue Shield has 5,196 physicians participating in TennCare and TPN across the state, said Glen Watson Jr., Blue Cross-Blue Shield's senior vice president.

"I believe that's twice as big as anybody else in the state," Watson said.

(Please see Atchley, Page 2A)

In the speech — one of Clinton's longest — the president made a strong pitch for overhauling the nation's welfare system at the same time health-care is reformed.

His welfare proposal — yet to be introduced — would put a two-year limit on benefits, coupling it with new education and job training programs.

Clinton said the package also would withhold certain benefits to pregnant teens. "We will say to teen-agers, 'If you have a child out of wedlock, we will no longer give you a check to set up a separate household. We want families to stay together.'"

He also promised to go after parents who don't pay their child support. "People who bring children into this world can't just walk away," he said.

Welfare reform was given added emphasis in the speech after Senate Finance Committee Chairman Daniel Patrick Moynihan of New York complained about inattention to the problem. His committee will handle both health care and welfare reform.

Aides said the White House will not introduce a welfare reform bill until the spring, after the health care measure has made some progress.

Clearly the centerpiece of Clinton's agenda remained his health-care plan — which would extend coverage all Americans, largely by requiring all employers to pay 80 percent of the cost.

He called for bipartisan support for the effort. "This year we will make history by reforming the health care system."

It was Clinton's third formal speech to Congress — his speech last Feb. 17 outlining his economic package and the Sept. 22 health care message.

## TennCare

Dawson also reported to the board that negotiations are under way in an effort to purchase a home health care business with a license to operate in areas other than Blount County. He said the goal is to be able to provide hospital-linked care to patients in Monroe and Loudon counties. Approximately 15 percent of the hospital's patients come from those counties.

In other action, the board approved a contract with Advance Consultants Inc. to handle billing in the name of the hospital and took care of several housekeeping matters including renewal of the quality improvement and utilization management plans.

## Atchley

He said the company's list of physicians normally is printed once a year.

Errors are bound to occur because a physician will continue to be listed unless he notifies Blue Cross-Blue Shield he is withdrawing or leaving town.

Watson said the company has conducted a telephone survey and feels the current list, which will be printed Friday, is accurate.

State Finance Commissioner David Manning, TennCare's chief architect, told committee members the TennCare network "is sound in terms of numbers."

Manning called on Blue Cross-Blue Shield to come up with an accurate list of providers.

"Blue Cross-Blue Shield has got to purge that list," he said.

Manning said the administration is now going directly to physicians to discuss their concerns about TennCare.

Gov. Ned McWhirter met with physicians Jan. 10 in Murfreesboro. The next day, Blue Cross-Blue Shield changed one contract provision physicians had opposed.

# TennCare Gridlocked

By Joe Hall

Frustration with TennCare is rising at Vanderbilt University Medical Center, where the program has formed a bottleneck, with both patients and providers caught in a systemic traffic jam.

Since the Jan. 1 engagement of TennCare — the McWhorter Administration's revolutionary yet provider-decried managed care alternative to Medicaid — VUMC emergency services personnel have been consistently stymied in their efforts to refer non-emergency patients for primary care.

VUMC telephone calls to managed care organizations (MCO), insurers and state officials have been met for the most part with busy signals and answering machines. Connections have been met with long and usually unproductive communicative holding patterns, officials say. Some health plans, including Blue Cross Blue Shield of Tennessee, TennCare's largest MCO, aren't taking calls after 5 p.m.

Typical of Vanderbilt's problems: A patient suffering pneumonia required half a dozen phone calls and more than one hour before receiving authorization for admission.

Thus far, at Vanderbilt, TennCare has been "chaotic, disappointing, unilateral, and, yes, inadequate," says Dr. Cory Slovis, chairman of the department of emergency medicine and director of the VUMC emergency department.

"It is simply impossible to get someone on the phone who can

make a decision."

Dr. Ann Price, medical director for the Vanderbilt Health Plan, has diagnosed TennCare's major flaw — communication breakdown.

"The biggest part of managed care is communicating," she says. "The first rule is communicating to the patients how to access the system. A lot of this could have been avoided with more careful communication strategy. It's unfortunate."

So far, Price says, managing VHP and its 11,000-patient network has been "chaotic and frustrating. . . . The sheer frustration of trying to help some of these people and almost being powerless to do so because there is no communication."

It could take months for the situation to improve, she says.

State officials have been quick to point to the newness of the program, and have increased personnel responsible for handling calls.

Still, one week into the year, VUMC — with the highest local volume of TennCare patients — is in crisis mode.

Compounding matters for front-line providers, such as those in emergency settings, is a dearth of primary care physicians statewide who've agreed to participate in the TennCare plan; lining up a referral is difficult with so few physicians receiving the new eligibles.

Then there is the confusion factor to which Price alludes. Patients, clearly confused by the new plan and experiencing difficulty finding answers about services,

**'It is simply impossible to get someone on the phone who can make a decision.'**

**Dr. Cory Slovis  
Vanderbilt**

are heading for emergency services departments. Instead of a purported wane, VUMC officials see clear signals that emergency utilization will increase significantly before it declines.

"This is something that people have not had experience dealing with, and they are confused. They don't know how to access the system and they've not been told how," Price says. "That's why they tend to gravitate towards the emergency room."

To prepare for TennCare, Vanderbilt set up an emergency triage system as an extension to its usual plan to determine the order patients will be seen, based on urgency of emergency. Vanderbilt's TennCare plan, however, includes triage to determine which patients won't be seen there. Under TennCare's guidelines, emergency providers are not reimbursed for delivering care on cases determined as non-emergencies.

"We were developing a system predicated on being able to talk to another health care organization or provider — if we deem it not to be an emergency," Slovis says. "We were originally assured that someone would be immediately available on the other end of the phone."

"We have found that what we expected, what we had been told, we in fact are not getting at all."

The system works — but only to a point. Much of triage is basic medicine. Gunshot victims are an obvious emergency, while those patients complaining of common maladies, such as fever and cold symptoms, are regarded as primary care concerns.

Complicating the system, Slovis says, is that some emergency cases emit only simple signs — such as arm soreness being an early sign of a heart attack.

Those patients fall into a gray zone, not rating inclusion for emergency care.

"We are in a double bind," Slovis says. "We are being asked not to see non-emergency cases, and there is always the worry that if we send someone away they will get sicker.

"We also run the risk of alienating patients. And we can't get advice or guidance on what is reasonable to see when (patients) are in that gray zone."

Vanderbilt has seen an immediate, although minimal, increase in utilization of its emergency services, which last year averaged 4,500 patients a month.

"It's not been much of a statistical increase to this point," he says. "But what we have had a huge increase in is the amount of time it takes to move patients from registration to the emergency department, and an unbelievable increase in the amount of time, effort and frustration and anger in admitting some patients to the hospital.

"I'm not talking about questionable admissions; I'm talking about clear-cut admissions — you can't get anyone on the phone to say 'yes' or rubber stamp it. We get people who cannot make a decision, we get a recording or we are told we need to talk to someone else."

It's clear, Price says, the transition from Medicaid to TennCare will not begin to improve until the re-enrollment period next month — and then perhaps even longer.

"What I see is people believing they can access the system at any point, including their same old doctor or a specialist; they feel they've been given assurances they can do that," says Price. "Until they understand how the system works, dealing first with the primary care provider, it won't get any better."

TennCare as advertised, Slovis says, is an attractive proposition — collaborative relationships between patients, insurers and providers and emphasis on primary care.

"If TennCare was what it was supposed to be, I don't think anyone could say one negative thing about it," he says. "But that's not what this system is." ■

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Marc Overlock 2 pages 1/11/94

ons of Shelby County." But the n also clearly avoids political Please see COHEN, Page A9

shooting. "He apparently emptied a clip and hit one of the kids in the group," said Inspector A.F.

struck Allen in the side. was taken to the Regional Medical Center at Memphis and was in critical condition Mon-

nor Allen is involved in gangs. "They're all the time wanting us to join them," he said. "But I just try to bypass them."

Slings the p desire. Slovakia public, which placed them

# TennCare switch spells distress to many in need

By Jon Hamilton  
The Commercial Appeal

Count Debbie Armstrong among the Tennesseans who aren't sold on TennCare.

The program, which replaced Medicaid on Jan. 1, won't pay for her severely handicapped son to visit the Tipton County pediatrician who knows his long medical history, she said.

So she must decide whether to pay the doctor from her own limited funds or seek a new physician in Memphis. Experience tells her it won't be easy to find a doctor for a blind 20-year-old in a wheelchair and with the mental functioning of a toddler.

"I think they should have left Medicaid alone," Armstrong said. "All this was jumped into before they thought it through."

*"I think they should have left Medicaid alone. All this was jumped into before they thought it through."*

—Debbie Armstrong

Armstrong is not alone: As the state changes from Medicaid to TennCare, many patients are being forced to change doctors, pharmacists and hospitals. Some say they are unable to match the care they enjoyed under Medicaid or find care on short notice.

Such complaints often surface in "managed care" plans like those that have formed to care for TennCare patients: Managed care offers lower costs in exchange for an agreement to use a

limited network of doctors and hospitals.

But health experts say the pitfalls of managed care may be especially trying for TennCare patients, who have minimal financial resources and frequently have little education.

Moreover, many TennCare recipients qualify because they have severe health problems. For these people, the switch to managed care often means trying to replicate a team of specialists acquired during years in Medicaid.

Armstrong said her son Marty has been rejected by pediatricians because he is too old and by other doctors because he would disturb their offices. Even if a new physician accepts Marty, she said, that doctor

Please see CARE, Page A9



AP

# Remarriage doesn't end alimony, court rules

By Paula Wade  
and Bartholomew Sullivan  
The Commercial Appeal

NASHVILLE — Divorce can still cost you after your spouse remarries, the Tennessee Supreme Court ruled Monday.

The court ruled that Dorris White Butcher of Murfreesboro is not entitled to recover \$16,640 in alimony he paid his ex-wife after she remarried without telling him.

Court-ordered alimony does

not end automatically at the remarriage of the ex, and the ex doesn't have a legal duty to inform the alimony payer of the remarriage, the court said.

The ruling led Memphis lawyer Larry Rice, author of a book on divorce practice, to predict tongue-in-cheek "an increasing level of concern by ex-husbands about the marital welfare of their ex-wives."

Butcher and his wife, Betty Jean, were divorced in August 1976 and the decree ordered Butcher to pay his ex-wife \$40 a

week. So from then until January 1990, he paid the alimony even though Betty Jean had remarried in 1982.

The decree did not include language terminating alimony upon remarriage. When Butcher found out that his ex-wife had remarried, he stopped paying and filed suit to stop the court-ordered alimony and recover the 1982-1990 payments.

Testimony showed that Butcher never asked about her marital status and she didn't reveal it and even took action to

prevent his finding out. On one occasion in 1984, she signed an authorization for the marriage of her minor child as Betty Butcher and in 1989 she was listed in her grandchild's birth announcement as Betty Butcher as well.

The trial court awarded Dorris the \$16,640 he had paid to Betty Jean since her remarriage and ceased the alimony payments. The case was appealed to the Court of Appeals, which reversed the money judgment but affirmed the part of the trial

court ruling starting on the The Supreme same way, spl the appeal Butcher and Betty Jean La.

"Although have conceals remarriage, w tive duty to n of remarriage not rise to th reads the op

Please see Al



# MDs win round with Blue Cross

By DUREN CHEEK

Staff Writer

Despite a major concession by Blue Cross-Blue Shield, the state's doctors are still not exactly going to be knocking each other down to treat TennCare patients.

But at least they will be more willing to listen to the state's arguments of why they should.

Blue Cross announced Tuesday that it was withdrawing the controversial "take back" clause in contracts its Tennessee Preferred Network has with doctors and other health-care providers to care for TennCare patients.

The clause provided that if the network spent more money on TennCare than it took in during a year, the loss would be prorated among those providers.

Several doctors said the action eliminates a major roadblock to their participation in TennCare but other problems remain.

"It's a step in the right direction," said Dr. David Moroney, president of Davidson County Pediatric As-



Editorial: "TennCare deserves a chance to work," on 8A.

Turn to PAGE 2B, Column 1

2B • Thursday, January 13/1994 — THE TENNESSEAN

## Blue Cross drops funding clause

FROM PAGE 1B

sociation.

"It certainly alleviates some of our fears," said Dr. Joseph E. Boone, a Murfreesboro ophthalmologist. "It's a start, but it certainly is not everything we would like."

"We are all encouraged by their changing this," said Dr. George L. Echols, a general surgeon in Murfreesboro. "I don't think anyone is ready to jump and change their minds, but rather than being stubbornly opposed, they are willing to listen."

Blue Cross-Blue Shield Senior Vice President Glen Watson said the company scrapped the take-back clause in response to requests from doctors.

"We try to maintain a cooperative relationship with physicians, hospitals and other health-care providers," Watson said.

The chairman of the 6,700-member Tennessee Medical Association said he was not impressed with the Blue Cross announcement.

"This is like a situation where somebody is holding

your thumb down and hitting it with a hammer and when they quit, you're supposed to say 'Thank you,'" said Dr. Richard M. Pearson of Memphis.

"It is absolutely unheard of in a business transaction when there is satisfaction with the product being delivered to come back at the end of the year and say, 'We want some of our money back because we had a bad year.'"

However, other doctors contacted said they were encouraged by the action.

"If the TennCare amendment can be made attractive enough, I would suspect most physicians would sign on in order to keep their established patients," Maroney said.

Hundreds of doctors have given up their network patients rather than submit to a requirement by Blue Cross that they treat TennCare patients as a condition of remaining in the network.

TPN provides coverage for several hundred thousand Tennesseans, including state, Metro and TVA employees and teachers. ■

Morristown, TN  
Citizen Tribune  
1/19/94

## Doctors Taking TennCare Complaints To Legislators

BY ROBERT MOORE  
Tribune Staff Writer

Dr. Robert Overholt, president of the Knoxville Chapter of the American Academy of Medicine, and a host of other disgruntled East Tennessee doctors will meet with state legislators in Nashville today and communicate a clear and unmistakable message about health care in Tennessee — "TennCare must go".

Overholt and about 75 doctors

will meet with legislators and other individuals responsible for formulating health-care policy in informal, one-on-one discussions.

Dr. Dan E. Hale of Morristown, who will be traveling with the group, says TennCare has so many faults that it is not worth saving.

"The TennCare system the way Governor McWhorter has it organized now is so bad that it can't be overhauled," Hale said. "It needs to be junked and started all over again. Even though this TennCare (See HALE on Page A-3)

## Hale

(Continued from Page A-1)

nCare system is only two weeks old, it's obviously such a catastrophe that it can't even be fixed."

Hale says he believes the majority of Tennessee physicians feel the same way.

The governor concedes TennCare is already \$158 million short of the funds it needs to operate through 1994.

According to Hale, limiting of accessibility of certain types of health care will ensure patients get less comprehensive treatment, the lower payments to physicians will create financial hardships for doctors and the confusion created by the momentous change makes life more difficult for patients and doctors alike.

Hale said the only apparent winners under the new plan will be the insurance companies.

Although he sees a number of shortcomings with TennCare, the most glaring fault is a question of numbers.

Under the old Medicare system, which was terminated on Jan. 1, the state allotted \$3 billion to provide care to the approximately 800,000 Medicare patients.

Under the TennCare plan, about 25 insurance companies — five in East Tennessee — will sign up the former Medicare patients and take their share of the state's \$3 billion. In order to make the plan attractive to private insurance carriers, the state will allow them to make 14

percent profit, Hale said.

So instead of \$3 billion to provide care to the 800,000, the companies will take their profit and leave 14 percent less, or \$2.58 billion, to help the least-fortunate Tennesseans.

At least one of the authorized TennCare insurance companies "capitates," or puts a limit on how much they will pay per patient per month.

Hale said if a physician knows he will only receive a set fee, no matter how much care he provides, the patient will almost always come out with the short end of the stick.

"There will be a disincentive for a physician to do as much as he possibly could do," Hale said. "It does nothing but foster less than the best medical care."

Hale also said the payments to doctors for certain procedures have been reduced to a point where physicians will lose money. Under Medicare, physicians could charge \$60-65 for an EKG. Under TennCare, doctors may charge only \$17.

Furthermore, there is no guarantee some of the new insurance companies will be in existence six months from now. In that case, doctors would have to absorb the loss.

According to Hale, citizens' desires to soak the affluent doctors may be misdirected.

"Everybody is talking about how doctors make a lot of money while people are suffering," Hale said. "But the government hasn't corrected the problem at all. They may



Dr. Dan E. Hale

have taken money away from the doctors, but they have given it to the insurance companies."

Another problem is that many of those who are covered by TennCare are either elderly or less-educated and cannot comprehend the changes. He said many of his patients simply cannot sort out the different insurance options and coverage plans.

With all its faults, Hale says he prefers the old Medicare system. Hale said Medicare had a number of endemic faults that could have been remedied.

"They should have tried to fix the old system instead of starting all over and coming up with something worse."

18

"The health care benefits I pay for have been seriously eroded by TennCare," protested Elizabeth Marshburn (with 2-year-old son David), in a letter to Blue Cross and state officials. The editor of publications at Memphis State University is among thousands of state workers who have been affected by the departure of unhappy physicians from the Tennessee Provider Network.



By Troy Glasgow.

# TennCare triggers exodus by doctors

## Rate issue strands state employees

By Jon Hamilton  
The Commercial Appeal

TennCare is poised to disrupt the health care of thousands of state employees and their families.

The program that replaced Medicaid on Jan. 1 has caused a physician exodus from the Tennessee Provider Network (TPN), the health plan that covers more than 130,000 state workers and family members, as well as thousands more local government employees.

Physicians say they are quitting TPN rather than accept the plan's requirement that they also treat TennCare patients at rates that in some cases are much lower. The requirement takes effect March 1.

Some 2,000 of the 7,000 physi-

cians in TPN have resigned, according to officials of Blue Cross and Blue Shield of Tennessee, which runs the program.

As a result, many state workers must change doctors or pay a much larger portion of the bill. In some areas, such as Weakley County, workers have seen virtually all local physicians drop out of TPN.

"I am outraged," said Elizabeth Marshburn, editor of publications at Memphis State University, in a letter she sent to Blue Cross and state officials. "The health care benefits I pay for have been seriously eroded by TennCare."

In an interview, Marshburn said workers in her office tried to call all 101 Shelby County obstetrician-gynecologists listed in the Blue Cross directory of TPN providers. Just 18 said they

would accept TPN, she said.

Marshburn said she will have to find a new obstetrician-gynecologist and her 2-year-old son will need a new pediatrician.

"That's abysmal," she said, adding that the state should sever the link between TPN and TennCare.

The problems with TPN sparked a protest by about 60 firefighters and police officers Monday at the Blue Cross headquarters in Chattanooga. Protesters said only half of the 600 local doctors in TPN have indicated they will stay.

State Finance Commissioner David Manning said such upheaval is inevitable if Tennessee is to control the cost of covering the state's poor and uninsured.

"People have understandable concerns," said Manning, who added that he expects to lose his

Please see CARE, Page A5

From Page A1.

## Care

family's pediatrician as a result of TennCare. "There are no easy choices in health care reform."

Manning said the state encountered similar complaints when it launched TPN with about 2,500 physicians in 1988. Eventually, most doctors and hospitals in the state decided to join the program, he said.

Manning acknowledges that is little comfort to state workers in Weakley County, where almost all physicians have indicated they will drop out of TPN.

"We feel like we're in the middle of something we don't have control of," said Phillip Bright, personnel director for the University of Tennessee at Martin. He said only two of the county's 22 or 23 physicians have indicated they will stay in TPN, and many of the school's 720 employees are uncertain where they will get care.

Manning and Blue Cross officials are scheduled to meet with physicians in Martin tonight to

encourage more participation.

Blue Cross senior vice president Glen Watson said TPN will ensure enrollees do not suffer in Weakley County and other areas that may lack enough providers. He said that if the TPN network lacks a needed specialist in an area, it will allow patients to visit a specialist not in the network without a financial penalty.

"It's inconvenient and it does create some concerns," said Watson of the physician departures. "But we're beginning to see some signs that physicians may be coming back."

He said the TPN network, which saw its physician numbers drop as low as 5,000, is now back up to 5,400, thanks to new doctors who have signed up and the return of a few who had dropped out.

Last week, Blue Cross sought to woo back doctors by eliminating a provision that would have allowed TPN to reclaim payments already made to physicians if the program ran over budget.

