



# MEDIA RELEASE

STATE OF TENNESSEE  
BUREAU OF TENNCARE

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CONTACT: MARILYN ELAM  
615.532.8675 (OFFICE)  
615.969.2619 (CELL)

## **TENNCARE BUREAU TO ISSUE RFP FOR DENTAL BENEFITS MANAGER**

WILL ISSUE NEW RFP RATHER THAN EXTEND AGREEMENT WITH CURRENT CONTRACTOR

NASHVILLE, Tenn. -- The contract between TennCare and its dental benefits manager, Doral Dental, will not be renewed at the end of this contract year, which ends June 30, 2005, TennCare officials announced today.

“Doral Dental has performed well in managing TennCare’s dental network over the past several years,” said TennCare Director, J.D. Hickey, “However, there is not sufficient information available in the public record at this time to answer the questions that surround the company’s contractual arrangements to justify the continuation of this contract.

“Given the size and complexity of the TennCare program, and the large amounts of taxpayer dollars that flow through this organization, we are especially sensitive to the need for proper oversight of our vendors. This is especially important considering the dire financial outlook for the TennCare program.

“With the assistance of the Attorney General’s office, we may eventually determine that there was no contract violation. However, because the facts around this are unavailable at this time, our concerns remain. We have reached a point where we must make a decision regarding the future of this contract. We have elected to not renew the contract when it expires on June 30 of this year. We have elected to re-bid this contract out of an abundance of caution, and in recognition of the seriousness with which we treat the program’s integrity.

“We recognize there are broader ethical and regulatory matters being considered in other branches of state government at this time, however, the TennCare Bureau’s authority in matters of this nature is limited to contractual relationships with our vendors. As such, the Bureau is taking heightened measures to strengthen future contract language and oversight of its vendors. I have asked our legal staff to reexamine our contract language and potentially tighten the provisions around lobbying activities and conflict of interest disclosures that are currently required.”

Because the contract period expires in approximately 60 days, there is not sufficient time to allow for a re-bid prior to the end of the existing agreement. The Bureau will extend the existing contract with Doral for 90 days beyond June 30 to allow for the re-bid and to ensure continuity of dental benefits for eligible enrollees.

Aside from the decision to not renew the contract with Doral, TennCare officials continue to work with the Attorney General’s office to determine whether state funds that were paid to Doral were part of the fees Senator Ford received from Managed Care Services Group, a company that contracted with Doral. If it is determined that these payments were made, it would be a clear violation of the contract and would lead the Bureau to take action to recoup from Doral the amount of the payments to the Senator.

(more)

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Doral was awarded a contract for dental benefit manager services in September 2002, following an RFP process. The maximum value of the existing contract is \$18 million. Since assuming responsibility for dental services, Doral has increased the dental provider network by more than 80 percent and an accuracy rate for claims paid of 99 percent.

TennCare is Tennessee's managed care insurance program for 1.3 million people who are poor, disabled or uninsured.

This news release can be found at <http://www.tn.gov/tenncare/news.html>

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