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HOUSE BILL 2275 By  
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SENATE BILL 2779  
By Cooper J

AN ACT relative to the financial responsibility of the judicial system for certain losses from the TennCare program. This act makes appropriations for the purposes described above for the fiscal years beginning July 1, 2001, July 1, 2002, and July 1, 2003.

WHEREAS, the state of Tennessee became concerned about the financial solvency of Access MedPlus and placed it under examination in March, 2000; and

WHEREAS, Access MedPlus was placed under administrative supervision of the department of commerce and insurance in May, 2000; and

WHEREAS, the state declared Access MedPlus to be insolvent in January, 2001; and

WHEREAS, the state, in order to protect patients served by Access MedPlus and to provide oversight of the operations of Access MedPlus on their behalf, immediately sought to place Access MedPlus in receivership; and

WHEREAS, the Davidson County chancery court rejected the State's receivership petition; and

WHEREAS, the state appealed the chancery court decision in February, 2001; and

WHEREAS, this appeal was not successful; and

WHEREAS, the state was thus prevented from intervening to protect its TennCare enrollees and the associated system of health care delivery; and

WHEREAS, health care providers continued in good faith providing services to patients and submitting claims for payment to Access MedPlus; and

WHEREAS, just as the state had forecast in its receivership proceeding, Access MedPlus suffered a complete financial collapse in November, 2001; and

WHEREAS, at the time of this collapse, claims from providers in the approximate amount of one hundred million dollars (\$100,000,000) were outstanding and in all likelihood will never be paid by Access MedPlus; and

WHEREAS, health care providers stand to lose an enormous sum of money for services provided to TennCare enrollees during the period in which the state sought to place Access MedPlus in receivership but was prevented from doing so by the court system; and

WHEREAS, these health care providers are innocent victims of a judicial system that utterly failed to protect them and their patients; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. From appropriations made to the court system, there shall be transferred to the TennCare bureau the sum of fifty million dollars (\$50,000,000) in fiscal year 2002-2003 and fifty million dollars (\$50,000,000) in fiscal year 2003-2004 for the sole purpose of reimbursing health care providers for actual losses that they have incurred from unpaid claims for payment properly submitted to Access MedPlus under the TennCare program during the time period between the state's initial declaration of insolvency of Access MedPlus and the judicial declaration of insolvency in November, 2001.

SECTION 2. This act shall take effect July 1, 2002, the public welfare requiring it.