



FOR IMMEDIATE RELEASE

December 16, 2019

KNOX COUNTY HOSPITAL TO PROVIDE TREATMENT FOR BCBS-COVERED PATIENTS DESPITE INSURANCE COMPANY DROPPING HOSPITAL FROM NETWORK, EFFECTIVE JAN. 16, 2020

(KNOX CITY, TX, December 16, 2019) – The Knox County Hospital District (KCHD) Administrator Stephen Kuehler has notified all federal and state employees and retirees who have health insurance through Blue Cross Blue Shield of Texas (BCBS) that the Hospital will continue to provide treatment services to them and their family members despite the BCBS notification that it was dropping the hospital from its network.

“We will not treat the citizens of Knox County the way Blue Cross is treating us,” Kuehler said in a letter to local citizens with BCBS plans. “This hospital has been providing care for our community for more than a hundred years and we will continue to do so. I want to assure all government employees and retirees that we will provide all necessary treatment regardless of what Blue Cross chooses to do.”

The Knox County Hospital is the only hospital in the county and those citizens receiving healthcare coverage through government plans were notified last week – the day after the enrollment period had ended for the upcoming year – that Blue Cross would drop the Knox County Hospital from its network.

Knox County residents receiving health benefits through BCBS Federal Employee Program received notification from BCBS on December 10 that the provider was dropping Knox County Hospital from its network. Open enrollment for participants in the Federal Employee Program closed on Dec. 9, 2019.

“Notifying our citizens the day after the enrollment period ended was a callous, calculated decision made to create as much pain and suffering as possible for Blue Cross customers and this hospital,” Kuehler said.

Kuehler said that hospital attorneys had been negotiating with the Illinois-based company on an extension to its current contract, after BCBS provided it with notice that it intended to drop the hospital from its network. He said the hospital only learned of the latest BCBS action when he was contacted by distraught local residents who had been notified by the insurance giant that it was dropping the only hospital in the county from its network.

“I certainly expect the state of Texas to intervene, because BCBS has promised to provide insurance coverage in all 254 Texas counties as part of its contract with the state,” Kuehler said. “The state has an obligation to insure that all citizens have equal access to health care.”

The Knox County Hospital is currently pursuing a lawsuit in federal court against BCBS regarding more than \$21 million in unpaid claims dating back to 2017. With BCBS in violation of the state’s Prompt Pay Statute, KCHD had filed a formal complaint with the Texas Department of Insurance (TDI), which failed to take action. Finally, a state District Judge issued a Temporary Restraining Order in September against BCBS, which the insurer filed to have moved to the Northern District of Texas Federal Court in Wichita Falls.

On December 11, Knox County filed a Motion for Summary Judgement filed in federal court, maintaining that BCBS had engaged in a systematic pattern of nefarious activities, including, but are not limited to, fraud, slander, violations of the Texas Insurance Code and violations of Texas Civil Practices Code.

“This hospital is not going to be bullied by Blue Cross,” Kuehler said. “We may be a small provider, but we take our responsibility to the citizens of Knox County very serious. We’re used to being treated poorly by this company, but now they want to punish everyone who lives in this county.”

Knox County Hospital District provides healthcare services for residents of Knox County and surrounding areas. The hospital district offers a wealth of medical services, including 24-hour emergency care, advanced radiology services, a clinical laboratory, physical therapy, patient education and more. The Knox County Hospital is a 25-bed acute care critical access facility located in Knox City, Texas which is 78 miles north of Abilene. The District also operates two rural health clinics, an outpatient retail pharmacy, home health, emergency medical services (EMS), a nursing home and durable medical equipment (DME) services.

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