Watson said TPN is willing to continue negotiating with doc-

tors to improve participation. But he rejected the idea that TennCare and other TPN groups should be separated. "We don't believe we can be in a position to support a two-tiered system in Tennessee," he said. "Blue Cross cannot discriminate against the TennCare population."

Wayne Podgorski, an instructor at Memphis State University, doesn't see it that way.

"The people in Nashville don't have a clue what's going on," he said. "We are taxpaying, insurance-premium-paying people and we're being cast aside."

Podgorski said TennCare has

caused the doctors used by his wife and daughters to drop out of TPN. It also is making it difficult to get a pediatric neurologist for his son, who was born prematurely, he said.

"We're getting the raw end of the deal," said Sara Chiego, whose husband teaches at MSU. Chiego, a professional musician who has severe joint problems caused by lupus, said her orthopedic surgeon is leaving TPN and that finding another will be a hardship. "I'm real frustrated."

Manning and Watson say patients will not go without care because of TennCare.

# Lists of the doctors taking part in TennCare prove hard to get

By Rebecca Ferrar

News-Sentinel Nashville bureau  
NASHVILLE — The state's new TennCare program has been in place three weeks, but just getting an accurate list of the doctors taking part in the plan is a tough proposition.

State officials say the Managed Care Organizations should have listings of all their doctors, but some of those lists contain doctors who have moved, retired or even died.

Dr. Richard Smith is a Knoxville orthopedic surgeon who, along with the six doctors in his practice, has chosen not to participate in TennCare. He questions the validity of the Blue Cross/Blue Shield list of Knox County doctors in his speciality.

"I find it highly unusual that of the eight physicians they have listed, one has apparently actually signed; one has not signed and has been listed erroneously; one is retired; one has moved out of state; and four are not known by any of the orthopedic surgeons in the community," Smith wrote to state Rep. Wayne Ritchie, D-Knoxville. "I would be highly suspicious that this list is fraudulent."

Although the four orthopedic surgeons Smith has not heard of are licensed to practice medicine in Tennessee, none is listed in the Knoxville phone book.

"My main concern is that they don't have enough specialists in certain fields to give adequate care to patients in the program," Smith said in an interview. "In reality, I don't think they have enough doctors to take care of the patients."

TennCare Director Manny Martins said Smith probably was looking at a list that hasn't been updated. Martins contends there are adequate doctors to treat all the people now covered by TennCare, which supplanted Medicaid Jan. 1. TennCare provides medical coverage through 12 MCOs which have contracted with hospitals, doctors and pharmacists.

Martins said the MCO contracts require that all medical services be provided to patients. If an MCO doesn't have a specialist in its network, it must provide the treatment from outside.

After numerous requests, Blue Cross released a list of doctors in its network to members of the Legislature's TennCare Oversight

Blue Cross representative, said part of the list problem is that doctors have not notified the company they do not want to participate in TennCare.

Blue Cross also operates the Tennessee Provider Network, which covers TVA and state government employees, among others. The Blue Cross contract requires all TPN providers to accept TennCare patients, a condition known as the "cram-down" provision.

"We notified all the doctors that unless they withdrew from the network, they would be serving TennCare patients," Greenwood said. That's how some wound up on the list who insist they are not in TennCare, he said.

Senate Republican Leader Ben Atchley of Knoxville, a member of the Oversight Committee, has repeatedly asked state officials for an updated copy of TennCare doctors for Knox County.

"They won't give it to you," Atchley said. "They don't have all the providers in place."

The TennCare office provided The News-Sentinel with a list of Knox County primary-care doctors broken down by MCOs.

The list shows the following:

■ 77 primary-care doctors in the Preferred Health Partnership (Fort Sanders Regional Medical Center) and 476 specialists. This MCO and Access Med-Plus are the only ones listing specialists.

■ Five primary-care doctors and eight specialists in Access Med-Plus.

■ 14 primary-care doctors in TennSource.

■ 200 primary-care doctors in UT/Total Health Plus (University of Tennessee Memorial Hospital). The list provides no first names.

■ 113 primary-care doctors in Blue Cross.

■ Nine primary-care doctors in John Deere/Heritage National.

■ Three primary-care providers in Phoenix.

Martins said the numbers on the lists are misleading because many of the doctors are in more than one MCO.

TennCare patients have until March 1 to switch MCOs.

"If Blue Cross and the physicians don't work out their difficulties by that time, I think they (Blue Cross) stand a chance of losing their network," Atchley said. "I think Blue Cross will finally have to yield (on the objection-

able provisions). If they don't yield, they'll have a lot of doctors sign up with competing HMOs."

The problem from the beginning, he said, is that the state did not work out the problems with the Medicaid program with the doctors and the hospitals.

"The speed with which they put this all together is not good fiscal policy," Atchley said. "You're setting up a system doomed to fail because of poor cash flow and probably not adequate networks in the places they need to be."

Still, Atchley acknowledges the need to make TennCare work because of the state's budget problems.

Martins points out that without TennCare, the state was facing a crisis that would have meant either huge Medicaid cuts or a major tax increase.

Sen. Bud Gilbert, R-Knoxville, also questions TennCare's state of readiness and the speed with which it was implemented.

"Apparently, there's a sufficient lack of doctor participation to adequately operate this program," Gilbert said.

He said legislators are "without recourse" until they understand the dimensions of the start-up problems with TennCare.

"The administration has gone out and taken orders for a product that they haven't even contracted to make yet," Gilbert said. "It's sort of like selling cars when you don't even have an assembly plant lined up to turn them out. I have a basic problem with anyone who can mess up implementation that badly."

Sen. Randy McNally, R-Oak Ridge, did an actual check of the Blue Cross doctors serving Anderson County TennCare patients.

Of the 29 Blue Cross doctors listed, McNally said three were not listed anywhere; three were no longer practicing; two have moved out of East Tennessee; one participates but accepts only referrals; and one participates but accepts no new patients.

"The Blue Cross network in Anderson County is grossly inadequate," McNally said.

The problem, he said, is that doctors are not signing up because of the "cram-down" policy and other contract provisions which doctors say place all the financial risk on them.

# Doctor not in MICO criticizes TennCare

Lists still not  
helpful, he says

By **Marit Davis**

News-Sentinel staff writer

Dr. Jonathan Degnan, an orthopedic surgeon who has withdrawn from the Tennessee Providers Network, says he witnessed firsthand how managed care can go wrong.

Blue Cross/Blue Shield of Tennessee refused him permission to perform emergency knee surgery on a youth who came to his Knoxville office in pain on Monday, he said.

Instead, Blue Cross sent him a list of six other orthopedic surgeons who are supposedly participating in Blue Cross' TennCare and TPN programs.

Degnan said he's never heard of three orthopedic surgeons on the list.

A fourth doctor on the list moved to Indiana several years ago, and a fifth is not accepting TennCare patients.

A sixth doctor has lost his hospital privileges.

After arguing with Blue Cross about the availability of orthopedic surgeons in Knoxville, Degnan operated on the youth. Blue Cross reluctantly gave its permission, he says, adding that the insurer said it would pay as long as the surgery was performed before Jan. 31.

"We've always take care of the indigent. No one is denied care,"

Please see LIST, page A15

## Cuts likely in health program for poor

### Knox County hasn't increased indigent care funding since '91

By **David Keim**

News-Sentinel staff writer

Budget cuts likely will pare down Knox County's health program for the poor, not end it.

"We don't accomplish anything by going in and cutting the guts out of this program," county Finance Director Kathy Hamilton said Thursday at a County Commission workshop on the issue.

"If we cut this too much, we are going to once again get into the scenario where ... those people are going to have no options and no access to health care, and they're going to end up in the hospital emergency rooms."

That drives up costs for paying patients, officials said.

The county budgets \$6.1 million for the Indigent Care Program, which mainly serves poor people who aren't on Medicaid. About 8,000 people qualify for the program annually.

It also serves prisoners and children from the John Tarleton Home.

The county hasn't increased funding since 1991, and isn't required to fund indigent care by the state or federal government.

"I think there's going to be a lot of pressure on this budget year, and I'm concerned," Commissioner Madeline Rogero said.

"We should be very cautious," she told the commission. "The pressure will be on us to scale it back."

The need for the program was emphasized by county and hospital officials at the workshop, even though a new state program for the poor started Jan. 1.

TennCare replaced Medicaid for 1 million Tennesseans, and will cover roughly 300,000 uninsured people, too.

Some Indigent Care Program patients will be able to enroll, but how many remains to be seen. It's

also unclear when they'll actually get their TennCare card, officials said.

"There's been an enormous broad-based support for the Indigent Care Program in this community, and I don't think that's going to waver," said Bob Koppel, president of East Tennessee Children's Hospital.

"I think the issue before everybody is that with continued budgetary constraints, in trying to be able to determine the impact of TennCare, what will the '94-'95 indigent care contract look like?"

"I think it will be there. I think it will be basically the same scope of services. ... I think the question will be what is the population to be served and how many dollars we'll be able to put into the program."

Hamilton said the county and hospitals will try to work out a contract acceptable to all involved.

"We're doing something well here, and we don't want to lose that entirely," Hamilton said.

In fiscal 1993, the Health Department got paid for about 64 percent of what it charged in the program; doctors got 45 percent; and hospitals got 38 percent, according to the Health Department.

# Doctors in governor's home county reject TennCare

By Phil West  
Associated Press

MARTIN — Doctors in Gov. Ned McWherter's home county are so angry over TennCare that only two have signed up for the program.

Physicians from four northwest Tennessee counties unloaded on McWherter's finance commissioner during a late-night meeting Tuesday at the University of Tennessee-Martin.

"The whole plan is ridiculous," said Dr. Susan Brewer, one of Weakley County's two pediatri-

cians.

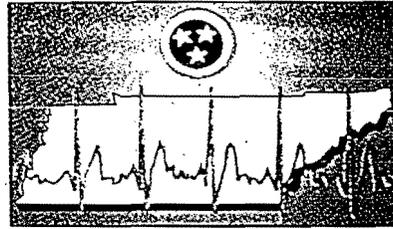
State Finance Commissioner David Manning absorbed 2½-hours worth of comment — more angry tirades than direct questions — during an informational meeting with Weakley County's 23 physicians.

Also on hand were more than 40 doctors from Obion, Dyer and Lauderdale counties.

"It's a start," Manning said afterward.

He said Weakley County's physician participation is the lowest in the state.

Physicians criticized several as-



## TENNCARE

pects of McWherter's TennCare health care plan for needy and uninsured Tennesseans.

The doctors were especially incensed with Blue Cross-Blue Shield

Inc. of Tennessee, the largest of TennCare's 12 managed care organizations.

Physicians railed at Blue Cross-Blue Shield's requirement that doctors accept TennCare patients as a condition of treating any of the 200,000 Tennessee Provider Network participants.

Doctors call that the "cram-down" provision.

"The problem is basically it was one of the poorest public relations projects ever. They never explained it to the doctors. That's why there's so much hostility," noted Dr. Terry Cruthirds, a Martin

pathologist.

"The doctors feel it was crammed down their throats."

Physicians also found fault with Blue Cross-Blue Shield's inaccurate directory of participating TPN physicians. Of the 10 Union City doctors listed as participants:

■ Five no longer live there.

■ Three are not known to colleagues:

■ One is a hospital pathologist who does not treat patients.

■ One no longer accepts new patients.

Please see TENNCARE, page A-2

## TennCare:

### New doctors' list to be ready Friday, Blue Cross says

■ Continued from page A-1

"I can't imagine who would sign up for this program," said Union City Dr. Robert Young, one of Obion County's three obstetrician-gynecologists.

Manning said Blue Cross-Blue Shield "has always been sloppy in the way they put those lists together."

“

*I can't imagine who would sign up for this program.*

Robert Young  
Obion County  
obstetrician-gynecologist

"I can't defend it, and I won't defend it," he said.

Earlier in the day, Blue Cross-Blue Shield reported that 5,196 physicians have agreed to participate in TennCare and TPN.

"I believe that's twice as big as anybody else in the state," said Glen Watson Jr., Blue Cross-Blue Shield's senior vice president.

He said the company's list of physicians normally is printed once a year.

Errors are bound to occur because a physician will continue to be listed unless he notifies Blue Cross-Blue Shield he is withdrawing or leaving town.

Watson said the company has conducted a telephone survey and feels the current list, which will be printed Friday, is accurate.

The meeting was organized by state Rep. Roy Herron, D-Dresden. Also on hand were Rep. Phillip Pinion, D-Union City, two Blue Cross-Blue Shield representatives and a representative of the Access-MedPLUS network.

At least two more Weakley County physicians said after the meeting they may participate in TennCare.

Brewer said shortcomings in the program would hurt children because a larger percentage of children than adults receive Medicaid. But she may choose to participate after all.

"My partner and I are going to sit down tomorrow and decide," she said.

# 18 Health reform makes some sick

## Patients caught in 'cross fire'

By Bill Snyder  
Banner Senior Medical Writer

Renea Harvey had to call three doctors Monday before she could find one willing to see her 8-year-old son, who had a 102-degree fever and suspected chicken pox.

Three days ago, the 25-year-old East Nashville woman and her three children were covered by Medicaid.

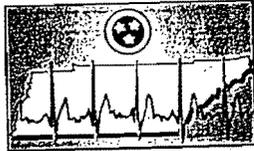
But on Saturday, she and about 700,000 other Medicaid recipients entered the brave new world of

TennCare, the state's health care reform program for low-income and uninsured Tennesseans.

So far, Harvey does not like what she sees.

"I hate it," she says simply. Last month, Eric and Gale Mullins of Robertson County were told by their pediatrician that he would not be participating in TennCare, and they would have to find another doctor for 1-year-old Autumn Rane.

The family, which had been receiving Medicaid benefits, signed



TENNCARE

up for a TennCare health plan operated by Blue Cross and Blue Shield of Tennessee.

But they could not find a pediatrician in their area willing to take them. Low payments and other

conditions of the TennCare contracts seem to be discouraging some doctors from participating.

Then, last Tuesday, the Mullins' second child, Erica Marie, was born at Hendersonville Hospital.

On Sunday, the baby developed jaundice and symptoms of dehydration after repeatedly spitting up her mother's milk, so the couple took her to the Hendersonville Hospital emergency room.

Eric Mullins says his wife had not yet received her TennCare card from Blue Cross, and the emergency-room staff refused to

see them.

Larry Kloess, the hospital's chief executive officer, says no patients are turned away from the emergency room without their conditions first being assessed by a specially trained nurse.

"Frankly, that is one of the purposes behind TennCare, to direct patients to more appropriate settings than the ER," he says.

But Kloess admits that patients have been put "right in the middle of this cross fire" between the state and health care providers who have refused to participate in

Please see TENNCARE, page A-2

## TennCare: Can new system fulfill its promises? 'Jury is still out'

Continued from page A-1  
TennCare.

Four of six pediatricians on the hospital's staff have not joined any of the private health plans that now are providing services to TennCare recipients, he says.

Patients either must go to the remaining two pediatricians, if they are still accepting new patients, or try to find a doctor in Nashville, Kloess says.

The story is the same in Mur-

freesboro, where the 30-member Murfreesboro Medical Clinic, the largest multispecialty group in Rutherford County, has so far not signed on with any TennCare plan.

"We know of only four or five physicians in all of Murfreesboro who have joined" a TennCare plan, says Dr. George Eckles, a general surgeon in the group.

The Mullins brought their baby on Monday to Hendersonville pediatrician Dr. Helen Burks, who agreed to take them on as new patients.

Burks says she found the child to be a little bit jaundiced but otherwise fine.

But, she adds quickly, "If the family's concerned, the child needs to be seen.

"There's no way I could tell

over the phone."

Burks says she is not worrying about whether she will be paid for the patients she is seeing.

"I just do what I need to do and take care of them," she says. "The Lord will give us strength and help us."

But, she adds, "I've had mothers cry over the phone, and I end up crying with them.

"They don't know what they're going to do."

State officials say they expected a bumpy ride as doctors, hospitals and patients get used to the radical departure from the old Medicaid system.

"I regret that, but it's part of the change," says Gov. Ned McWherter, who proposed TennCare as a means of reining in the

burgeoning costs of Medicaid while covering more people.

"We'll try to resolve it collectively," he adds. "This program is very important to all Tennesseans."

During the New Year's weekend, about 45 state employees staffed 150 phone lines and fielded more than 300 calls an hour at the state health department's TennCare Information Center.

Many of the calls were from people without health insurance who wanted to know how to sign up for TennCare.

TennCare applications can be obtained at local health departments, community health agencies and local offices of the state human services and employment security departments.

For more information, call the TennCare hot line at 1-800-669-1851 from 8 a.m. to 6 p.m. Monday through Friday and 8 a.m. to 4:30 p.m. on weekends.

Says Hendersonville Hospital's Kloess: "I hope this is a minor glitch in the process over the next couple of months, and things will settle down."

But he says the health plans are not educating recipients on how to use the new system.

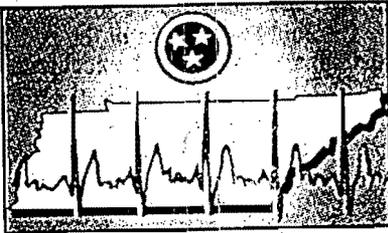
As a result, hospitals and doctors, which are being paid less than they were under Medicaid, are having to do patient education in addition to patient care.

Will TennCare fulfill its promises?

"The jury," Kloess says, "is still out."



Helen Burks  
Treats now, worries later



**TENNCARE**

## Concerned callers jam state hot lines

The state health department's TennCare Information Center was swamped with about 84,000 phone calls on Monday and Tuesday, officials said.

The lines were often jammed, but health officials said they planned to double the number of phone lines from 130 to 260 by the end of today.

The flood of calls had eased to about 4,000 calls an hour early today, department spokeswoman Diane Denton said.

For more information, call the TennCare hot line at 1-800-669-1851.

The line is staffed from 8 a.m. to 9 p.m. Monday through Friday, and 8 a.m. to 4:30 p.m. on Saturday. It is closed on Sunday.

## Blue Cross policy on TennCare spurs TVA to seek bids

Associated Press

CHATTANOOGA — Blue Cross-Blue Shield's involvement in TennCare may cost the insurer one of its biggest customers — the Tennessee Valley Authority.

TVA Board Chairman Craven Crowell said in a letter to Blue Cross that the agency is seeking bids from other insurers for its 19,000 employees.

The agency doesn't feel Blue Cross has adequately answered questions about the future health care coverage for its employees.

Blue Cross required doctors in its Tennessee Preferred Network to participate in TennCare. That has forced many doctors not to participate in either plan, Crowell wrote, and consequently has limited the access TVA employees have to services.

"The significant number of doctors and health care facilities leaving the network forced TVA to adopt, at additional costs, interim measures to minimize the financial impact on employees and to ensure that they have adequate medical coverage," said Gary Napier, manager of benefit and retirement services at TVA.

An interim plan gives TVA workers covered by Blue Cross a 90-day extension on medical services provided under the network, Napier said, but during that time TVA will be seeking a new company to insure its workers.

# Parents worry over TennCare

## Getting services proving difficult

By Bill Snyder  
Banner Senior Medical Writer

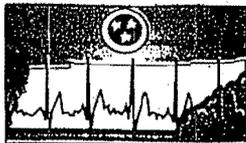
Tracy Nicholson is running out of ostomy bags for her daughter Anna, who has serious health problems.

The medical supplier won't provide the bags because Anna's pediatrician is in the wrong TennCare health plan, the Cheatham County woman says.

Michael Griesheimer worries TennCare will disrupt the specialized eye care needed by his 6-month-old son Matthew, who has a detached retina.

"He needs to see an ophthalmologist to see if the medication is doing what it's supposed to, or he will lose the eye," says Griesheimer, who lives in Robertson County.

Last week, Anna and Matthew



TENN CARE

and thousands of other children with chronic health conditions were covered by Medicaid, a joint state-federal health program for low-income and disabled people.

On Saturday, most of the Medicaid program was replaced with TennCare, Gov. Ned McWherter's health care reform program that aims to cut costs while covering people who do not have health insurance along with Medicaid recipients.

Under TennCare, services are being delivered by 12 private

health plans throughout the state. The sudden and radical reform has meant confusion and concern for many former Medicaid recipients.

Since Monday, more than 100,000 calls have been made to the state health department's TennCare information hot line — 1-800-669-1851. Because of the volume of calls, many callers were not able to get through the first time, state officials say.

