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Business

Big companies have a large number of workers in program

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TennCare covers 25 percent of employees at Wal-Mart Associates Inc. of Tennessee, and the company says that's because it has so many employees across the state.

The state-sponsored health-insurance program for low-income, uninsured, disabled and uninsurable residents covers 9,617 of Wal-Mart's 37,000 employees in Tennessee, according to the state. That makes Wal-Mart the top employer of TennCare enrollees in Tennessee.

The state TennCare Bureau released a list of the top 20 employers of TennCare recipients after Gov. Phil Bredesen's announcement that 323,000 adults would be cut from the program.

The list of companies includes a number of temporary agencies, fast-food restaurants and supermarket chains.

Some said high turnover often keeps employees from being at a company long enough to qualify for benefits.

It is considered fraud for a person who has access to a standard insurance plan to enroll in the TennCare program instead, TennCare spokesman Michael Drescher said, but if an employee's salary is so low that they'd be Medicaid-eligible, there is no fraud.

"TennCare is the payer of last resort," Drescher said. "A lot of people have access to insurance, but they can't afford it. The state can't continue to keep bearing that cost."

"It's just the law of large numbers," said Dan Fogleman, spokesman for Wal-Mart. "We're as large an employer as anyone likely to show up on the list. If there are some of our associates on the state-sponsored plan, we don't know the specific circumstances. We do not design plans to be supplemented by public assistance, nor do we encourage our associates to apply for this assistance."

Fogleman said Wal-Mart offers health insurance to part-time and full-time employees with premiums as low as \$40 a month for individuals and \$155 a month for families.

The average wage for a regular, full-time employee at Wal-Mart in Tennessee is \$9.68 per hour, Fogleman said, noting that the company offers performance-based bonuses.

At Kelly Services Inc. in **Knoxville**, staffing supervisor Jennifer Webb said her company does offer health insurance benefits, "but they are a wee bit pricey due to the fact that we are a temporary service. As far as I know, we just offer a basic insurance package."

As for the impact of the governor's announcement, Webb said she believes more temporary employees will start seeking full-time employment that offers better benefits.

"I think you will see a decrease in temporary jobs as people start to look for full-time jobs that offer benefits," she said.

Drescher said the department came up with the top 20 list by running the Department of Labor and Workforce

Development's employee numbers against the TennCare recipient numbers.

"We're trying to figure out why" so many large employers also have large numbers of employees on TennCare.

Drescher acknowledged that there may be discrepancies between the numbers of TennCare recipients and actual employees of companies, but that doesn't change the fact that many TennCare enrollees are employed by big companies.

In some cases the state counts fewer employees at a company than TennCare enrollees, a discrepancy that may have resulted from the fact that companies, especially temporary agencies, on the list have a high degree of turnover, said Ed Lenz of the American Staffing Association, the trade association for temporary agencies in Alexandria, Va.

For example, he said temporary agency Randstad, listed as the company with the second-highest number of TennCare enrollees at 6,389, has a turnover rate of more than 400 percent.

"The data doesn't sound right to us," Lenz said. "Fifty percent of temporary workers have insurance coverage, whether from an employer, spouse or coverage on their own."

Roger Rendin, Krystal's vice president of people development and training, said the company offers health insurance to its part-time employees.

"It is our hope that our employees take advantage of this opportunity," Rendin said. "But the turnover rate for part-time employees in the quick-service industry in general is high, and it is no exception at Krystal. Unfortunately, the part-time employees in the industry rarely stay at one employer long enough to ever be eligible for employee benefits."

Cindi Kurczewski, spokeswoman for Randstad Staffing Services USA, a temporary service, issued a statement: "As one of the largest employers in Tennessee, Randstad is committed to offering our flexible work force an affordable option for health benefit coverage. We do make a health and dental insurance program available to our external talent. This program provides benefits to a flexible work force that may not have other access to reasonably priced health care."

Business writer Rebecca Ferrar may be reached at 865-342-6357.

TOP 20 EMPLOYERS OF TENNCARE RECIPIENTS

1. Wal-Mart Associates Inc. 9,617
2. Randstad Staffing Services USA 6,389
3. Adecco USA Inc. 4,205
4. Staffmark East LLC 3,818
5. Real Time Staffing Services 3,783
6. Spherion Atlantic Workforce 3,759
7. Kelly Services Inc. 3,719
8. The Holland Group of Tennessee 3,569
9. The Krystal Co. Inc. 3,183
10. Dolgencorp Inc. 3,002

11. K -Va-T Food Stores Inc. (Food City) 2,988
12. Staffing Solutions Southeast Inc. 2,765
13. Kroger Limited Partnership 2,563
14. Hardees Food Systems 2,510
15. Labor Ready Mid-Atlantic III 2,422
16. Cracker Barrel Old Country Stores 2,411
17. Ryans Family Steak Houses 2,278
18. Hamilton -Ryker Group LLC 1,834
19. Labor Ready Mid-Atlantic Inc. 1,796
20. Optimum Staffing Inc. 1,692

Total 68,303

Source: TennCare Bureau

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