Total Renal Care Files Appeal of Florida Carrier Lab Decision

TORRANCE, Calif., Feb. 4 /PRNewswire/ -- Total Renal Care Holdings, Inc. (NYSE: TRL), the nation's second-largest provider of dialysis services, today announced that a Medicare Hearing Officer at First Choice Service Options, Inc. (formerly Blue Cross/Blue Shield of Florida) upheld the carrier's previous decision denying payment of over 97% of the lab tests performed by Total Renal Care's Florida-based laboratory during the period from January 1995 to April 1996.

The third-party carrier has suspended all payments of Medicare claims related to this laboratory since May 1998 alleging that lab tests were not properly supported by the prescribing physicians' medical justification.

The Company is pursuing its next available administrative remedy having filed an appeal to an Administrative Law Judge. "It is shameful that the administrative process we are required to exhaust has taken one year and eight months to have one carrier paid employee endorse the previous decision of another. Gladly, we now have the opportunity to have our case heard by a qualified, unbiased and independent administrative law judge. Throughout this ordeal we have continued to provide our patients with the lab tests ordered by their physicians, despite our receiving no payment. A smaller company would have been bankrupted by this extreme bureaucratic behavior. No physician in the nation disputes the fact that our patients would suffer great clinical harm if these tests were stopped. Yet the carrier has refused to provide the company any guidance of exactly how we must bill or what we must do to end the suspension. We will actively support the pending Federal legislation which would bar carriers from such broad and unsubstantiated payment suspensions," stated Barry C. Cosgrove, Total Renal Care's General Counsel.

The Company is unable to determine at this time when this matter will be resolved or when the laboratory's payment suspension will be lifted or what, if any, of the laboratory claims will ultimately be disallowed. The carrier is also reviewing the laboratory's Medicare billings for the period May 1996 to August 15, 1999.

Total Renal Care Holdings, Inc, based in Torrance, California, is the second-largest provider of dialysis services for patients suffering from chronic kidney failure. The Company owns and operates kidney dialysis centers and home peritoneal dialysis programs domestically in 32 states, as well as Washington, D.C. It also provides acute hemodialysis services to inpatients at approximately 330 hospitals. As of December 1, 1999, Total Renal Care operated 488 outpatient dialysis facilities serving over 40,000 patients.

This release contains forward-looking statements, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements regarding potential strengthening of operations and financial performance and involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Factors which could cause or contribute to such differences include, but are not limited to, the uncertainties associated with governmental regulation, general economic and other market conditions, and the "risk factors" set forth in the Company's filings with the Securities and Exchange Commission, including but not limited to (1) the risks relating to the large amount and terms of the Company's outstanding debt, (2) risks relating to the Company's failure to build adequate internal systems and controls, and (3) possible changes in Medicare, Medicaid and private reimbursement rates. The forward-looking statements should be considered in light of these risks and uncertainties.

SOURCE Total Renal Care Holdings, Inc.

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