Nicholson says her daughter is covered by a TennCare health plan operated by Blue Cross and Blue Shield of Tennessee. Her Nashville pediatrician has joined VHP Community Care, a health plan operated by Vanderbilt University Medical Center.

She says Blue Cross told her it would pay for ostomy bags ordered by the pediatrician, but the suppliers "say it's not OK."

"They won't ship the bags because they're not in the network," she says. Please see TENNCARE, page B-6



Carolyn Riviere gives a patient some hotline help on how to get a prescription filled.

FROM PAGE B-1

## TennCare: Rural patient says system leaves her feeling uninsured

Continued from page B-1

cause we don't have a (proper) provider," she says.

Griesheimer says his son, who was born with a rare eye condition, has been treated by Vanderbilt eye specialists.

Like Anna, Matthew is covered by the Blue Cross TennCare plan.

But Vanderbilt has not joined the Blue Cross plan, and Matthew will not be able to switch to the Vanderbilt plan for a year because of state regulations.

Because the Vanderbilt plan initially was limited to Davidson County, it will not be allowed to expand into other counties until 1995, state officials say.

Griesheimer says he called about 25 doctors before he found one in Madison willing to accept patients covered by the Blue Cross plan. He hopes the new doctor refers Matthew back to Vanderbilt.

But "if Blue Cross doesn't pay for it," says Griesheimer, who lost his job last month, "I'm stuck with the bill."

State finance commissioner David Manning, a chief architect of TennCare, says patients should be able to get all the services they need.

Every health plan must purchase unique care not available elsewhere in the community from specialized centers such as Vanderbilt even if the centers are not

in the plan's network of providers, he says.

The health plans also must provide all essential medical goods and services, including ostomy bags, he adds.

If patients don't get satisfactory results from their health plan, "call the hot line and we'll make sure they get the equipment," Manning suggests.

"We'll do what it takes to make sure they're being served."

But many patients, especially those in rural areas, are having a hard time finding a doctor willing to join any of the TennCare plans.

"It's very scary," says Misty Bostick, 29, of Sevierville.

Bostick says the doctors who formerly treated her and her 6-year-old daughter under Medicaid are not participating in TennCare. So far, she says, she has been un-

able to find any replacements.

"I'd be embarrassed to say I was a doctor and not help somebody," Bostick says.

Sara Harlan says her 3-year-old daughter Ashton had not yet recovered fully from a bout of whooping cough that hospitalized her last July when her pediatrician announced he would not participate in TennCare.

The former Medicaid recipient, who lives in McWherter's home county, Weakley, says she knows of only one family doctor in the county who has joined a TennCare health plan.

She says she will stay with her daughter's pediatrician even though it means her parents will have to help her pay the doctor's charges.

"It is being uninsured, basically," Harlan says of her plight.

1/6/94

Nashville Banner

# Doctors list on the way, state says

By TINI TRAN  
Staff Writer

With seven children ages 6-17, some with severe mental and physical problems, Robert and Colleen Goodale can't afford not to have good health care.

They were devastated when they found out they lost both their pediatrician and their neurologist all in one week because of a policy relating to TennCare.

"I feel very frustrated, very lost and very scared for my kids," Robert Goodale said. "At this point, with the doctors that we normally take our children to, we have no insurance coverage. If an emergency comes up, I don't know what we'd do."

The Goodales aren't covered by TennCare, but they're finding out the hard way that its implementation is directly affect-



## Some state workers must get new doctors

FROM PAGE 1A

ing their children's health care.

As a state employee, Goodale is insured by the state's health-care network, the Tennessee Provider Network, which is operated by Blue Cross Blue Shield of Tennessee.

But the Chattanooga-based company has told doctors participating in TPN that they must also treat TennCare patients to stay in the Blue Cross group. The network provides care for roughly 130,000 state employees and family members, Metro employees, teachers and employees of some large companies.

TennCare is Gov. Ned McWherter's attempt to replace Medicaid, the federal health-care program for the poor, with a state version that involves managed-care organizations like Blue Cross.

The mandate by Blue Cross has resulted in some doctors dropping out of TPN altogether, claiming that TennCare's low reimbursement rates and overload of patients don't make it economically feasible for them to remain in the network.

Loss of those physicians leaves families of state employees like the Goodales caught in the middle, said Linda McCarty, executive director of the Tennessee State Employees Association.

"Right now, we're experiencing

doctors dropping from the network, particularly pediatricians and primary care providers. We're very concerned about it because our members are facing the burden," McCarty said.

The Goodales say their biggest problem will be finding doctors to replace the ones they had because they're not sure who will accept their insurance.

A directory of the doctors in each plan, which will be made available to all Blue Cross members by Jan. 15, should alleviate some of those problems, said Glen Watson, senior vice president of Blue Cross.

"About 70% of our calls are about how to get into the managed-care process and whether a particular physician is in or not in. This directory should answer most of those questions," Watson said.

Metro employees, who are covered under similar terms, are facing the same problems of losing physicians they have been using, said Carol Edmondson, who works in the criminal court clerk's office.

"About 90% of the doctors we're going to are not accepting our insurance anymore."

Adding to the confusion has been little or no guidance so far from Metro for its 14,000 employees, she said. ■

CLEVELAND, TN  
DAILY BANNER  
1/11/99

# Financial risk keeps doctors away

## ... from TennCare contracts

Third in a series

By **BYRON J. CLARKE**  
Banner Staff Writer

While doctors' lack of support for TennCare has been portrayed as greed by TennCare officials, area physicians say they are just being realistic.

At the heart of the differences between doctors, TennCare officials and Managed Care Organization is money. Gov. Ned McWherter's office says TennCare is adequately funded, MCOs have contracts which guarantee their payment, but doctors say they will go out of business if they join TennCare.

No MCOs offer a guarantee of payment in the contracts they are offering, according to Dr. Steven Jackson, president of the Bradley County Medical Society.

Current TennCare contracts between doctors and MCOs allow for MCOs to withhold a percentage of payments to doctors in case the program runs out of money before the year's end. Not only do MCOs have the right to withhold payment, but, under some conditions, they can demand reimbursement payment returns from doctors at the end of the year, should the pro-

gram's funds be exhausted.

MCOs can get up to 100 percent of payments back from doctors and force them to treat patients for the rest of the year without payment under the current contracts, Dr. Hays Mitchell said. The amount of money MCOs can withhold at the start ranges from 5 to 50 percent, depending upon the MCOs individual contract, he added.

While TennCare contracts guarantee MCOs will at least cover overhead cost, doctors have no guarantee of being paid much less meeting overhead cost.

"Uncertainty of monthly income prevents any other business from accurately budgeting for employee salaries and other overhead expenses," and a physician's are no different, Jackson added. "Physicians bear the lion's share of the under funding risk while MCOs are virtually guaranteed their overhead cost."

Dr. Nancy Blank, a former president of the Bradley County Medical Society, agrees with Jackson's assessment of TennCare being a financial risk. "Significant shortfalls in TennCare funding could force a practice into great debt by year's end," Blank said.

Although most physicians are skeptical of a nonguaranteed payment contract, they say there are other shortcomings of the TennCare program. Some of these problems include under funding and abuse of the system.

TennCare's underfunding is carrying over from the old Medicaid system, according to Dr. Mitchell.

Doctors only receive 55 percent of the regular office visit payment for TennCare patients, he added. The amount of TennCare patients, formerly Medicaid patients, see by doctors in the Bradley County area has risen from 20 percent in 1982 to 50 percent last year, Mitchell said.

The idea for TennCare came from the Tennessee Provider's Network which insures state employees, but state employees pay 20 percent of their bills and TennCare recipients pay nothing, Mitchell said.

In addition to increasing the amount of people covered under TennCare, the state has also lost a source of revenue and not increased funding for several years. According to Dr. Blank, Tennessee has not increased funding for Medicaid during the last four years, and no additional money has been added. Not only have funds for Medicaid, now TennCare, gone without an increase from government in four years, but a hospital tax which use to put money into the Medicaid system has

ended this year, Blank added.

Some physicians say the lack of usage reforms from the Medicaid system to TennCare will lead to the same abuse and waist.

Dr. Blank said TennCare has got to cut down over utilization to keep providers in the program. Charging a small fee for each office visit for TennCare patients would help alleviate overuse, she added.

"Even \$5 a visit will help cut down on overuse," Dr. Jackson said.

In addition to charging TennCare patients small fees, some doctors have suggested letting doctors decide what test and treatments TennCare patients receive as well as removing liability from doctors who might prescribe additional test and procedures to avoid lawsuits.

"There is fraud in Medicaid and Medicaid mills, but for every one of those (fraudulent doctors) there are 150 good physicians trying to make it," Mitchell said.

# 18 Doctors air TennCare worries

## Malpractice costs a concern

By Phil West  
Associated Press

MURFREESBORO — Physicians made two points loud and clear during a 2½-hour meeting with Gov. Ned McWherter.

They don't like participating in McWherter's TennCare health care program as a condition of doing business with the state.

And they worry that taking on former Medicaid patients increases their liability from malpractice claims.

"I understand your concerns," McWherter told more than 100 physicians at Middle Tennessee Medical Center Monday night.

McWherter promised to work at solving those problems, but he could not guarantee results.

Doctors gave McWherter a cool reception at his first appearance before rank-and-file physicians since TennCare began on Jan. 1.

McWherter said he will support lowering financial liability for doctors' medical malpractice.

"I'll endorse it privately or publicly or any way that will help it the most," McWherter told the physicians.

TennCare is McWherter's plan to provide health care for 500,000 uninsured Tennesseans and 1 million Medicaid recipients through networks of health maintenance organizations and preferred provider organizations.

McWherter said he will hold similar meetings around the state.

Dr. George Eckles, a general surgeon, called the state TennCare hot line Thursday with questions about the new health care program for the needy.

He wound up talking with McWherter.

"It's a matter of working out our differences," Eckles said.

"We're frustrated. He's frustrated. He's got a program he needs to get moving because the state can't continue with Medicaid funding at the levels it has been."

Eckles said he invited McWherter to talk with physicians on staff at Middle Tennessee Medical Center, and McWherter accepted.

Doctors told McWherter they are most concerned about liability they might incur by taking on patients without ordering expensive diagnostic tests that help them diagnose ailments or injuries.

McWherter warned the doctors that Tennessee lawyers would fight efforts to cap physicians' legal liability.

"There's one committee in the house where you can't get a bill passed if the trial lawyers oppose it. And there's one in the Senate where you can't get a bill passed if the TMA (Tennessee Medical Association) opposes it," he said.

Physicians want to know how much liability they will undertake while participating in any of the 12 managed care networks operating under TennCare, Eckles said.

They also must agree to treat TennCare patients if they want to continue seeing public and TVA employees under the Tennessee Provider Network.

Physicians are calling that the TennCare "cram down" provision.

"I don't think anyone here disagrees we have to change the way we deliver health care or health care reform. I think everyone agrees with the basic concept. There's a few basic points we don't agree on," Eckles said.

Doctors fear they could wind up losing money if their costs of treating TennCare patients exceeds the \$1,214 the state sets aside yearly for each patient.

# 18 TennCare disrupts home health

By STEVE WILDSMITH  
Standard Staff

Talk to the director of Century Home Health Care, Jimmie Webb, and the biggest change she jokingly says she has undergone since TennCare went into effect on Jan. 1 is that she now has a phone growing out of her ear.

Century is signed with three managed care networks under Gov. Ned McWherter's new Medicaid reform plan, but the whole situation since its startup has been chaos for Webb's organization, which employs 12 field nurses and three office administrators and is the third largest home health care agency in the city.

"It's been a nightmare all the way around," Webb said. "We were on the phone all last week, and we can't get through to anyone."

Before TennCare, Webb said 10 to 20 percent of Century's clients were on Medicaid. Since Jan. 1, the business has added a significant number of new clients who are on TennCare, primarily because two of the city's largest home health care agencies, Superior and ABC, will not be accepting TennCare.

"We did not sign in because I don't believe they told us what TennCare was all about," said Hershey Glenn, director of Superior. "The rules were very obscure to us. We have a business to run. We want to survive because we have employees we have to think about. It's a financial risk."

However, the number of Medicaid patients Superior was seeing prior to TennCare was less than Century; only 10 out of all of Superior's patients were paying with Medicaid. A number of patients are now enrolled on TennCare and Medicare, but Medicare is the primary insurer in such cases.

) With ABC Home Health Care,

Associate Administrator Dorene Cowans said her agency had to discharge 12 patients who were previously on Medicaid because the agency isn't accepting TennCare. However, the agency made arrangements to direct the patients to home health care agencies that are taking TennCare.

Meanwhile, Webb and the other administrators at Century are struggling to maintain the quality of care to patients that they always have. Webb said the biggest problem is that the networks Century is signed with, Blue Cross Blue Shield, Healthnet and Affordable, won't pay for a patient's care unless the patient is on the network's pre-authorization lists. But due to the overwhelming confusion surrounding TennCare's startup, Century associates are having difficulty getting through to the networks to find out who is on the pre-authorized lists and who isn't.

"Everybody's trying to get pre-authorization," Webb said. "It was a nightmare to get through to anyone."

In an attempt to get new patients signed on with Blue Cross' pre-approved lists, Webb said the agency faxed a number of patient applications to the network on Jan. 5 with the promise of a 24-hour turn-around. As of Tuesday, the agency had only received approval on 20 percent of those original applications.

In addition, because many of the networks have yet to send TennCare identification cards to their member patients, many patients have been unable to obtain their medication from area pharmacies, forcing the agency to go through various channels in an attempt to acquire individual medicines.

The nightmare doesn't stop there. According to Webb, the networks are setting limits on the number of visits Century field nurses can make to a patient, regardless of doctor recommendation. For example, a doctor recommended that a patient recently discharged from the hospital receive home care three times a week for two months for a total of 24 visits, but the patient's network declared it would only pay for six visits.

In addition, Webb said she discovered a case last week where Healthnet refused to pay for a patient's visit to a doctor who, although on Healthnet also, was not the patient's assigned doctor.

"It's not enough to be on Healthnet," Webb said. "You've got to be John Doe's doctor on record."

One of the aims of TennCare is to cut the red tape and paperwork surrounding health care, but Webb said that won't be the case at all with Century because she is being forced to hire a TennCare coordinator in order to cope with the mass confusion accompanying the plan.

Although Century is suffering a monetary loss by serving patients who haven't been pre-approved by a network, Webb said the agency is not allowing any patient to go without care. She expressed hope the situation would clear up within the coming weeks and months.

"I hope it gets better," she said. "My expectations are that in a few weeks, we'll have manuals like we did with Medicaid, telling us what was covered and what wasn't. That'll help a lot, but the whole thing has been a big rush job."

# TennCare remains a bitter pill to swallow

By Kim Cooley  
HERALD-NEWS LIFESTYLES EDITOR.

Though TennCare has been a bitter pill to swallow, former Medicaid patients—and many health care providers—have been forced to take the new health care program exactly as prescribed by Governor McWherter regardless of the mounting questions surrounding the program and the way it works.

Under TennCare, which went into effect Jan. 1, 1994, enrollees are signed up with a maintenance care organization (MCO) which will negotiate with primary care providers—physicians, hospitals, pharmacies, etc.—to provide the best possible health care for the patient at the lowest cost to the MCO.

Seven MCOs have been assigned to serve TennCare patients in Rhea County. They are Access...Med Plus; Advantage Care; Better Health; Blue Cross/Blue Shield (BC/BS); John Deere Health Care, Heritage National Health Plan (John Deere/Heritage); MY Health Care Network; and Preferred Health Partnership (PHP).

TennCare patients complained last fall when they were required to sign with the MCO of their choice with little more than a packet of brochures to help them make their decision. In response to the complaints, TennCare officials have allowed patients until the end of this month to change MCOs, if they so desire, but many say there is no more information available now than was available last year.

"All we've done the past few weeks is answer questions about TennCare," said Rhea Medical Center business manager Marilyn Engel. "We have received hundreds—literally hundreds—of calls about the program, and we just don't have the information to an-

swer the questions."

Engel said that though most of the calls her office receives are from concerned patients enrolled in the program, many of the questions are coming from physicians, other hospitals, and even the maintenance care organizations themselves.

"The MCOs are telling us that their biggest problem is that no physicians are participating—they just can't get the doctors they need to serve the areas they are assigned to," Engel said.

"In Dayton, Dr. Fandall and Dr. Tutor are the only two adult physicians who have actually signed up to participate in TennCare. A representative from one MCO—John Deere/Heritage—told me that there are 700 patients in Rhea County enrolled in John Deere/Heritage. Two doctors can't possibly take care of 700 patients by themselves, and that's just the patients signed up with that one MCO!" (See chart on page 2 for a list of Rhea County health care providers participating in TennCare and the MCOs they are signed with.)

Engel said that the frustration of the patients is what concerns her the most.

"We have patients who come to us and are treated in our emergency room, then have trouble finding a pharmacy in the area enrolled with their MCO that will fill their prescription," she explained.

"I talked with a 92-year-old lady recently who called to complain that she had used the same doctor and same pharmacy for almost 30 years. Now she was facing the same dilemma as most TennCare patients—either her physician, her pharmacy, or both were not enrolled with the MCO she was assigned to. She was very frustrated and confused. Her story exemplifies the majority of the calls we are answering."

Engel said she also received a call the other day from a woman who lived in Cumberland County and couldn't find anyone there to treat her under her MCO.

"She had signed with Advantage Care, and none of the physicians or the hospital in Cumberland County had signed up with Advantage," Engel said. "She was being forced to locate a new physician and even a new hospital to be treated at an hour-and-a-half drive away from her home. It's just a terrible situation to face right now."

"The patients aren't the only ones making sacrifices," Engel said. "The MCOs are finding it necessary to change their views on issues as they go along."

"Right now, for instance, Access...Med Plus is allowing its enrollees to continue to see their individual physicians, whether they are signed up with Access or not, until it can find physicians to treat them."

Engel said physicians and hospitals are concerned about the welfare of their patients, as well.

"I've gotten a number of calls from physicians and hospitals in other areas that have chosen not to participate in TennCare. They are trying to locate care for their regular patients who are enrolled in TennCare. Everyone is concerned about the patients' welfare, but it seems no one has any clear-cut answers at this point."

One Rhea County resident enrolled in TennCare—and signed up with John Deere/Heritage—says her family has not had to use the insurance program yet, but she dreads the time when they would.

"We have not received a card or verification or any kind of proof that we are enrolled in TennCare," she said. "We don't have anything to show a hospital or physician should they ask for it."

Engel said many of her callers have said they same thing.

"I've seen a lot of BC/BS cards, but that's about it" she said. "Many of our patients say they haven't received any verification of enrollment. I've spoken with John Deere/Heritage, and officials there say they have mailed out cards, but it seems none of its enrollees have received them yet."

Dave Hester, pharmacist with Eckerd Drugs in Dayton, said he would like to "hang the man" responsible for TennCare. Though his comment was made jokingly, Hester says TennCare is no laughing matter.

"There are so many problems with this program, so many problems," Hester said. "TennCare was so haphazardly thrown together that officials didn't have time to think anything through."

Hester said the biggest problem he and other pharmacists are facing is finding out what prescription drugs are covered under TennCare.

"With the Medicaid program, pharmacies were issued a formulary listing the prescription drugs that Medicaid would cover.

"Well, TennCare went into effect Jan. 1, and we had no formulary to go by except our Medicaid formulary. Now when our formulary says a patient's prescription drug is covered, we call the patient's MCO to confirm it. More times than not, the formulary and the MCO don't agree—one says it's covered, one says it's not. It's a mess."

Hester says some of the MCOs are trying to be cooperative, but it doesn't lessen the confusion.

"Access has told us it will pay for all prescriptions until next week when its formulary is issued," Hester said, "but most MCOs don't have their formularies out yet. It just doesn't make sense. These formularies needed to be issued before the program went into effect."

Another problem Hester said pharmacists are encountering is verification of covered patients.

"I have TennCare patients come in here every day with valid cards from their MCOs," he said. "Then when I try to fill their prescription, the computer rejects them. Even when I call the MCO, they don't have any record of the patient. How can we help these people when the MCOs haven't even incorporated them into the program yet?"

Hester said that despite his frustration with the program's disarray, his main concern is with the patients.

"John Deere/Heritage doesn't want to pay pharmacies anything for prescriptions, so most pharmacies are not signed with them," he said. "We have patients in here every day who are signed with John Deere/Heritage and are having to change pharmacies. It's inconvenient for them. Then there are the elderly or disabled who have been able to have their prescriptions delivered. Now they are having to change to a pharmacy that doesn't deliver. How will they get their medication? Seriously, who is that helping?"

Hester said that though most of his customers did consult with him last year to see which MCOs Eckerd would be honoring before they chose one for themselves, he still has to turn some away.

"A lot of our customers did ask us last fall which MCOs we would be signing with, but we really didn't know back when they were required to make their decision initially," he said. "Now that we have made our decision, a lot of them are changing to the MCOs we have chosen, but we still have to turn away TennCare patients every day."

Despite the varying problems faced by TennCare patients and participating care providers, one thing appears to be agreed upon by all the players in this new health care game—confusion and lack of information are at the root of all TennCare evil.

"We are trying to do what we can for TennCare patients, but the information available to us is so limited that there's not a lot we can do at this point," Engel said. "A

TennCare patient told me the other day that when she called her MCOs 'help line,' the person who answered the phone listened to her question then told her that she was just a temporary they had hired to take messages and that she couldn't answer her question. I couldn't believe it—and neither could the patient."

Hester reiterated Engel's dismay.

"I called one of the MCOs a day or two ago to make some inquiries," he said, "and was told by the person that answered that she didn't work in that department but had been asked to help answer the phone."

Some of these questions may be answered on Tuesday, Jan. 18, when an open forum on TennCare will be held in Rhea County at First United Methodist Church in Dayton at 7 p.m. Representatives from each MCO are expected to attend to give an outline of their respective health care plan.

The forum is open to the public, and all TennCare patients and participating health care providers are encouraged to attend. A question session will be part of the forum.

Hester doesn't seem too optimistic that things will be on track soon with the new statewide health care program.

"TennCare patients come to those of us in the health care field for answers to their questions," he said. "They trust us to get these answers. But the people we health care providers are supposed to be able to trust and go to for answers can't give us the answers we need for our patients. You can imagine where that leaves us. It's not a good situation."

# TennCare problems hit ER

BY JOHN BRANNON  
Messenger Staff Reporter

Baptist Memorial Hospital-Union City has experienced a 17-percent increase in emergency room patients since Jan. 1 when TennCare went into effect, a hospital spokesman said today.

"I think it's due to the fact there are no physicians in this area who have signed up for TennCare," said the spokesman, who requested to remain unidentified. "These people are needing medical care and the emergency room is where they're seeking that care."

The source said BMC-UC is experiencing a "lot of problems just getting information" with the implementation of TennCare. "We get information one day from the MCO's (managed care organizations), which in this case is Blue Cross or Med-Plus, and then get conflicting information the next day.

"There are more requirements on having to call and get services approved through the MCO. That's causing a slowdown as well as an increased patient load. We're seeing the waiting time increase in the emergency room."

The impact of the big increase in ER visits has put a burden on already strapped resources, according to the spokesman. "Any time we treat someone, that's an additional expense. Our concern is reimbursement, whether we're going to be reimbursed for these people coming to the emergency room who are not true emergencies," the spokesman

## TennCare...

(Continued from Page One)

said.

As for whether there's a "light at the end of the tunnel," the source said things will eventually work out. "But there's going to have to be a lot of fixing, a lot of changes on the administrative side to where

people can get correct answers to questions when they call, so if you make a phone call and ask a question you can depend on that person giving you a valid answer. We try to put something in place one day to handle a situation, and we find out the next day what we did the day before was wrong.

"Right now, we're trying to deal with the administrative side of it.

It's probably the biggest problem we're having. Short term, it's just a battle for us. The uncertainty is the big things — not knowing what to expect from one day to the next. Each MCO has its own rules and regulations for the operation of TennCare. We're having to learn those rules and regs. And you get different interpretations from one day to the next."

pg. 1 of 2

Nashville Banner, Nashville, TN

JANUARY 21, 1994

# Patient dies in TennCare shuffle

## But state program head says AIDS victim's move avoidable

By Bill Snyder  
Banner Senior Medical Writer

A Midstate AIDS patient spent the last three days of his life being shuffled between two hospitals and a nursing home partly because of confusion about TennCare, his health care providers say.

"It's a sad state of affairs when a man is shunted around on the day of his death," says Dr. Jefferson C. Pennington, an official of Meharry-Hubbard Hospital, where the patient died Jan. 8.

"It's unfortunate to transfer a man on his deathbed for no other

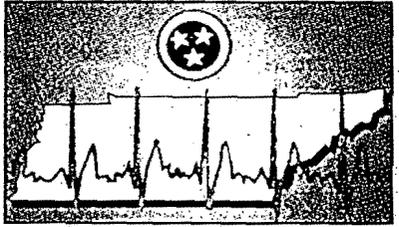
than economic reasons," Pennington says. "It lacks dignity."

Did it have to happen? "No," say state and health plan officials.

Could it have happened before TennCare? "Maybe," they say.

TennCare was implemented Jan. 1 as a cost-cutting alternative to most of the state's Medicaid program. In addition to former Medicaid recipients, it also covers people who do not have health insurance.

The program was designed to rein in the burgeoning Medicaid budget in part by requiring private health plans to "manage" the care



## TENNCARE

patients receive.

During the first week of January, the 58-year-old AIDS patient, who was covered by a statewide TennCare plan operated by Nashville-based Access MedPLUS, had been treated at Maury Regional Hospital in Columbia.

But the hospital is affiliated

Please see DEATH, page A-2

## Inaccurate provider list leaves doctor 'stunned'

By Bill Snyder  
Banner Senior Medical Writer

Three weeks into the TennCare program, patients are still having trouble finding doctors, some health care providers say.

Dr. Victor Braren, a pediatric urologist in Nashville, says he has had trouble finding general pediatricians willing to accept children covered by a TennCare plan operated by Blue Cross and Blue Shield of Tennessee.

"We have at least a half-dozen kids falling into this," Braren says.

Blue Cross gave his office manager a list of 50 Davidson County pediatricians in its TennCare plan but nearly half were not listed in the phone book, had retired or had left the state.

"There are people here I've never heard of," Braren says.

"I'm stunned," he says, "that large statewide organization like this cannot come up with a list that's accurate."

State Sen. Randy McNally, Oak Ridge, says he found the same

Please see DOCTORS, page A

B 2 of 2

**Doctors:**

'I think situation is getting worse rather than better'

Continued from page A-1

More than half of the 29 physicians listed in the Tennessee Provider Network had moved, retired, were not in the phone book or were not taking new patients, McNally says.

The Blue Cross TennCare plan is using the same doctors who are participating in its large commercial plan, the Tennessee Provider Network. That plan covers state employees, teachers and employer groups.

Many doctors have complained over the past several months that the conditions of participating in the Blue Cross TennCare plan are unreasonable, and some have dropped out of the Tennessee Provider Network as a result.

A recent study by the Tennessee State Employee Association found the number of physicians participating in the Tennessee Provider Network dropped from 6,766 in June 1993, to 3,895 last month.

The number of primary-care doctors, including family doctors and pediatricians, dropped from 2,401 to 1,494.

Blue Cross is not alone, McNally asserts. Other health plans participating in TennCare, including Access MedPLUS, also have had problems recruiting physicians into their networks.

"I think the situation is getting worse rather than better," says McNally, a hospital pharmacist who serves on the Legislature's TennCare Oversight Committee.

"The networks are breaking down," he says. "What TennCare is doing is fracturing the health care delivery system."

"We have exactly the opposite view," says state Finance Commissioner David Manning.

The TennCare hot line operated by the state Health Department is "fielding fewer and fewer reports of problems," Manning says. "Things are settling down."

**“**  
The networks are breaking down. What TennCare is doing is fracturing the health care delivery system.  
**”**

— Randy McNally, State senator

Blue Cross officials could not be reached for comment, but previously they have said they are working hard to update their list of physicians.

The dropouts from the Blue Cross network and the errors in its list are "not terribly disturbing," Manning adds.

"The Blue Cross network, even at the lowest level, is a good, solid network," he says.

Andrea Thaler, director of public sector operations for Access MedPLUS, acknowledges the health plan has had problems signing up physicians in some areas of the state, including Maury County.

But "we are making some headway," she says. "We've worked out arrangements with some of the physicians to pay them fee-for-service until we can work out an arrangement with them."

"Our members are being cared for." Federal health officials, who approved the TennCare program late last year, say they are aware of concerns there are not enough doctors in the program, but they believe those problems will be worked out.

"We're very sensitive about it," says Clarence Boone, acting regional administrator of the U.S. Health Care Financing Administration in Atlanta. "There needs to be access to services."

"We've not heard any complaints about it in the last week or so (but), we'll continue to monitor it to make sure there is access to care," Boone says.

Under TennCare, an individual could have continued to see the same doctor without interruption," he says.

"We faxed a letter on Dec. 31 to every hospital in the entire state — 'Let us know if you're treating our patients and we'll approve any care you render and pay at the Medicaid fee-for-service rate,'" adds Andrea Thaler, director of public sector operations for Access MedPLUS.

"We'll pay any bill (for TennCare-approved services) for the month of January," she adds, so care is not disrupted while patients are being assigned to primary-care doctors in the health plan's network.

But McClure and officials of Maury Regional Hospital say they have received confusing information from the state and the health plans during the past few weeks, and they are not sure they will be paid for caring for the man.

McClure says he has not signed up for any TennCare plan because he believes the program is underfunded.

"It looks to me like a deficit is inevitable," he says, because the state intends to spend less money covering more people than it did under Medicaid last year.

As a result, he adds, hospitals and physicians are at "significant financial risk."

**Managing concerns**

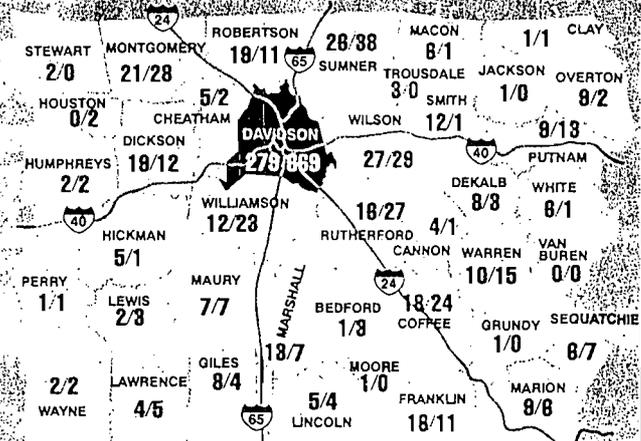
Darlene Baxter, the hospital's assistant administrator, says she worries about the ability of the health plans to hold down costs by "managing" the care patients receive.

Emergency room visits are down slightly compared to the same period last year, indicating former Medicaid patients have gotten the message that they are not to go to the emergency room for treatment of minor, non-emergency complaints, Baxter says.

If they do, they will have to pay about \$6. But "the system, as of right now is really not managed care because the (health plans)

**TennCare's Impact on Blue Cross**

A county-by-county look at the number of Blue Cross/Blue Shield-affiliated physicians participating in the Tennessee Preferred Network (Tennessee Preferred), which also is available to TennCare recipients. (The first numeral represents the number of primary care physicians, the second number is the number of other TPN physicians (specialists))



**The drop-out rate**

Physicians participating in the Tennessee Preferred Network of Blue Cross/Blue Shield before and after the approval of the TennCare Program in the state.

COUNTY	TPN members June 1993	TPN members Dec. 1993	COUNTY	TPN members June 1993	TPN members Dec. 1993
Bedford	13	4	Maury	72	14
Cannon	5	5	Montgomery	74	49
Cheatham	8	7	Moore	1	1
Clay	4	2	Overton	13	11
Coffee	59	42	Perry	4	2
Davidson	1,666	948	Putnam	55	22
DeKalb	12	11	Robertson	31	30
Dickson	43	31	Rutherford	99	43
Franklin	3	27	Sequatchie	5	13
Giles	26	12	Smith	15	13
Grundy	4	1	Stewart	2	2
Hickman	7	6	Sumner	112	64
Houston	5	2	Trousdale	4	3
Humphreys	13	4	Van Buren	0	0
Jackson	2	1	Warren	42	25
Lawrence	22	9	Wayne	4	4
Lewis	5	5	White	9	7
Lincoln	18	9	Williamson	71	35
Macon	7	7	Wilson	61	56
Marion	19	15	STATE TOTAL	6,766	3,895
Marshall	22	20			

From the Blue Cross/Blue Shield Tennessee Preferred Network Directory, June, 1993 and December 15, 1993. Source: Tennessee State Employee Association. Banner map by Leigh Malton Singleton

**Death:**

Ordeal reveals shortage of beds in nursing homes

Continued from page A-1

with two other TennCare plans, and hospital staff say they could not find a doctor in Maury County who had signed up with Access MedPLUS.

A day before the man's death, a doctor in Nashville who was part of the Access MedPLUS provider network, agreed to care for him, and he was transferred to Meharry-Hubbard Hospital, about 40 miles away.

The man, whose name is not being published to protect his family's privacy, died a little more than two hours after he was admitted to the Nashville facility.

Dr. Robert McClure, who was treating the man in Columbia; says he would not have transferred the patient if he knew he was going to die that day.

And he does not believe the trip to Nashville hastened the man's death.

"A patient with full-blown AIDS can go from looking pretty good to dying within 12 to 24 hours," McClure says. "Even if he'd stayed here, I'd not have done much different than what we were already doing."

But he adds, "If it had not been for TennCare, he'd have stayed down here."

**Providers confused**

The patient could have stayed in Columbia, insists Manny Martins, head of the state's TennCare Bureau.

The state requires private health plans to pay for services to acutely ill patients, such as those with AIDS, for 30 days — even if the patients' health-care providers are not members of the plans' network, Martins

have not had time to get primary care providers in place," she says.

If the plans had primary-care providers such as family doctors and pediatricians in place, "so when a person gets a TennCare card, the name of the primary care provider is on the card, none of these problems would be taking place," Baxter says.

**Start-up problems**

State officials admit there are problems in starting a new program that now covers an estimated 700,000 people.

But they insist there is enough money in the program to make it work, and that overall, the health plans have adequate networks of physicians.

Some of the problems arising today existed under Medicaid.

"There wasn't good access under Medicaid," says state finance commissioner David Manning, a chief architect of TennCare.

"In many instances, individuals could not find primary care physicians," adds Manny Martins, head of the state health department's TennCare Bureau. As a result, "they were using the emergency room, not by their own choice."

Now they are being told, "this is not an appropriate place to get that kind of care," Martins says.

**Nursing home woes**

Another problem that existed before TennCare was availability of nursing-home beds, experts say.

Three days before the AIDS patient's death, he spent 24 hours in the emergency room at Maury Regional Hospital while hospital staff tried to locate a nursing-home willing to admit him.

At that time, the man was not sick enough to be admitted to the hospital, McClure says, "but it also was clear he was not able to take care of himself at home."

The hospital finally located a nursing home and transported the patient there. But within a couple hours, the man was sent back to the hospital because the nursing home had not received the preauthorization form from Medicaid approving the admission, the doctor says.

Nursing home admissions are still covered by the state Medicaid program.

They have, however, tended to "drag their feet" when asked to admit costly and difficult patients like those who have AIDS or other infections, McClure says. "Sometimes the availability of a bed depends on the patient," he says.

TennCare didn't create this problem, but neither is it solving it, he adds.

"What we're seeing is people becoming more aware of some of the problems that I believe have always existed," Martins says.

The old Medicaid program "was not going to do anything to improve quality care and access to care," he says.

"This program offers many positive, innovative approaches. It is going to have bumps. But I think it's going to work well."

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# Problems persist for all involved

## Patients finding doctors are rare



By TAMMIE SMITH  
*Staff Writer*

Gripes about TennCare are rolling in — still. For Evelyn Carney, it's finding out that her 5-month-old son's pediatrician is not on the health-care plan she signed him up for and not knowing how to switch plans.

For Patricia Gereben, 49 and disabled, it's being unable to find a physician on the plan the state chose for her because she didn't pick a plan herself.

"The few doctors who are taking any part of TennCare are so jam-packed now you almost can't get to see them," Gereben complained.

For Ben Reed, 49 and disabled, it's getting a list of providers from the health plan he was signed up with after he had sent the TennCare Bureau a letter telling them to change him to a different plan.

Enrolling in TennCare, Reed said, was like going on a blind date.

"And before you go, you agree to marry the person you go out with. They should have furnished more information."

It's been a busy and confusing three weeks for the state Health Department as it moves its alternative to Medicaid into place. The new system is intended to reduce costs by using managed-care organizations, or MCOs, to control patients' access to health care.

The state maintains that the glitches are temporary. They point to fewer calls to the TennCare Information Center as evidence.

In recent days, the hot line has gotten just more than 10,000 calls a day, down from more than 50,000 calls made Jan. 3, the first business day TennCare was in effect.

The questions are getting more difficult, said spokeswoman Diane Denton, a sign that people have gotten their basic questions out of the way.

"People want to know specifically about their situation," said Denton.

Those questions, in many cases, are taking research beyond what the state workers are able to get done in

↳ Turn to PAGE 2A, Column 1

## State telling businesses, MDs 'fix it yourself'

By TAMMIE SMITH  
*Staff writer*

After spending more than a week trying to get two TennCare patients referred to specialists, Dr. William Spears wishes the state would make the managed-care organizations get their acts together.

Medical supplier Joel Holland wishes the state would make sure the business gets spread around.

—The state has news for them: It's not going to fix their problems anymore.

"Under TennCare, the state in many ways is out of that business of running a health-care system, which the state never did very well to begin with," said Ken Renner, spokesman for Gov. Ned McWherter.

"We believe it can be done better by private enterprise."

Doctors and other medical providers will have to settle their differences with the managed-care organizations — the middlemen in the state's new system of providing health care to the poor.

The MCOs' job is to take the money the state pays them per patient and coordinate health-care networks to meet these patient needs. This is to be done within a framework of providers — physi-

↳ Turn to PAGE 2A, Column 1

## Calls aren't as frequent, but queries more difficult

FROM PAGE 1A

a 10- to 20-minute phone call.

"If we can't answer it, we take down their name and number and call them back within 48 hours," Denton said.

But there are still quite a few callers with the nuts-and-bolts questions. Some common questions, and Denton's answers:

1. You can't find a doctor. Your old doctor isn't taking TennCare patients; how do you find a new one?

Call the managed-care organization you are signed up with. The state required them to prove they had enough doctors and other providers to be in TennCare.

"They are responsible for signing up their own providers," explained Denton.

The agencies should be able to send you a list, but expect the lists to be incomplete, as doctors are being added or dropped all the time. It may help to ask your MCO for a new list or specifically for the names of physicians who have signed up since a particular time.

Another suggestion is to find a doctor, then ask the doctor which plan he or she is on.

2. You can't find a doctor taking new patients.

You get a list from your managed-care organization, but the doctors you've called are not accepting new patients. Can they refuse you?

The state says that's up to the MCOs.

"It depends on what they are contracting with the doctors," Denton said. "It's individual MCO policy."

So where does that leave you if you get sick and haven't found a doctor? Should you go to the emergency room?

Not unless it's a bona fide emergency, says

### Nashville-area MCOs

Access-Med Plus: 1-800-523-3112  
 Advantage Care: 1-800-449-3339  
 Affordable Healthcare: 1-800-742-5242  
 Blue Cross/Blue Shield: 1-800-836-6227  
 Health Net: 1-800-251-1523  
 VHP Community Care: 343-2669

### TennCare hot line

TennCare Information Center:  
 1-800-669-1851

Denton.

"That's one reason why the old system was so expensive. If people go to the emergency room when it's not an emergency, they will have to pay something."

If you get sick and still don't have a primary-care physician, Denton says, call your MCO and ask what you should do. Emergency care is only for emergencies.

3. You can't get an answer at the TennCare hot line.

The state says that shouldn't be a problem anymore. At any time, 260 workers are answering telephone lines that ring into the TennCare Information Center. The workers are logged onto computers with information on TennCare enrollees and have in front of them notebooks with answers to the most commonly asked questions about TennCare.

If your question is specific to whether you are enrolled or on which plan you are enrolled in, have your Social Security and Medicaid numbers handy. The workers can punch that information in and tell you right away.

Denton said the center has logged more



Ken Alexander/Staff

Debbie Thompson takes calls on the TennCare hot line.

than 345,000 calls since opening Dec. 15.

"We have enough operators on where people should not be getting a busy signal anymore," she said.

Denton said the workers, most of them state employees doing their regular jobs part of the day and answering TennCare lines the other half, were given about a day and a half of training to prepare them to answer the calls. The questions they can't answer are to be referred to supervisors.

4. You're not even on TennCare but you are being affected by it.

Denton admits that the information center has gotten calls from people who just want to complain. They work and have to pay for their health insurance, so why should some folks get it for free? *The Tennessean* has gotten calls from consumers in Blue Cross Blue Shield's Tennessee Preferred Network complaining that they are having to find new

doctors because theirs are dropping out of the plan because of TennCare.

"They need to complain to their doctor," Denton said. "There's not really anything we can tell people here."

5. My doctor's not on the plan I chose; how do I switch plans? You have until Jan. 31 to change plans.

To do so, write the TennCare Bureau a brief note. Include your name and Social Security number and the plan you want to switch to. Include the same information for each member of your family.

Send it to TennCare, P.O. Box 820, Nashville, TN 37202-9968.

All changes will become effective Feb. 1.

You will remain with the plan you switch to for at least a year. The state plans an open enrollment period next year in which people can switch plans again. ■

## MDs point out key problems in new system

By TAMMIE SMITH

Staff Writer

Physicians have identified some key problems they have with TennCare. We asked state officials to respond to their concerns. Here's what they told us:

1. The managed-care organizations are telling me how to practice medicine.

Doctors say they are being asked to sign contracts that say they have to see TennCare patients within 45 minutes of appointment times and within two weeks of calling for appointments. They can't guarantee this in their regular practice.

State officials agree that there are certain standards they have asked MCOs to meet, partly to ensure that TennCare patients are not treated like second-class citizens.

The standards, however, are not new to doctors. Most come from policy guidelines developed by national physician groups. In addition, they are standards, not absolutes. There are no penalties for not adhering to them.

2. They can change the rules at any time.

Doctors have complained that some of the MCO contracts can be changed with 30 days notice.

The state's advice: Negotiate better terms. "If they have a problem with a contract, they have the option not to sign it. If they don't sign it and enough other physicians don't sign it, the contract will probably be reviewed and changed," said Ken Renner, spokesman for Gov. Ned McWherter.

3. We can't get patients the care they need.

Doctors say they are having problems getting patients in to see specialists and for general care. Hospitals say they have to turn away people at emergency rooms.

Renner agrees it has been a problem. Officials are working on solutions, including having the MCOs embark on additional education campaigns and extending their customer service hours.

Some hospitals are looking at establishing clinics in conjunction with their emergency rooms so people who don't have actual emergencies will have a place to go for treatment. ■

## State wants MCOs, doctors to work out kinks in TennCare

FROM PAGE 1A

cians, hospitals, medical suppliers — who are used to operating in a fee-for-service environment.

It's not sitting well with some.

"We have been providing for Medicaid patients for years, even when it hurt and Medicaid did not pay very well," said Holland, owner of 4-year-old Holland Medical Equipment.

"Now that TennCare has come along, let's take one of the MCOs — Vanderbilt Health Plan. Vanderbilt has contracted with one medical supplier, and they won't do business with anyone else. So all

the local companies that have been taking Medicaid for years are now excluded."

That sometimes happens in a free market system, the state says.

"The state is still settling, to some extent, health-care policy, in terms of what services are to be provided and what the benefits package is," said Manny Martins, TennCare director. "What the state is allowing the private marketplace to do is determine what the appropriate rates are for health-care services."

But providers like Spears, Holland and a roomful of Murfreesboro doctors who met with McWherter and Martins two weeks

ago to gripe about TennCare say it won't work if some basic problems are not dealt with quickly.

Spears, a Fayetteville pediatrician, said his office tried for more than a week to refer a 4-year-old girl with a congenital heart defect and an 18-month-old boy recovering from liver failure to specialists they had been seeing at Vanderbilt University Medical Center.

"Vanderbilt would not see them until we had referrals from the MCO," said Spears.

"The situation wasn't life-threatening. It was just pretty frustrating for the parents and time-consuming for our office. They've

got to figure out some way to streamline that better."

The state is working on ironing out some kinks in the system — referrals among them — but are not going about it heavy-handedly.

Again, their position: The market will fix it. If enough physicians don't like how the MCOs are operating, the MCOs, to survive, will have no choice but to change.

"People have come to the governor and said, 'We don't like this element of the contract, what are you going to do about it?'" Renner said.

"The governor says there's nothing he can do about it. Have you

talked with them about it? Under TennCare, that's where the communication needs to occur."

Renner said that approach is already working.

"Blue Cross early on published a rate schedule under TennCare that primary-care physicians found to be inadequate. They let Blue Cross know it. Because of that Blue Cross went back and made changes in the rate structure.

"There was a marketplace reaction and there was a response from the company. By the state getting out of the way, we have allowed them to work out their problems." ■

# Family copes with TennCare choices

By David Keim

News-Sentinel staff writer

Brenda Braden's daughter sees three doctors.

With the arrival of TennCare, Braden worries about choosing between them or paying to keep them.

That doesn't help her daughter.

"When she does get upset, you can tell the difference in the way she feels physically. She aches more. She has upset stomachs more," the Lake City woman said.

"Right now we have reassured her that you will get to the doctor; you will see them no matter what. But she's old enough to understand it puts you in a financial bind."

Sherri Braden is 18 and has rheumatoid arthritis.

She said the arthritis feels like a bad toothache.

Besides her family doctor, she sees a cardiologist every six months if things are going well. She also sees a rheumatologist every four to six weeks.

The issue for Brenda Braden, a licensed practical nurse, is finding specialists who are signed up with the Bradens' TennCare plan.

She worries that if she can't find such doctors, she'll end up paying out of pocket.

If there is another specialist within 45 minutes who's on their plan, they should try to see that doctor, said TennCare Director Manny Martins.

If not, their plan should still pay their current doctor.

"If a plan doesn't have a particular specialty, (the plans) still

have to pay for the service out of (their provider) network," Martins said.

But Braden's rheumatologist isn't sure he wants anything to do with TennCare as it stands now.

"Our main concern is to take care of patients and to do the best job we can do in that," Dr. Jay Warrick said. "We have no inten-

tion of telling those patients they can't see us any more. We also have no intention of signing any contract we feel is unfair."

Would he accept TennCare money if he can get it without signing with a TennCare plan?

"It depends on what the payment is and what strings are attached to the payment," he said.



## BAPTIST HEALTH REPORT

FEATURING LISA STEARNS



THIS WEEK'S TOPIC:  
**NO MORE SNORING**

Dr. Rosanne Barker and a patient show how a C-Pap can put an end to snoring.

**ON WBIR-TV, CHANNEL 10**

TUESDAY, 6:59 P.M.  
(Before Wheel of Fortune)

WEDNESDAY, 7:15 A.M.  
(During The Today Show)

# State health network loses over half its Knox doctors

## Critics: List shows TennCare is low on primary physicians

By Marti Davis

News-Sentinel staff writer

A list of Knox County physicians participating in the Tennessee Providers Network has dropped by more than half, according to a new "verified" list of physicians released this week by Blue Cross/Blue Shield of Tennessee.

The new list, to be widely circulated beginning Friday, includes the names of 287 doctors participating in the TPN. A 1992 booklet issued to Knox County employees showed almost 800 doctors in the same network.

The TPN serves all Knox County, state and TVA employees, plus many others at private businesses.

Blue Cross has required that its TPN doctors participate in TennCare, the state's new medical welfare program, if they want to remain in the TPN. Some doctors say Blue Cross has attempted to force unreasonable contract terms on them and used their large number of TPN customers as leverage. As a result, hundreds of doctors have withdrawn from the TPN at a time when the number of Blue Cross patients sharply increased under TennCare.

TennCare replaced Medicaid in Tennessee and eventually is aimed at covering those previously uninsured.

Critics are calling the result "a

crisis" — not just for TennCare patients but also for the many TPN customers now facing a shortage of physicians.

"I have a strong feeling that the TennCare patients will not find available physicians," said Dr. Robert Overholt, president of the Knoxville Academy of Medicine.

"Some of the listed primary-care physicians are no longer taking new patients. This is going to cause a huge crisis across the state of Tennessee."

Under TennCare, which took effect Jan. 1, all patients are assigned to a primary-care physician who oversees their medical care. It is the primary-care physicians who are withdrawing from TPN in the greatest numbers.

For instance, of 72 family practice physicians formerly in TPN, 18 remain. One of those on the "verified" list, Dr. Harry Ogden, is retired. At least two others, Drs. David Hassell and Anthony Florian, are not accepting new TennCare or TPN patients, according to their office staffs.

"Dr. Hassell hasn't taken any new patients in three years," said the person who answered his office phone.

Among other primary-care physicians:

- The number of internists dropped from 64 to 14.

- The number of pediatricians fell from 64 to 38.

- Obstetricians dropped from 57 to 9.

"That's all the primary-care physicians," said Overholt.

As a result of the large number of physicians withdrawing from the TPN, Knox County and TVA officials have indicated they are looking at other insurance options, though they currently remain with Blue Cross.

While many doctors have withdrawn from the TPN, many of them have signed up with one of the other six managed-care organizations serving TennCare patients in Knox and surrounding counties.

The new MCO at the University of Tennessee Medical Center, Total Health Plus, now has the largest number of primary-care doctors, a total of 227, according to the state Department of Insurance.

The numbers of primary-care physicians in other MCOs serving Knox County are as follows, according to Steve Pitts of the Insurance Department:

- Blue Cross/Blue Shield, 114.

- Preferred Health Partnership, 78.

- TennSource, also referred to as Health Source, 14.

- Heritage/John Deere, 7.

- Access Med Plus, 5.

- Phoenix, 3.

Some primary-care physicians are enrolled in several different MCOs. The state has said it does not have a list that shows the total number of primary-care physicians participating in TennCare in Knox County.

# Baby dies in TennCare maze

By Bill Snyder  
Banner Senior Medical Writer

One-month-old Crystal Johnson died in Jackson last week after her mother spent several days trying unsuccessfully to find a pediatrician who would accept TennCare, the woman says.

The mother, Linda Johnson, says she was turned down by several different health providers.

At one point, she adds, she pleaded with an office clerk of a large physicians practice to make an appointment for her daughter, who had chronic diarrhea and an apparent stomach ache.

"I told her, 'She really needs to see a doctor,'" Johnson says. "I begged her."

But she says the woman told her, "Ma'am, I'm just sorry. The doctor will not see you."

Anne Campbell, a vice president of Jackson-Madison County General Hospital, where the baby finally was treated, says the mother "did everything she knew how to do."

"When she went for help, the help wasn't there," Campbell says.

"This was a very sick baby with lots of problems," says Dr. David Roberts, a physician with the University of Tennessee Family Practice Center in Jackson, who helped care for the child before her death.

"Even prompt medical care would not necessarily have guaranteed a different outcome," Roberts says. "But it certainly would have been better if the child had been seen two weeks ago or three weeks ago."

Because of confidentiality concerns, Roberts says he cannot reveal details of the baby's condition or the cause of death.

## 'I begged' for help, mom says

Even before TennCare, the state's cost-cutting alternative to Medicaid, took effect Jan. 1, some children would reach health care providers "very, very late," he says.

Often that was because of poverty, lack of education, transportation difficulties and other social circumstances.

"I don't think any physician in Jackson — if they knew this baby was this sick — would have turned this baby down," Roberts says.

But Roberts says he believes problems in the "medical care system" contributed to Johnson's difficulties in finding a doctor.

"I really believe she was trying to do what she thought was right," he says.

State finance commissioner David Manning, a chief architect of TennCare, says the state is investigating the incident.

And while he admits there are problems with the start-up of TennCare, he adds that the alternative was major cuts in Medicaid services to control its burgeoning budget.

"We know with certainty a lot of people would have been hurt — hundreds of thousands would have been cut off completely," Manning says. "The alternative to change was elimination of hundreds of thousands of people from (Medicaid) coverage altogether."

The problem, critics say, is TennCare was rushed into place before health plans, health care providers, or patients had a chance to get ready for the change.

The resulting confusion has created obstacles for some patients, particularly if they are unsophisticated and not assertive about purchasing health insurance, says Dr. David Moroney, president of the Davidson County Pediatrics Association.

"They thought they could simply force it," adds Ken Marston, spokesman for Jackson-Madison County General Hospital. "There are very few times when one can force something and make everybody come out all right."

### Trouble from beginning

Johnson delivered twins Crystal and Christopher a month prematurely at Jackson-Madison County General Hospital on Dec. 2. The babies left the hospital about a week later.

The 27-year-old woman has five other children and lives with her mother in Maury City in Crockett County, about 30 miles northwest of Jackson. She had been covered by Medicaid for 10 years.

Johnson says Dr. Mahendra Prasad, a specialist in newborn care at the Jackson hospital, told her to take the twins to the family's pediatrician for a checkup a week after she got home.

Finding a pediatrician willing to accept Medicaid patients was not a problem last year, Prasad says.

Johnson says she called the Jackson Clinic, the state's largest multispecialty group, for an appointment in mid-December. In the past, she says, her other children had received care at the clinic.

But the group's 78 doctors in the Jackson Clinic have not signed on with either of the two private health plans providing services to TennCare patients in the county.

### Medicaid not accepted

Johnson says she told one of the office staff the babies were premature and she had a Medicaid card, but the woman said the clinic could not take Medicaid because TennCare was coming along.

Johnson says the woman told her she could be seen if she had \$70.

She borrowed \$70 and called back.

But Johnson says she was then told she owed about \$1,200 on an outstanding bill.

"I said, 'I've been on Medicaid. How can I owe this amount of money?'"

"She said, 'That's what it shows,'" Johnson says.

Johnson says she asked the woman if she knew of any doctors willing to accept TennCare patients.

She says she was told, in effect, "There really ain't nobody who will be accepting you right now, because in a couple of weeks it will be TennCare."

Jackson Clinic officials say they were unaware Johnson had tried to get an appointment there.

Patients are being seen, no matter what their health coverage is, if their condition is urgent or if they have been under the continuing care of a physician at the clinic, says Jim Bevis, the assistant administrator.

"In some cases we are referring patients to Memphis or Nashville," adds the administrator, Carl Rudd.

"I think that we are providing care to the patients that we know are in an emergent or life-threatening situation," Rudd says, "but it's true that sometimes you don't know that's the case. That will be true with all providers."

### Turned away again

Johnson says she next tried to reach Prasad, the newborn specialist at Jackson-Madison County General, but was told by a nurse, "Since the babies got out of the hospital, Prasad can't see them, anyway."

Prasad says he would have seen the twins. Campbell, the hospital vice president, says she is trying to find out who took the call.

Crystal, the baby girl, had experienced diarrhea since she was born, her mother says. And "she was whining all the time like her stomach was hurting," she says.

After Christmas, Johnson says she took her daughter to a satellite of the Jackson Clinic in Alamo, the Crockett County seat.

"What's the problem?" she says she was asked.

"I've got a newborn who's really sickly," Johnson says she replied. "She's got diarrhea and sometimes doesn't suck her bottle as much as Christopher."

"What kind of insurance have you got?"

"I got Medicaid."

"Well, we can't accept no Medicaid because TennCare is coming along," Johnson remembers the woman saying.

### Health Department tried

The woman recommended Johnson go to the public health department in Alamo. But Johnson says she was told over the phone that the health department doctor was not in and "the only time the doctor can see them is when they come in for their two-month check-up."

Dr. Karen Armour, regional health officer who covers public health departments in six West Tennessee counties including Crockett, says she and her staff are not able to provide primary care.

"I'm not in the same health department every day," Armour says. "We do mainly prenatal and child health. We are trying to find doctors for the patients that are on TennCare."

"If she called here, my nurses have a list of physicians that they refer to," she says. "But I don't even know she called here."

### Emergency room no help

Johnson says she also took her sick daughter to the emergency room at the Jackson-Madison County General Hospital, but was turned away.

"We don't accept no TennCare," she says she was told.

Campbell, the hospital vice president, says there is no record of Johnson appearing at the hospital's emergency room. Although the hospital has not signed up with any of the TennCare plans, "to my knowledge, we've turned no one away," she says.

Johnson says she finally thought to call the University of Tennessee Family Practice Center, which has signed with two TennCare plans.

She took her daughter into the

center, located next to Jackson-Madison County General Hospital, on Jan. 18, and the child was admitted to the hospital immediately.

"They said she was dehydrated," Johnson says.

Late the next night, "I noticed her breathing got more heavy," she says. About midnight, the alarm on the apnea monitor sounded, indicating the baby had stopped breathing.

Hospital staff attempted to resuscitate the baby for about 30 minutes, but "her heart stopped beating," Johnson says. An autopsy showed Crystal had fluid around her heart, she says.

On Sunday, Johnson brought Christopher, who also had chronic diarrhea, to the hospital emergency room. He was transported to LeBonheur Children's Medical Center in Memphis.

### 2 days too late

Johnson says she did not receive any material on TennCare until after the first of the year, when she was notified that she had been assigned to a health plan operated by Blue Cross and Blue Shield of Tennessee.

Her daughter's Blue Cross TennCare card arrived in the mail two days after the child's death.

Johnson says she did not know to call the state's TennCare hot line or Blue Cross for help.

"I don't understand nothing about TennCare," she says. "If they had kept on with Medicaid, I would've been able to see my doctor."

Maybe, she adds, "she would've got treated in time."

# 18 Doctors' group blames TennCare in baby's death; probe is ordered

By The Associated Press

NASHVILLE — Gov. Ned McWherter on Friday ordered an investigation into the death of a Crockett County infant — a death the Tennessee Medical Association blamed on TennCare.

"I've asked the commissioner of health to do a complete investigation," McWherter told reporters before speaking to the Tennessee Press Association's winter convention.

The 1-month-old baby, Crystal Johnson, died in Jackson last week. Her mother, Linda Johnson, said she spent several days trying to find a pediatrician who would accept TennCare and treat her baby, who had chronic diarrhea and an apparent stomach ache. The mother said an autopsy after her baby's death showed Crystal had fluid around her heart.

The TMA warned that other children could die from lack of care if questions concerning TennCare are not resolved.

"We urge the administration, Legislature and managed-care organizations to rectify these

problems immediately to insure that more patients are not harmed," the TMA said in a statement.

Dr. David Roberts, a physician with the University of Tennessee Family Practice Center in Jackson, helped care for the child before her death. He told the Nashville Banner the baby was very sick, with lots of problems and that even prompt medical care wouldn't have guaranteed a different outcome.

"But it certainly would have been better if the child had been seen two weeks or three weeks ago," he said. He wouldn't reveal details of the child's death because of confidentiality concerns.

McWherter called the infant's death "a sad situation."

"I don't believe TennCare is directly responsible for this," McWherter said, adding that the infant's illness began while she was still a Medicaid patient.

"The mother comes from a rural area where there's not much health care. TennCare would have helped."

McWherter said he blames no

one in the child's death.

The TMA, which has sued the state in an effort to block TennCare said it is "gravely concerned for the future care of TennCare patients in light of the tragic incident this week."

"Regretfully, the efforts to improve access to health care for our state's most needy citizens have ironically hurt those meant to be helped."

The TMA represents 6,700 Tennessee doctors.

TennCare is Gov. Ned McWherter's plan to provide health care for 500,000 uninsured Tennesseans and 1 million Medicaid recipients through networks of health maintenance organizations and preferred provider organizations.

Managed care, in which participants report to primary care physicians responsible for keeping them healthy, is TennCare's centerpiece.

McWherter reasons that healthier Tennesseans will have less need for health-care services, and that will lower the program's cost from the \$2.6 billion spent on Medicaid in 1992-93.

# Health-care hornet's nest called TennCare

By JIM EAST  
Staff Writer

A chain reaction reverberated around Tennessee last week when Gov. Ned McWherter's press secretary said agencies involved in TennCare should not expect the state to solve the health care system's problems.



By the end of the week, everybody and his brother involved in TennCare — the \$3.4 billion program that replaces most of Medicaid — weighed with an opinion — that is, everybody but the managed-care organizations (MCOs) involved.

It started Monday when McWherter press secretary Ken Renner said:

"Under TennCare, the state in many ways is out of that business of running a health-care system, which the state never did very well to

begin with. We believe it can be done better by private enterprise."

TennCare was designed to provide health care to more than a million Tennesseans — those eligible for Medicaid, those uninsurable as the result of catastrophic illness, and the working poor who have no access to either an employer- or government-sponsored health-care program.

TennCare, which relies on private MCOs to keep costs down by controlling patients' access to treatment, was created to avoid cuts in Medicaid, which was growing more costly every year.

MCOs take TennCare money from the state and pay health-care providers on a per-patient basis. The MCOs also coordinate health-care networks to meet patient needs and are monitored by the state Bureau of TennCare and a legislative oversight committee.

But TennCare has been under fire from many doctors and patients since its Jan. 1 start because only about a third of the state's doctors have agreed to treat TennCare pa-

**"Under TennCare, the state ... is out of that business of running a health-care system," said the governor's spokesman Ken Renner. Russ Miller with the TMA fired back: "Until they get their damned hand all the way out of the pie ... incredible amounts of confusion and problems with TennCare" will persist.**

tients. That's mainly because they must treat TennCare patients in order to join the Tennessee Preferred Network (TPN) and see TPN patients under Blue Cross-Blue Shield contracts.

TPN supplies doctors, hospitals, pharmacists and other health care providers for state employees, teachers, higher education and other public employees, TVA and some private sector employees.

The Tennessee Medical Association, which counts the majority of doctors as members, reacted sharply to Renner's comments in The

Tennessean.

"Until they get their damned hand all the way out of the pie, they will maintain incredible amounts of confusion and problems with TennCare," TMA spokesman Russ Miller said testily.

"If they want to get out of the health-care business, get all the way out of it."

Miller said TennCare regulations are burdensome to health-care providers and force costs up.

"Arbitrary rules and regulations that are strictly in place to save the state money have got to go. They're

trying to shift the blame. We've been crying this for six months: 'Let us have some input, let us help develop it. Let us do this, let us do that.' Now they're saying, 'All right, now you go fix it.'

"They're shifting that blame, and we knew it was coming, and there's not a damn thing anyone on the other side of the fence, on the other side from the federal government and the state government, can do about it."

Miller said state officials have been long on rhetoric and short on information about TennCare.

"We don't have control of the budget — they maintain all that control — but we can't say what would work better. Our group can't offer up alternatives as a group because that's called collusion.

"There's all these little things that the old Golden Rule applies: 'Those with the gold make the rules.' They hold the \$3 billion that runs the program. As long as they're paying, they're not getting out of it. This is

▶ Turn to PAGE 2D, Column 3

## Stirred-up hornet's nest that is called TennCare

FROM PAGE 1D

the Catch 22 we're coming back to.

"Then, they want to say, 'OK, MCOs, OK, doctors, OK, hospitals, OK, patients, work it out amongst yourselves.' But they hold that last piece of the puzzle, of course the biggest one: the money."

State Sen. Milton Hamilton, chairman of the legislature's TennCare Oversight Committee, asked for reaction to TMA's Tuesday comments, didn't hold back.

"I think everybody needs to sit down and talk," said Hamilton, D-Union City.

He said doctors, MCOs and McWherter "need to sit down at a conference table and instead of being jolted. This is the way it is, and you're going to have to take it or leave it, they need to try to work out the problems."

TennCare "has some real bad problems, and when you look at the possibility that this thing can't work, well, hot work, it puts the state in an awful position financially.

"You're looking at at least an \$850 million cut in Medicaid, and you're not covering the uninsured, so, Bingo! We're in really bad straits."

Hamilton said the back-and-forth bickering could cause TennCare's collapse before the fledgling program is six months old.

"I think the whole oversight committee really thinks the market system is the best route to go, but if

the market system does not work within a reasonable length of time, we think then it becomes our responsibility long-term to make sure that it works, doing whatever we have to do.

"If they really and truly try to sit down and work this thing out, I think it'll resolve itself in 45 or 50 days.

"There are so many issues that just have got to be discussed," Hamilton said. "You can't just say, 'Here's TennCare — by God, now, y'all run with it,' and that's really what's happened. Even though we understand it and understand what Ned meant, the fact that it was sprung upon everybody has really hurt them."

The next day, TennCare architect and McWherter administration point man David Manning jumped into the war of words.

Manning, state commissioner of finance and administration, admitted Wednesday that state officials made mistakes by not notifying Tennessee doctors directly about TennCare, but he said the situation was being corrected.

He pointed the state's finger at TMA, saying the state relied on the TMA instead of going straight to the doctors.

"Sen. [Milton] Hamilton's comments are on target," said Manning. "We have always been open to meeting with all provider groups.

"I believe that we did make a mistake in the way in which we

approached the physicians by assuming that by communicating through the TMA staff and the executive committee of TMA, that we were talking with all physicians. We are trying to deal with that right now. We will work hard to do it."

Many physicians, Manning said, got wrong information from the TMA.

But TMA's Miller retorted that the state should not have relied on his organization to inform its membership about TennCare details.

Manning also jumped on Blue Cross-Blue Shield, the state's biggest MCO.

"The Blues need to get their act together on the list they are publishing," he said. "Anyone who is on that list that is not practicing or has moved or has died certainly should not be on the list. That is just sloppy."

Blue Cross-Blue Shield has 5,196 physicians participating in TennCare and TPN across the state, said Glen Watson Jr., the Chattanooga firm's senior vice president. "I believe that's twice as big as anybody else in the state."

The company's list of physicians normally is printed only once a year, so errors are bound to occur because a physician will continue to be listed unless he notifies Blue Cross-Blue Shield he is withdrawing or leaving town, Watson said.

By the end of the week, nobody involved had followed Hamilton's advice.

But the grumbling continued. ■

# Lists of the doctors taking part in TennCare prove hard to get

By Rebecca Ferrar

News-Sentinel Nashville bureau

NASHVILLE — The state's new TennCare program has been in place three weeks, but just getting an accurate list of the doctors taking part in the plan is a tough proposition.

State officials say the Managed Care Organizations should have listings of all their doctors, but some of those lists contain doctors who have moved, retired or even died.

Dr. Richard Smith is a Knoxville orthopedic surgeon who, along with the six doctors in his practice, has chosen not to participate in TennCare. He questions the validity of the Blue Cross/Blue Shield list of Knox County doctors in his specialty.

"I find it highly unusual that of the eight physicians they have listed, one has apparently actually signed; one has not signed and has been listed erroneously; one is retired; one has moved out of state; and four are not known by any of the orthopedic surgeons in the community," Smith wrote to state Rep. Wayne Ritchie, D-Knoxville. "I would be highly suspicious that this list is fraudulent."

Although the four orthopedic surgeons Smith has not heard of are licensed to practice medicine in Tennessee, none is listed in the Knoxville phone book.

"My main concern is that they don't have enough specialists in certain fields to give adequate care to patients in the program," Smith said in an interview. "In reality, I don't think they have enough doctors to take care of the patients."

TennCare Director Manny Martins said Smith probably was looking at a list that hasn't been updated. Martins contends there are adequate doctors to treat all the people now covered by TennCare, which supplanted Medicaid Jan. 1. TennCare provides medical coverage through 12 MCOs which have contracted with hospitals, doctors and pharmacists.

Martins said the MCO contracts require that all medical services be provided to patients. If an MCO doesn't have a specialist in its network, it must provide the treatment from outside.

After numerous requests, Blue Cross released a list of doctors in its network to members of the Legislature's TennCare Oversight Committee. John Greenwood, a

Blue Cross representative, said part of the list problem is that doctors have not notified the company they do not want to participate in TennCare.

Blue Cross also operates the Tennessee Provider Network, which covers TVA and state government employees, among others. The Blue Cross contract requires all TPN providers to accept TennCare patients, a condition known as the "cram-down" provision.

"We notified all the doctors that unless they withdrew from the network, they would be serving TennCare patients," Greenwood said. That's how some wound up on the list who insist they are not in TennCare, he said.

Senate Republican Leader Ben Atchley of Knoxville, a member of the Oversight Committee, has repeatedly asked state officials for an updated copy of TennCare doctors for Knox County.

"They won't give it to you," Atchley said. "They don't have all the providers in place."

The TennCare office provided The News-Sentinel with a list of Knox County primary-care doctors broken down by MCOs.

The list shows the following:

- 77 primary-care doctors in the Preferred Health Partnership (Fort Sanders Regional Medical Center) and 476 specialists. This MCO and Access Med-Plus are the only ones listing specialists.

- Five primary-care doctors and eight specialists in Access Med-Plus.

- 14 primary-care doctors in TennSource.

- 200 primary-care doctors in UT/Total Health Plus (University of Tennessee Memorial Hospital). The list provides no first names.

- 113 primary-care doctors in Blue Cross.

- Nine primary-care doctors in John Deere/Heritage National.

- Three primary-care providers in Phoenix.

Martins said the numbers on the lists are misleading because many of the doctors are in more than one MCO.

TennCare patients have until March 1 to switch MCOs.

"If Blue Cross and the physicians don't work out their difficulties by that time, I think they (Blue Cross) stand a chance of losing their network," Atchley said. "I think Blue Cross will finally have to yield (on the objection-

able provisions). If they don't yield, they'll have a lot of doctors sign up with competing HMOs."

The problem from the beginning, he said, is that the state did not work out the problems with the Medicaid program with the doctors and the hospitals.

"The speed with which they put this all together is not good fiscal policy," Atchley said. "You're setting up a system doomed to fail because of poor cash flow and probably not adequate networks in the places they need to be."

Still, Atchley acknowledges the need to make TennCare work because of the state's budget problems.

Martins points out that without TennCare, the state was facing a crisis that would have meant either huge Medicaid cuts or a major tax increase.

Sen. Bud Gilbert, R-Knoxville, also questions TennCare's state of readiness and the speed with which it was implemented.

"Apparently, there's a sufficient lack of doctor participation to adequately operate this program," Gilbert said.

He said legislators are "without recourse" until they understand the dimensions of the start-up problems with TennCare.

"The administration has gone out and taken orders for a product that they haven't even contracted to make yet," Gilbert said. "It's sort of like selling cars when you don't even have an assembly plant lined up to turn them out. I have a basic problem with anyone who can mess up implementation that badly."

Sen. Randy McNally, R-Oak Ridge, did an actual check of the Blue Cross doctors serving Anderson County TennCare patients.

Of the 29 Blue Cross doctors listed, McNally said three were not listed anywhere; three were no longer practicing; two have moved out of East Tennessee; one participates but accepts only referrals; and one participates but accepts no new patients.

"The Blue Cross network in Anderson County is grossly inadequate," McNally said.

The problem, he said, is that doctors are not signing up because of the "cram-down" policy and other contract provisions which doctors say place all the financial risk on them.

1/26/94

# TennCare contract changes don't sway doctors

By PHIL WEST

TennCare's biggest health care network has dropped a contract provision doctors find distasteful, but physicians say they still won't rush to sign on with the program.

Blue Cross-Blue Shield of Tennessee Inc., the state's largest TennCare network, dropped the so-called "take-back" provision from its contract with participating doctors. That clause would have allowed the company's managed care organization to take back money it had already paid physicians for treating TennCare patients to cover losses at year's end.

Memphis urologist Richard Pearson, chairman of the Tennessee Medical Association board, said Blue Cross-Blue Shield is doing nothing more than normal business practices.

"They've said that if they agree to an honest debt to a doctor, then they won't come and take it back,"

## AP Analysis

Pearson said.

"That contract is sufficiently faulty that if they took out a clause a week it would be Halloween before it would be a contract anybody could take seriously."

Doctors at Middle Tennessee Medical Center in Murfreesboro told Gov. Ned McWherter the take back provision is one reason many are not signing up to treat TennCare patients through Blue Cross-Blue Shield.

Physicians said they also object to the requirement that physicians must accept TennCare patients as a condition of treating 300,000 people covered by the Tennessee Preferred Network.

"Get rid of those two things and I would participate in the program," urologist Theo Shepard said in the meeting with McWherter.

Shepard said he will not believe the take-back provision has been changed until he sees it in writing.

Even then he said he worries that TennCare payments to the managed care network run out before the year ends and physicians would be left treating patients for free.

Other physicians have objected strongly to that part of the contracts with the Tennessee Preferred Network, operated by Blue Cross-Blue Shield.

"In other words, (Blue Cross-Blue Shield)...will not retroactively recoup money already paid to providers. This issue had caused concern among physicians relative to TennCare patients," said Glen Watson Jr., senior vice president for Blue Cross-Blue Shield of Tennessee.

"The physicians asked that we reconsider this particular aspect of our agreement and we are doing so."

The take-back clause is "a very technical provision," Watson said.

"But the truth of the matter is, if you had to invoke that provision the program would have already failed."

The more than 100 physicians meeting with McWherter in Murfreesboro also cited the risk of increased financial liability from treating former Medicaid patients as one reason for their reluctance to participate.

TennCare is McWherter's plan to provide health care for 500,000 uninsured Tennesseans and 1 million Medicaid recipients through networks of health maintenance organizations and preferred provider organizations.

Watson said 5,602 physicians had agreed to participate in the Tennessee Preferred Network.

Tennessee has about 11,000 practicing physicians.

Watson said new 1994 directories of TPN participating physicians will be mailed in the next few days to TPN customers, TennCare recipients and doctors.

# TennCare is failing for early proponent

By TAMMIE SMITH  
Staff Writer

Two months ago, Sevierville, Tenn., resident Sharon Hazard championed TennCare as a way for people with disabilities like herself to get medical care.

Now, three weeks since TennCare's inception, Hazard is unable to find physicians for herself or her two children. All three suffer from a bleeding disorder similar to hemophilia and a connective tissue condition called Ehlers-Danlos syndrome.

"My kids are bleeders. If they have a bleed, we are in trouble,"

Hazard said.

TennCare, the state's new way of providing health care to the poor, uninsured and uninsurable, has Hazard in a bind. The program relies on managed-care organizations to keep costs down by controlling patients' access to treatment.

In Hazard's case, it is controlling access to treatment by, in effect, denying it. Because of the bickering between physicians and managed-care organizations over contracts and money, Hazard hasn't been able to find a physician taking the Blue Cross Blue Shield TennCare plan she is signed on

## HIGH MARK

◆ TennCare praised for how it will handle long-term illness, on 2A.



with.

"We are a month into TennCare and can't find physicians, and have lost all of our specialists," Hazard said.

"They [Blue Cross Blue Shield] can't find me and my husband a primary-care physician or an orthopedic surgeon for any of us,

◆ Turn to PAGE 2A, Column 1

## TennCare fails early proponent

FROM PAGE 1A

which is critical to our care."

Hazard said she and her husband, Jeff, have even tried to take matters into their own hands, calling every physician in Sevier County and areas nearby, searching for anyone taking new patients signed with Blue Cross Blue Shield's TennCare plan. They came up empty-handed.

Hazard feels let down and angry — but not necessarily at the physicians, including the one who told her as she lay in a Knoxville hospital bed that he wouldn't be able to treat her.

"He said, 'I can't treat you. I'm not participating in TennCare.' I could see the pain in his eyes. He hugged me," Hazard said.

Hazard said she doesn't resent that physician. He had provided her with wonderful care for nine years. Also, since that early January visit, loopholes have been found that allow him to continue to treat her for some problems — but not her children.

What she resents is the confusion she and other TennCare enrollees are being put through.

"I was one of the people who went to Washington to the Health Care Finance Administration to advocate for TennCare," said Hazard, who works with the Coalition for Tennesseans with Disabilities.

"What I see happening is everyone being dragged around, and the one it is affecting most is the patient. They can't get care."

Physicians say they are not the

## Advocates pleased with TennCare

By TAMMIE SMITH  
Staff Writer

Before TennCare, a Medicaid patient with AIDS or any other expensive major illness might have looked long and hard before finding a physician willing to provide care.

The predicament was a combination of the low reimbursement rates Medicaid was paying for the care and the choice physicians have whether to treat any patient.

That should not happen under TennCare, and the improvement has health-care advocates giving TennCare the thumbs-up.

"You have the TennCare Bureau enrolling people and the people choosing the managed-care organizations," said Tony Garr, executive director of Tennessee Health Care Campaign. "The managed-care organiza-

tions cannot refuse anyone because of their medical condition."

That fact has agencies such as Nashville CARES, an advocacy and support group for people with AIDS and HIV, backing TennCare — so far.

"From my understanding of what TennCare is all about, the basics have the potential for generally improving the care that persons with HIV receive," said Joseph Bodenmiller, director of client services for Nashville CARES. "I do think, however, there are some important glitches that need to be worked out."

Among them, he said, are making sure primary-care physicians are familiar with and sensitive to the needs of patients with the human immunodeficiency virus, which causes AIDS. ■

culprits. Orthopedic surgeon Frank Gray said he wants to keep Hazard as a patient, but can't accept some of the contract stipulations from Blue Cross Blue Shield.

"I went and saw her and made recommendations to her doctor as to what could be done from an orthopedic standpoint," Gray said, recalling his hospital call.

"I told her it was a social visit. I didn't submit any kind of billing or write on her charts. I just did it for her."

While the transition from Medicaid to TennCare has been full of glitches, it has been downright scary for people like Hazard and her two children, Kristopher, 7, and Cassandra, 2. For them, minor medical problems can quickly turn into medical catastrophes.

In concept, TennCare still has the support of agencies that are

advocates for people with special needs. They like the fact that the state has even set up a special telephone line to help special-needs populations get through red tape. But when situations like Hazard's come to light, even they are wary.

"We really, sincerely hope this is a transition issue and will get resolved," said Dara Howe, president of the Tennessee Health Care Campaign. Howe has a personal interest in seeing TennCare work, as well. Her 9-year-old son is disabled and covered by the plan.

Said Roger Blue, executive director of The ARC of Tennessee, formerly the Association for Retarded Citizens, "We don't perceive TennCare as the problem. I would perceive the problem at the point between providers and managed-care organizations." ■

# Mom Says TennCare Created 'A Living Hell'

By CHRIS SHERRILL VASS  
Free Press Staff Writer

Try telling Angela Keef that TennCare is good medicine:

The Jasper, Tenn., mother has struggled for three months to arrange medical care for her 10-year-old son, Christopher, who has cerebral palsy, asthma, allergies and a rare seizure disorder.

Christopher used to have five doctors who cared for him under Medicaid. A pediatrician, neurologist, orthopedist, allergist and physical therapist.

TennCare changed all that.

And his mom was able to get the eight prescription drugs Christopher must take from a local pharmacy. Not anymore. TennCare changed that too.

TennCare, in Ms. Keef's mind, is a bitter pill that Tennesseans have been forced to swallow.

"No one knows what it's like to realize that all of a sudden, one day, you can't go to the doctor who's treated you for years," she said. "This has been the most horrible experience of my life."

Ms. Keef lays the blame squarely with Gov. Ned McWherter. She said the state's chief executive "didn't think it through... he slapped TennCare on here."

"He kept it a big secret and then dumped it on the doctors and said, 'here, you deal with it now.' No one had any information about it, and they still don't."

Ms. Keef, a full-time computer programming student, said the people who need health care and medical attention the most are using it under TennCare.

"In making this big switch to TennCare, no one considered us," he said. "The governor said this program would help the children of Tennessee, but it doesn't help kids who need more than routine immunizations."

Her concerns were brought sharply into focus last Friday after Gov. McWherter ordered an investigation into the death of a 16-month-old Crockett County infant. The baby's mother said she was unable to find a pediatrician who would accept TennCare and treat her daughter.

The Tennessee Medical Association warned that other children could die from a lack of care because so many questions about TennCare are unanswered.

Ms. Keef said "it's pretty clear to me that very sick children weren't the state's top priority. I guess saving money was. I just hope we're not another tragedy."

In the process of working through TennCare and the state bureaucracy, she's become a whiz in working the phones. She's spent countless hours on hold, being bumped from one operator to another, and finally, getting the runaround from TennCare hotline operators who don't know what's going on.

"It seems like I've spent half my life since November on the phone," she said wearily. "When I call the TennCare hotline, I get five different answers to the same question."

Ms. Keef said the hotline receptionists have been "very nice, but real uninformed. There shouldn't be a hotline if correct information isn't available."

Ms. Keef said she's paid attention to media reports and written communication from the state to former Medicaid recipients. She's followed the state's instructions carefully, and still believes "it's a toss-up" as to which TennCare plan she and Christopher will wind up in.

To make sure her son has access to his doctors and T.C. Thompson Children's Hospital at Erlanger, Ms. Keef has had to change plans twice since November.

For now, however, Ms. Keef is still in her original TennCare plan — the one that doesn't include some of Christopher's doctors or her pharmacist.

She never received word from the state that either of her change requests was honored.

"I've written a letter to the governor and state representatives about this mess," Ms. Keef said. "I want them to know what a living hell they've created for us."



Free Press photo by SCOTT LEE

**THE OBJECT OF HER CONCERN:** Angela Keef has had nothing but trouble with TennCare since the program started Jan. 1. She's upset because she says the program has jeopardized the health of her son Christopher.

## Rittenberry Parkridge Chairman

General surgeon Andrew Rittenberry, M.D., has been elected to serve as chairman of the board of trustees at Parkridge Medical Center.

Dr. Rittenberry has been in practice as a general surgeon in Chattanooga since 1977. He has served as chief of surgery at both Parkridge and Erlanger medical centers.



Andrew Rittenberry

He has also served as medical director of Erlanger's regional trauma center and its Life Force helicopter service.

A native of Cowan, Tenn., Dr. Rittenberry is a graduate of Vanderbilt University and the University of Tennessee School of Medicine.

He completed six years of postgraduate training in surgery at the University of Tennessee and affiliated hospitals in Memphis.

Dr. Rittenberry is certified by the American Board of Surgery.

A veteran of the U.S. Navy, Dr. Rittenberry served as chief of surgery at the U.S. Naval Hospital in Quantico, Va., and was discharged with the rank of lieutenant commander.

Interested in surgical teaching, Dr. Rittenberry serves as clinical assistant professor of surgery at the University of Tennessee Center for Health Sciences.

He is a fellow of the American College of Surgeons and a member of the Southeastern Surgical Association and Chattanooga Academy of Surgery.

Other members of Parkridge's board of trustees include Stanley Dressler, M.D., Jitendra Gandhi, M.D., Vincent Haren, M.D., Daniel Harnsberger, M.D., Joel Avery, M.D., James Catanzaro, Grady Williams, vice-chairman John Cranwell, M.D., and Kelly McBryde, chief executive officer.

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Overlock

### CAPITAL CHRONICLE

# W. Tenn. doctors remain firmly against TennCare

By Richard Locker  
The Commercial Appeal  
Nashville Bureau Chief

NASHVILLE — Physicians in rural West Tennessee remain the steeple in TennCare's shoe because many continue to refuse to sign onto government-paid health care programs for the poor, state officials said Monday. The region emerged early as a hotbed of resistance to TennCare, the new state health insurance program for the poor and uninsured.

But as health providers in the rest of the state contract to participate in the six-week-old program, rural West Tennessee is increasingly more isolated in its resistance, a legislative panel overseeing TennCare's implementation said.

As the joint House-Senate

TennCare Oversight Committee met Monday for its weekly update on the program's progress, there were these developments:

■ About 722,000 Medicaid recipients have been transferred into TennCare and have selected managed care organizations — huge insurers who have formed networks of hospitals, physicians and other providers for the delivery of health services for a standard annual fee.

■ Nearly 122,000 Tennesseans without any form of health insurance, public or private, have filed applications to enroll in TennCare since Jan. 1. State officials said these applicants, mostly low-income working people whose employers don't provide health benefits and who cannot afford to buy health insurance on their own, will start receiving

letters on the status of their applications this week.



■ The administration of Gov. Ned McWherter is strongly opposing a consultant's recommendation that taxes businesses pay into the state's Unemployment Insurance Trust Fund be used to supplement TennCare and raise the fees paid to health providers for TennCare patients.

Dr. James Schubert, a California physician hired as a consultant by the Oversight Committee, recommended last week that a portion of business taxes that pay for unemployment benefits be allocated to TennCare to raise the fees doctors and other providers are paid.

But that proposal was vigorously

opposed Monday by the McWherter administration and members of the committee, who argued that it would seriously jeopardize the Unemployment Insurance Trust Fund and break faith with the business community, who pay the taxes solely for use as unemployment benefits to laid-off workers.

"The suggestion was amateurish. I was amazed the suggestion was made," said Sen. Bob Robbelle (D-Lebanon), a member of the Oversight Committee.

The status of TennCare in West Tennessee outside Shelby County remained a focus of the committee's concerns, especially since several key hospitals signed onto the program last week: Vanderbilt University Medical Center in Nashville, Jackson-Madison County General Hospital in Jackson and East Tennessee Baptist Hospital

in Knoxville.

The problem centers on the refusal of many physicians to participate in TennCare, officials said, which results in many TennCare patients either having to travel long distances for health care or seeking treatment in emergency rooms.

Although the hospitals are reimbursed under TennCare, the costs are much more expensive.

Although the West Tennessee problem has become more visible with TennCare, officials said doctors there also had a lower participation rate in Medicaid, the federal-state health insurance program for the poor that TennCare largely replaced.

Only about 30 percent of physicians in West Tennessee treated Medicaid patients, state TennCare Director Manny Martins said.

"We're still very much concerned about rural West Tennessee," state Finance Commissioner David Manning said.

TennCare is dealing with the problem by paying doctors who do treat TennCare patients on a fee-for-service basis that is generally more expensive.

State Rep. Roy Herron (D-Dresden), a member of the Oversight Committee, said doctors in parts of his district have told him they would like to participate in TennCare but are under a lot of pressure by other doctors not to participate. "They are people who haven't read the anti-trust laws lately. Those who don't want to serve the poor shouldn't pressure their colleagues who want to participate."

Martins said the state is negotiating with providers in West Tennessee to widen access to health care among the poor.

## Briggs says 2 defamed him; timber deals cited

JACKSON, Miss. (AP) — Lt. Gov. Eddie Briggs said Monday that a former lieutenant gover-

## Senate backs ID photographs of juveniles

The Commercial Appeal  
Nashville Bureau

allow juvenile suspects in crime to be photographed for the purposes of identification. Sen. John Ford (D-Memphis) voted against the bill.

## Interlock OK'd to prevent DUI

driver is convicted for at least the second time on a drunken driving charge.

## Tags promoted for 2-year schools

NASHVILLE — The Senate approved a bill to the House

### LEGISLATIVE BRIEFS

## Tougher surveyor licensing pushed

NASHVILLE — The Tennessee Senate adopted legislation that would upgrade the licensing requirements for registered land surveyors in Tennessee, including a college de-

years of experience under a licensed surveyor.

## House approves real estate bill

NASHVILLE — The House of Representatives approved and sent to the Senate Monday a bill to automatically re-

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# TennCare not well, voters say

More now rating McWherter 'poor'

By DUREN CHEEK

Staff Writer

TennCare is getting low marks from Tennessee voters, and problems with the program may be dragging down Gov. Ned McWherter's popularity.

A new poll shows only one Tennessean in three approves of TennCare, the radical health-care reform instituted by McWherter on Jan. 1.

And the percentage of voters giving McWherter a "poor" rating is the highest since he proposed a state income tax two years ago.

Mark Greene, lobbyist for the Tennessee Medical Association, said he thinks the poll results will be studied closely by candidates seeking to succeed McWherter in the November election.

"I think that candidates and the candidates' handlers will be taking a close look at those numbers, and that may have an impact on how they position themselves on TennCare," Greene said.

Statewide, 30% of the voters say they approve of TennCare, 40% disapprove and 30% are not sure how they feel.

McWherter announced his plans for TennCare last April. Since last July, the percentage of voters who rate McWherter's performance as "excellent" and "good" has dropped from 52% to 48%. The poor rating climbed 5 percentage points.

Green said the poll results indicate there may be support among the public for changing and improving the program.

The Mason-Dixon poll of 806 of the state's frequent voters was commissioned by *The Tennessean* and other news media in the state.

McWherter spokesman Ken Renner said he was not surprised by the results. A legislative leader said he was surprised that TennCare fared as well as it did.

"Obviously when you have an issue as controversial as an income tax or health-care reform that is going to give you a temporary blip in the polls," Renner said.

"I guess if you went back six months from now when TennCare is working and when the problems

# TennCare receives low marks

Poll shows 1 in 3 voters approving

**FROM PAGE 1B**

have settled down in the system, you would probably find very different results."

The poll showed that TennCare is liked less in Middle Tennessee than in other areas and is liked best by blacks and women.

TennCare has been beset with a variety of problems affecting both TennCare patients and health-care providers.

In addition to almost daily horror stories over TennCare — patients unable to find doctors to treat them, telephones that are busy for hours, inability to obtain accurate information — TennCare also has a perception problem.

Many middle class Tennesseans see TennCare as another welfare program taking money out of their pockets to provide health care for those too lazy to work, officials said.

"There is really a lot of misunderstanding about what it is and what it does," says Renner.

"Many people perceive TennCare as being an expansion of welfare when actually what it is a program designed to help people escape from welfare by allowing them to maintain health-care coverage while they work."

More than one million Tennesseans are expected to be covered by the plan eventually, including those who are eligible for Medicaid, those who are uninsurable as the

result of catastrophic illness, and the working poor who do not have access to either an employer or government-sponsored health-care program.

A dozen managed care organizations have contracted with the state to provide the care at a per-enrollee charge averaging \$1,214 for the year. The MCOs have formed networks of doctors, hospitals and other health-care providers to provide treatment.

"We didn't have time to educate everyone before we went into it," said state Sen. Milton Hamilton, chairman of the legislature's TennCare Oversight Committee.

"There is no question that that is the cause of a lot of the confusion. Databases weren't ready. People weren't in the computer. Books setting out policies of the MCOs were not in the hands of the physicians and hospitals.

"It surprises me that the approval rating is as high as it is." ■

## Tennessee state poll

The Tennessean/WSMV poll

QUESTION: Do you approve or disapprove of TennCare?

	APPROVE	DISAPPROVE	NOT SURE
State	30%	40%	30%
<b>REGION</b>			
East Tennessee	28%	38%	34%
Middle Tennessee	31%	44%	25%
West Tennessee	31%	38%	31%
<b>SEX</b>			
Men	26%	46%	28%
Women	34%	34%	32%
<b>RACE</b>			
White	24%	45%	31%
Black	58%	17%	25%

Staff

## Poll method

Mason-Dixon Political/Media Research Co. of Columbia, Md., polled 806 regular Tennessee voters by telephone last Thursday-Saturday.

They questioned voters in all sections of the state to achieve proportional geographical, racial and gender balance.

Margin of error is 3.5 percentage points, meaning figures given could be that much higher or lower in statistical probability. The margin could be higher in sub-groups, such as likely Democratic or Republican voters.

LaFollette, TN  
LaFollette Press  
2/17/94

## Physician gatekeeper system proposed to improve TennCare

Tennessee's legislators met in Nashville this week in a special committee meeting to address some of the more serious TennCare concerns voiced by the state's medical community. The idea behind the meeting was to get health care providers, the managed care organizations (MCOs) and the Administration officials in one room to encourage cooperation and resolution of these problems.

The five-hour panel discussion allowed all parties to air their concerns on the one month old program for health care re-

**REP. MIKE WILLIAMS**

*Legislative Report*

form. Doctors and other medical providers have felt excluded since the Governor first announced the TennCare concept last April and have asked for more input into how the program might work. Participation on the part of the medical community is essential to the success of TennCare.

Among the many suggestions offered by the health care community was the immediate implementation of a "physician gatekeeper" system. This system, which is the cornerstone of the TennCare concept, means that one primary physician oversees a patient's overall health

care. The concept is designed to keep down medical costs by placing emphasis on preventative care, controlling diagnostic testing and referrals to specialists. It is felt that once this system is in place, patients will be less likely to seek emergency room care, where the cost is much higher. Controlling emergency room visits is one of the primary goals in holding down the rising cost of health care.

Physicians and legislators alike expressed concern that TennCare is providing appropriate medical services for children with special health needs. Fifty percent of TennCare patients are children. Those children who are fragile and need special health care need to be handled very carefully so that they do not fall through the cracks as this program is implemented.

Other suggestions offered by health care providers (i.e., physicians, pharmacists, hospital administrators, nurses) included:

- Improve the paperwork process and include uniform billing claims.
- Improve TennCare's information system regarding doctors affiliated with the

various MCOs and specialists to whom they can refer patients to for specific health problems.

- Institute a fair and independent oversight system that closely monitors the MCOs contracting with TennCare.

- Limit the number of patients a doctor is required to take.

- Medical Liability, or malpractice, should be capped on non-economic damages. (Doctors claim that the cost of their malpractice insurance is one of the most overlooked reasons for the high costs of health care.)

- The state should intercede to put MCO contracts on equal footing and have standard minimum payments for certain medical services.

- The link between the Blue Cross Blue Shield network with TennCare and their Tennessee Preferred Provider Network (TPN) should be terminated. (This linkage requires those physicians who care for TPN patients treat TennCare or be terminated from the program.)

- More emphasis should be placed on educating TennCare recipients to avoid anger and confusion among patients.

On the other side of the health industry spectrum, officials of the MCOs who have contracted with the state also had the opportunity to give their reports on the status of their new programs. For the

most part the MCOs reaffirmed their desire to maintain their ability to control their operations, thus resisting government intervention. These MCO chiefs claim that this is the only way they can keep down the cost of health care and meet their contractual obligations.

Now that the cards are on the table, the McWhorter Administration and the Legislature can carefully move to resolve as many of the concerns as possible. It is hoped that this meeting will help fine tune and streamline this mammoth new plan for health care reform.

### **House Subcommittee Approves Nurse Practitioner Bill**

Boosted by the advent of TennCare, Nurse Practitioners won approval this week from a House Subcommittee to prescribe drugs. Passage of the bill would allow nurses to immediately begin to serve TennCare patients.

Presently, nurse practitioners must get approval from the Primary Care Advisory Board to practice primary care and prescribe medicine. The Primary Care Advisory Board also decides at what sites, or clinics, in which the nurse can prescribe drugs.

Forty-five other states authorize nurse practitioners to prescribe drugs with little or no restrictions. Nurse practitioners maintain that they can provide up to 80% of the primary care services needed for an average person.

### **Media Could Witness Executions Under Legislation Approved by House Subcommittee**

The media could witness the execution of prisoners sentenced to death, under legislation approved in a House Judiciary Subcommittee this week.

The media is presently barred from attending executions, although Tennessee has not carried out the death sentence since 1960. Under present law only the prison priest or minister, the warden, the sheriff of the county where the crime was committed and the condemned prisoners' immediate family can witness the execution.

This bill would allow seven media representatives to attend who would only be allowed to write about their experience. No cameras or recorders will be allowed at the execution site.

# State's doctors accuse Blue Cross of unfair coercion

By Rebecca Ferrar  
News-Sentinel Nashville bureau

NASHVILLE — Doctors from across the state complained to a special legislative committee Monday that they're being unfairly coerced by Blue Cross/Blue Shield to treat TennCare patients.

But Blue Cross officials said to do otherwise would be discrimination.

At issue is the Blue Cross requirement that all doctors in the Tennessee Provider Network also treat TennCare patients. The TPN, administered by Blue Cross, provides health insurance to state, TVA, Farm Bureau and other public employees.

Doctors also expressed their fear that they will be overloaded with TennCare patients — an issue a Blue Cross official expressed a willingness to address.

Blue Cross, which has enrolled 300,000 TennCare patients, was a focal point for criticism during a special meeting of the Legislature's TennCare Oversight Committee, which heard from doctors, hospitals, pharmacists and nurses from across the state about problems in the state's new health-care reform program, which began Jan. 1.

Charles White, president of the Tennessee Medical Association, said the Blue Cross link between TennCare and TPN patients is keeping many doctors from signing up for the new program.

"Blue Cross/Blue Shield anticipated that this policy would prompt an adequate number of doctors to participate in TennCare in exchange for the right to continue treating their existing TPN patients," White said. "We believe this TPN link has had an opposite effect than was intended. Instead, it has become a weak link to access for TennCare and

**"Comparing  
TennCare and TPN  
patients is like  
comparing apples  
and lemons."**

Sen. Ben Atchley  
Senate Republican leader from  
Knoxville

TPN patients alike . . .  
"Get rid of the Blue Cross TPN-TennCare link."

But Glen Watson, Blue Cross vice president of the state's largest insurance company, said there's no way to accede to that demand without hurting TennCare patients.

"We cannot be in a discriminating situation where we treat TennCare patients differently from everyone else we serve," Watson said.

Finance Commissioner David Manning, who crafted TennCare, said the federal agency that approved the program would not allow discrimination.

But the committee's chairman, Sen. Milton Hamilton, D-Union City, said that unpopular TPN-TennCare "link" is an issue that may be addressed by legislation.

Some legislators agreed with concerns of physicians that linking TennCare to the TPN is unfair.

"Comparing TennCare and TPN patients is like comparing apples and lemons," said Senate Republican Leader Ben Atchley of Knoxville, contending that TennCare patients are likely to need more medical treatment.

House Republican Leader H.E. Bittle of Knoxville said: "I think

Please see HEALTH, back page

## Health

Continued from page A1

we're going to leverage ourselves into not having any doctors for anything."

While Watson said Blue Cross is unwilling to give on the Blue Cross tie with the TPN, he did concede the company is willing to deal with doctors' concerns about being overwhelmed by TennCare patients.

"We think there may be some possibility of looking at individual (physician) practices to see that they are not overrun with patients," he said.

White had complained that allowing unrestricted patient loads will ultimately restrict patients' ability to get care.

"Most physicians are reluctant to accept unlimited TennCare patient loads," White said. They are "afraid of being overwhelmed by TennCare patients."

But Manning said TennCare doesn't require doctors to treat an unlimited number of patients.

Other health-care providers complained that managed care organizations, which are responsible for putting together the TennCare provider networks, are

**"There's a very  
strong possibility that  
by July, myself and  
my partner may not  
be able to care for  
anyone under 18 in  
Carter County."**

Ed Taylor  
Elizabethton pediatrician

inadequate across the state, that MCO lists of doctors are highly inaccurate — containing names of doctors who have died, moved or retired — and that the MCO contracts place all the financial risk upon providers.

The situation has resulted in anger and confusion, they said.

Danny Lou Wilson, nurse manager of the Maury Regional Hospital emergency room, said TennCare patients continue to show up at the emergency room for ailments that should be treated by doctors or clinics — a situation TennCare was supposed to end.

"The MCOs are not providing the networks," she said. "We don't have anyone to refer patients to. We're continuing to pro-

vide care in the emergency room at a very high cost."

It was at Wilson's hospital recently that an AIDS patient on TennCare showed up at the emergency room and was held there for 24 hours before being transferred to a Nashville hospital, where he died within a few hours.

Jim Pruitt, East Tennessee Children's Hospital administrator, said the MCO networks are causing mass confusion.

"In our hospital, there's a lot of confusion among physicians," he said. "Patients don't know who their physicians are. . . . People are coming to the emergency room because there's no other practical option. The physicians are overwhelmed with TennCare patients, and they (patients) can't get an appointment."

Ed Taylor, an Elizabethton pediatrician, who said 63 percent of his practice is Medicaid patients, complained that MCO reimbursements for treating patients does not cover the actual costs.

"I am one of those angry physicians," he said. "There's a very strong possibility that by July, myself and my partner may not be able to care for anyone under 18 in Carter County. . . . I either have to increase charges to my paying patients or I'm going to have to quit."

# Labor says paying customers harmed by TennCare-TPN-link

Associated Press

NASHVILLE — Making doctors treat TennCare patients so physicians can stay in the huge Tennessee Preferred Network is a hardship on private employees who pay their own way, a labor union representative said Monday.

The TPN, directed by Blue Cross-Blue Shield of Tennessee Inc., supplies doctors, hospitals, pharmacists and other health care providers for more than 900,000 people. That includes more than 100,000 state employees, Tennessee Valley Authority workers and other public and private employees.

But as many as 2,000 physicians have dropped out of TPN — though many have returned — and that weakens the network of doctors, said Stan Johnson, president of United Rubber Workers Local 670 in Nashville.

"We are the people that are suffering during the attempt to implement TennCare and combine it with the Blue Cross-Blue Shield TPN network," Johnson told the state Legislature's TennCare Oversight Committee.

"These self-insured groups and individuals have paid out of their own pockets for free market coverage. I believe the people we represent are being unfairly placed in the middle of a struggle between the insurance

companies, the physicians and the other insured employees."

Doctors have said linking the two programs is the most objectionable part of TennCare.

Johnson, an employee of Armstrong-Pirelli Tire Co. in suburban Madison, told legislators that working men and women pay their own insurance premiums and resent the quality of their insurance network — the TPN — deteriorating as health care providers drop out over differences with TennCare.

"Today, at no fault of our own, we are now confronted with a network that has been reduced in size by approximately one-third, no longer necessarily provides the best in quality health care, has huge gaps in coverage areas and within certain specialties and is an administrative disaster," Johnson said.

He asked legislators to remove the linkage.

Johnson said his company's plan cost about \$2,400 per person last year. That compares to the \$1,214 annual rate the state pays to managed care organizations, or MCOs, participating in TennCare.

The MCOs then contract with health care providers to treat their participants. The MCOs hope to at least break even at the end of the year.

# Effort to alter BC/BS rule fails

By Ed Cromer  
Banner Chief Political Writer

Legislation forcing Blue Cross/Blue Shield to separate its commercial Tennessee Provider Network from the TennCare program was stopped cold today in a House subcommittee.

Despite a lengthy presentation by the sponsor, Rep. John Arriola, D-Nashville, the controversial legislation failed to get even a motion



## STATE LEGISLATURE

for passage in the industrial impact subcommittee. That means the bill will not be considered by the full House Commerce Committee.

Meanwhile, the House Education Committee rejected a weakening amendment to a Senate-passed bill requiring that women be appointed to the state's education boards until there are equal numbers of men and women serving on them. The committee then approved the bill.

The amendment, tabled by the panel, would have changed the language of the legislation so that it simply "urged" the governor to appoint women to the state Board of Education, Board of Regents, University of Tennessee Board of Trustees and Tennessee Higher Education Commission.

Of 60 seats on the four major education boards, only seven are occupied by women.

Also today, a House subcommittee

Please see TENNCARE, page B-2

## TennCare: Subcommittee says Blue Cross made business decision.

Continued from page B-1

tee that had held up a bill banning open containers of alcohol in vehicles sent it onward after State Attorney General Charles Burson assured members a provision they had questioned is constitutional. Earlier in the day, another bill dealing with the issue was approved by the House Calendar and Rules Committee and scheduled for a vote on the House floor Thursday.

The bill approved in subcommittee this morning, sponsored by Rep. David Coffey, R-Oak Ridge, prohibits drivers from having opened containers of alcoholic beverages in their vehicles, except for the glove compartment and the trunk. It does not apply to passengers. But it does permit cities and counties that have tougher ordinances to keep them or to pass them in the future.

That bill has been passed by the Senate.

The other bill, which has not cleared the Senate but will be before the House on Thursday, is similar in most respects but prohibits local governments from having stricter ordinances. It is sponsored by Rep. Calvin Moore, D-West Point, and is the version favored

by Tennessee's liquor and beer wholesalers.

The House local government subcommittee had held up Coffey's legislation, with members expressing concern it was unconstitutional to have a state criminal law that could differ from place to place in Tennessee. But Burson said local ordinances would be civil, not criminal.

"It is our opinion that there are no constitutional differences in that provision," the attorney general said.

Currently, there is no state law against drinking alcoholic beverages in vehicles, though some cities and counties prohibit the practice.

Blue Cross/Blue Shield has refused to let doctors stay in TPN — its statewide preferred provider

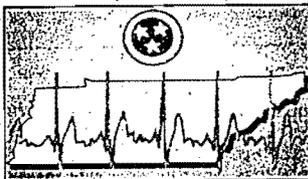
organization that serves state employees, teachers and employees of many companies — unless they also treat the Chattanooga-based insurance giant's TennCare patients. Many physicians have dropped out of TPN as a result — to the detriment, Arriola argued today, of hundreds of state employees and other TPN patients.

"We've hurt a lot of people that never cared about TennCare," he said. "What has happened is that they lost their family doctor, they lost their pediatrician."

But subcommittee members said they felt Blue Cross simply has made a business decision to use its TPN leverage and that the state should not interfere. Gov. Ned McWherter has strongly opposed the legislation.

March 7, 1994  
Nashville Banner

# Uninsured wait in debt for promise of TennCare



## TENNCARE

By Bill Snyder  
Banner Senior Medical Writer

Catherine Nesbitt sits in a Nashville courtroom, hoping to be allowed to pay off a \$750 hospital bill bit by bit.

"If they will take \$10 a month — I can't afford too much more than that," says Nesbitt, who works for a Nashville cleaning service.

Nesbitt is one of at least 30,000 people sued each year for nonpayment of hospital and medical bills in Nashville, Metro General Sessions Judge William E. Higgins confirms.

Many of them have insurance

but cannot afford to pay the deductibles. Others, like Nesbitt, do not have health insurance.

"My concern is with those poor, unfortunate people that have slipped through the cracks," Higgins said last week after hearing two days of cases involving uninsured persons unable to pay their medical bills. "I just know there are cases where there is food taken out of their children's mouths (to pay medical bills), because I see it. "I don't know what to do about it."

TennCare, the state's cost-cutting alternative to Medicaid, is

Please see TENNCARE, page A-2

## Nashville Banner

# TennCare: Thousands in state without insurance 'are hurting bad'

Continued from page A-1

supposed to change all that. This year the program, which took effect Jan. 1, will cover former Medicaid recipients and an estimated 300,000 Tennesseans who do not now have health insurance.

### System not perfected

So far the state has received more than 160,000 applications for TennCare benefits from families without insurance, TennCare director Manny Martins said. An average of two people are included on each application.

More than 20,000 of the applications have been processed and the rest should be processed within two to three weeks, state finance commissioner David Manning said today.

Processing has been slowed because the state has not "completely perfected" a computer system to verify applicants' income and their lack of health insurance, Martins said.

TennCare coverage for approved applications will be backdated to the date the applications were mailed to the state, even if that was two months ago, he added. Premiums also will be backdated.

Meanwhile, Nesbitt and others wait.

"What are we supposed to do when we get sick?" the 44-year-old East Nashville woman said. "I was sick all last week with fever and the flu. Nobody will take you if you don't have insurance or money up front.

"I wish they'd hurry up," she said of the state's health care reformers. "I need to go to the doctor

now. But I can't go because I can't pay them, and I don't want to wind up here (in court) again."

### A sign of the times

Last Thursday's collection docket in General Sessions Court had the names of 144 people who were being sued by hospitals and doctors for not paying their bills.

"We have this many cases (four days a week) every week of the year," Higgins told the 50 or so people who packed his courtroom in the Ben West Municipal Building.

"I guess it's a sign of the times. Something's drastically wrong," the judge said.

"Folks from the president on down are desperately trying to work things out," he added. "But we're here today."

Nesbitt said she accumulated her \$750 debt to Metro General Hospital after being treated there on several occasions.

"One time I fell and had a bunch of X-rays" on her leg, she said.

Nesbitt said she was laid off last year and couldn't pay her bills.

"I had to call a charity place to help pay the gas bill," she said.

She now has returned to work but said she has a hard time keeping up with current expenses, much less paying past bills.

### "Hurting bad"

Sometimes the collection agencies "talk real rough to you when you say you can't pay," Nesbitt said.

"It wasn't my fault I got laid off," she said. "They don't seem to understand."

"These folks are hurting bad," said Higgins, who invited the Nashville Banner to witness the lengthy collection docket.

"If anything good comes of this (attention), I hope it will bring about some change for this segment of the community that so many people don't know about," he said.

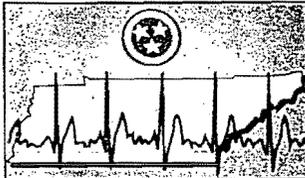
# TennCare not true health reform, hospital group exec says

By Bill Snyder  
Banner Senior Medical Writer

TennCare, the state's cost-cutting alternative to Medicaid, is not health care reform, the president of the Tennessee Hospital Association says.

The plan, which took effect Jan. 1, is designed to establish a managed-care system in which primary care doctors "manage" the care patients receive in order to avoid unnecessary services and hold down costs.

But, says Craig A. Becker, "there is no true primary care system in place."



**TENNCARE**

"It's not fundamentally changed how we're paid for providing services and how we provide those services," Becker told the Rotary Club of Nashville on Monday. "We'll never get our hands around

cost and improving the health status of our population until we have a managed-care process in place."

Becker said TennCare has caused "severe dislocations" in the state's health care system for low-income people.

Many physicians have not signed up for TennCare. As a result, "what we're seeing in the first two months is a fairly significant increase in emergency room visits," he said, because they cannot find a doctor.

"This is exactly what TennCare was trying to get away from."

State TennCare director Manny

Martins disputes Becker's assertions.

State health officials have investigated several reports of increased emergency-room use, but "they've not found a major increase in the ones they've looked at," Martins said.

About 40 percent of the state's physicians participated in the old Medicaid program. Martins says he does not know how many are participating in TennCare but he said, "I really believe by and large we're going to see better physician participation."

As for the charge that TennCare

is not managed care, Martins said most of the private health plans that are providing TennCare services are assigning patients to primary-care, "gatekeeper" physicians.

The largest TennCare plan, operated by Blue Cross and Blue Shield of Tennessee, has not yet implemented a gatekeeper system but under its contract with the state, it does not have to for three years.

"It's my belief they'll do that faster than three years," Martins said.

Martins also said that about

15,000 applications have been approved for TennCare benefits for people who do not have health insurance.

However, approval letters may not go out for two or three weeks because of glitches in the state's computer system, he said.

State officials estimate TennCare will provide benefits this year to about a million people who formerly were covered by Medicaid, and up to 300,000 people who do not now have health insurance.

About 160,000 applications by the uninsured have been received to date.



# Pediatricians say they're 'going broke' waiting for payments

By Bill Snyder  
Banner Senior Medical Writer

Two Nashville pediatricians say they may stop seeing babies born to women on TennCare unless they get paid this week.

"We're going broke," says Dr. Deidre Lanier, explaining that she has \$20,000 in bills she cannot pay.

Lanier and Dr. Eddie Hamilton say they have received only about 10 percent of the payments they should have received from TennCare health plans since Jan. 1, when the state's cost-cutting alternative to Medicaid was launched.

"We're definitely no longer going to just give away our time, our services and our supplies," Hamilton says. "If we don't get paid on Tuesday, we're going to be forced to tell patients 'You can't be seen here.'"

Dr. Barbara Stephens, another Nashville pediatrician, says some doctors have had to lay off staff because of delays in payment.

Officials of two Nashville-based health plans participating in the TennCare program say they have been paying doctors in their networks.

Samuel H. Howard, chairman of the Advantage Care health plan, says he does not believe pediatricians will stop treating newborns, because the payment delays are being worked out.

"I feel it's a glitch that is going to be overcome in short order," Howard says.

But Howard admits it has been difficult to assign newborns a

TennCare number, making them eligible for benefits.

"Newborns have got to have a number," he says. Doctors "can bill us but we have to have a number to tie things to."

"We're trying to work something out" with the state, adds Anthony Cebrun, chief executive officer of the Access MedPLUS health plan.

Newborns may be assigned a special code, Cebrun says. "We'll go back in and catch up" on payments, he adds.

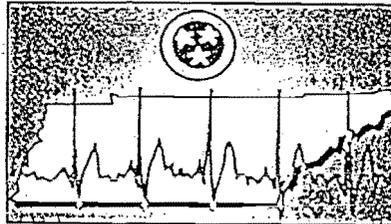
Lanier, Hamilton and other pediatricians with large numbers of TennCare patients say they hope help comes soon.

"We've received partial payment (for pediatric care), but we've never received full payment," Hamilton says.

TennCare Director Manny Martins said today doctors can bill under the mother's social security number and co-payments will be made.

But "Blue Cross says it won't pay under the mother's number," Hamilton says, and the other plans haven't paid for newborn care.

"None of us have been paid anything for seeing newborns in the hospital since Jan. 1," he says.



## TENNCARE

### It's been difficult to assign newborns TennCare number

■ Continued from page B-1

Glen Watson, senior vice president of Blue Cross and Blue Shield of Tennessee, says he was not aware there was any problem and promised to look into it.

"My assumption was we were providing newborn care until they sign the child up," he says.

Hamilton's new clinic, Nashville Primary Care for Children, near Southern Hills Hospital, is seeing about 30 patients a day, most of whom are covered by TennCare.

But it has only received 10 percent of the nearly \$40,000 in charges billed in January and February, the doctor says.

"At this point I can't meet payroll (for the two nurse practitioners in the clinic)," Hamilton says. "Unless Tuesday I get the money that was promised to us, there is no way we can continue to keep our doors open."

Hamilton says the biggest problem is newborn care.

"We're asked to provide care for newborns in the hospital and in the office with no guarantee the

“Unless Tuesday I get the money that was promised to us, there is no way we can continue to keep our doors open.”

— Eddie Hamilton  
Pediatrician

parent will ever sign the child up or we'll be reimbursed," Hamilton says. "We're prepared to say we won't see newborns in the hospital and we won't see kids in the office until they are assigned a (TennCare) number.

"If we're not paid on Tuesday, we're not seeing the newborns," Lanier adds.

Hamilton says it should not be the responsibility of doctors to sign children up for TennCare.

"We can't hire any more staff," he says. "We can't even pay the staff we do have."

Another problem, Hamilton says, is that he and other pediatricians have not yet been paid for giving childhood immunizations.

### TennCare OKs about 56,000 without coverage

About 56,000 people without health insurance have been approved for TennCare benefits, state officials announced today.

TennCare Director Manny Martins said today the state has received about 175,000 applications from the uninsured so far.

"We are processing about 7,000 to 10,000 applications a day, and by April we will have caught up," Martins told the state Legislature's TennCare Oversight Committee today.

About 741,000 people, most former Medicaid recipients, are enrolled in TennCare.

Martins also said the Jackson Clinic in Jackson, the state's largest multi-specialist group with 78 physicians, is close to signing an agreement with a TennCare plan operated by Blue Cross and Blue Shield of Tennessee.

# TennCare care below par: doctor

By Bill Snyder  
Banner Senior Medical Writer

Cleveland pediatrician Felicitio Fernando says he can only provide "substandard care" to his patients because he is not being paid adequately by TennCare.

"I'm here to tell you the standard of care I'm able to provide is a substandard level of care," Fernando told members of the Legislature's TennCare Oversight Committee on Monday.

Fernando conducted an informal survey of 11 pediatrics practices across the state and found they had been paid only a fraction of their claims by TennCare health plans.

As a result, some doctors say they have had to lay off staff. Others say they may stop seeing some TennCare patients unless they are paid.

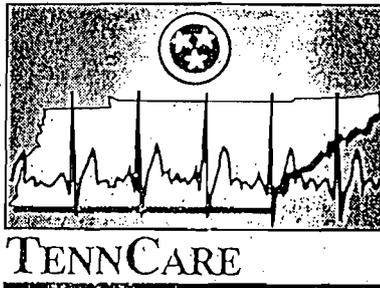
TennCare director Manny Martins said he was unaware of the delays in payment and pledged to look into them.

He also acknowledged there were some problems initially in enrolling patients into the program.

But, he told the committee, "these are glitches in a major transition of this type. We believe we're pretty well through them."

TennCare, the state's cost-cutting alternative to Medicaid, was launched Jan. 1.

It is designed to cover people without health insurance, as well as former Medicaid recipients,



while bringing the burgeoning Medicaid budget under control.

About 741,000 people have enrolled in TennCare to date, Martins said. In addition, the state has received about 175,000 applications from the uninsured for TennCare benefits.

Twelve private health plans have contracted with the state to provide TennCare services to patients. They are being paid a fixed rate in advance to "manage" the care patients receive in order to avoid unnecessary services and control cost.

Fernando, a native of Madison who received his medical degree from the University of Tennessee in Knoxville, does not believe TennCare is adequately funded.

"Even if the issues of timely payment go away, the issues of providing adequate care will not," he told the legislators.

Fernando said many patients have been issued TennCare cards by various health plans, even though they are ineligible for benefits under the program.

"That effectively makes these

cards invalid," he said.

As a result, doctors and their staff have to spend hours on the phone trying to confirm patient eligibility.

Rather than cutting administrative costs, TennCare "has increased the paperwork on everyone," Fernando said.

Fernando also said it is hard to find specialists willing to participate in the program.

But Martins said more doctors are signing up all the time.

The Jackson Clinic in Jackson, the state's largest multispecialty clinic with 78 doctors, is close to signing an agreement with a TennCare plan operated by Blue Cross and Blue Shield of Tennessee, he said.

There is confusion, Martins admitted, but unnecessary use of the emergency room, a major problem under Medicaid, has not increased and in some cases has actually declined.

Whatever the problems in TennCare, the old system had to be changed, he added.

Under Medicaid, some patients were being transported by ambulance for kidney dialysis.

"In some cases the cost of transporting was more than the cost of dialysis," Martins said. "That's not reasonable. That's not right."

"The more you feed this system, the more it's going to take," he said. "We have to change the incentives in order to make it work."

# Hospital: Slow TennCare pay costing jobs in patient care

By DUREN CHEEK  
and JIM EAST  
Staff Writer

Sycamore Shoals, an East Tennessee hospital in Elizabethton, has become at least the second in the state to lay off employees because of slow reimbursements from managed-care organizations servicing TennCare accounts.

That development followed on the heels of testimony before the state legislature's TennCare Oversight Committee that payments to some pediatricians under both the new TennCare program and the old Medicaid program are lagging seriously behind.

Under TennCare, which replaced most of the state's Medicaid system on Jan. 1, the state contracts with managed-care companies, which in turn contract with doctors, hospitals and other health-care providers to treat the poor and uninsurable.

Sycamore Shoals Hospital marketing director Dana Bailey said the 17 layoffs earlier this month were minimized because the hospital offered some of those laid off full-or

**"You can't run a business when the people who are supposed to be paying you aren't paying you."**

**DR. FELICITO FERNANDO**  
Cleveland, Tenn., pediatrician

part-time jobs in departments not directly related to TennCare.

"It's unfortunate anytime there're job losses, but [hospital director Larry Jeter] feels it's a direct result of poor reimbursement from TennCare," she said. "The job cuts were in no certain area and the majority were not in direct patient care."

The hospital employs more than 300 people.

An official of the Tennessee Hospital Association said Erlanger Medical Center in Chattanooga laid off some employees and transferred

others to different jobs. The final number of layoffs there is not yet certain, a hospital spokesman said.

"Cash flow is a problem," said Lamar Jackson of the Hospital Association.

"The [managed-care organizations] have been receiving payments from the state, but the process and procedures of the MCOs in paying that money back has slowed down and the hospitals don't understand that."

Meanwhile, pediatricians also are complaining to state officials about slow TennCare reimbursements.

Dr. Felicito Fernando, a pediatrician from Cleveland, Tenn., submitted to the legislature's TennCare Oversight Committee on Monday a list he said shows claims made by and payments made to 11 pediatric practices since Jan. 1.

The slow-pay problem is hurting rural doctors the most, said Fernan-

♦ Turn to PAGE 2A, Column 4



## Slow TennCare pay hurting, hospital says

**FROM PAGE 1A**

do, who sees an estimated 8,000 children from several East Tennessee counties.

"If you are in a rural community like we are where fully one-third of your practice is TennCare, it can be difficult. . . . You can't run a business when the people who are supposed to be paying you aren't pay-

ing you."

Fernando said payments from the state came twice a month under Medicaid.

Blue Cross Blue Shield President Tom Long and company spokesman Glen Watson Jr. have been out of their offices and unavailable for comment since Monday, a Blue Cross Blue Shield secretary said yesterday.

"I think the basic problem is that

it [TennCare] is underfunded," Fernando said. He also said the program got under way before it was fully ready.

"Too soon, way too soon," he said.

Mark Greene, legal counsel for the Tennessee Medical Association, said the figures submitted by Fernando show there is a "tremendous variation" on how TennCare is handled from MCO to MCO. ■

# 18 Let nurses prescribe: governor

## Could replace MDs not in TennCare

By **DUREN CHEEK**

Staff Writer

Gov. Ned McWherter's administration officially threw its support yesterday behind legislation to expand the ability of nurse practitioners to write prescriptions.



The legislation is being pushed by the Tennessee Nurses Association, which maintains it will give TennCare patients greater access to medical treatment.

An alternate plan, which nurses say will gut their bill, will be offered by the Tennessee Medical Association, representing about 8,000 of the state's doctors.

### THE PLAN

- ◆ McWherter tells of savings,
- ◆ Final hospital joins, on 4B.

State Health Commissioner Russell White told a legislative subcommittee the administration favors the nurses' bill, which has touched off a raging turf battle

◆ Turn to PAGE 4B, Column 2

# Nurses would replace doctors

FROM PAGE 1B

between doctors and nurses.

"I'm here to support the legislation," White told the Public and Allied Health Subcommittee of the House Health and Human Resources Committee. "We make rather extensive use of nurse practitioners. They are a vital link in our operation."

The bill was approved by the subcommittee and now goes to the full committee for further action.

The nurses' association main-

tains that nurses can provide up to 80% of the primary-care services needed by an adult and up to 90% of the primary services needed by a child if the bill becomes law.

If the bill passes, nurse practitioners could immediately begin to serve TennCare patients that physicians have refused to serve, the association says.

Under current law, certified nurse practitioners may issue prescriptions only from sites approved by the state Primary Care Advisory Board. ■