

Wal-Mart Workers in Tennessee Need Medicaid to Get By

State must subsidize health care for Wal-Mart workers more than those of any other employer

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A study of Tennessee businesses shows thousands of Wal-Mart employees are on TennCare, the state's expanded Medicaid program, providing fodder for critics who say some businesses are shifting costs for low-paid employees onto the backs of taxpayers.

Wal-Mart, with 9,617 employees listed as receiving benefits from the program, said it offers a health plan available to full-time workers after six months and to part-time employees after two years.

Critics said the high cost of the retailer's insurance is out of reach for low-income workers who are forced to turn to publicly financed health insurance.

The figures come from a survey conducted during the past two months of TennCare rolls and Labor Department data, requested by The Chattanooga Times Free Press. It shows the number of TennCare enrollees who were employed by Tennessee companies at some point during the year.

The top 20 companies on the list employed 68,303 TennCare recipients -- roughly 6 percent of the 1.3 million people now on the state's health care plan.

State officials said they would continue to look at the data, as it may be somewhat imprecise because of high employee turnover rates at the private companies.

"The fact of the matter is there is a trend here that large employers have a large number of TennCare enrollees on the rolls, and we have to find out what's behind that," said TennCare spokesman Michael Drescher.

Wal-Mart, with about 25 percent of the company's 37,000 workers on TennCare, tops the list of businesses with employees on the expanded Medicaid program. Wal-Mart is the state's largest private employer.

Wal-Mart spokesman Dan Fogleman called the retailer's benefits "competitive."

"If there are some of our associates who have decided for some reason not to participate in our health plan, we don't know the reason," he said.

Phil Mattera, a research director for Good Jobs First and a Wal-Mart critic, said the list of employers with Medicaid-dependent workers shouldn't include the largest and most profitable companies in the country.

"There was a time when the biggest company in the land -- Ford Motor Co. in the early 20th Century and General Motors after World War II -- set the pace for raising wages and benefits," he said. "Wal-Mart seems to be leading us downhill and, in effect, using the government to help pay for its expansion by not giving its workers a sufficient health benefit plan, in many instances."

A study in California found that Wal-Mart workers there cost that state an estimated \$32 million because of their reliance on public assistance programs.

Temporary employment agencies represented seven of the top 10 companies with employees on TennCare, while Chattanooga-based Krystal Co. was ninth on the list with 3,183 employees. Goodlettsville-based discount retailer Dollar General was 10th.

Gordon Bonnyman, executive director of the Tennessee Justice Center, suggested that the state should offer reforms that allow large companies such as Wal-Mart with low-wage earners to buy into TennCare or other insurance health insurance.

"It would be good if we could get private employers to pitch in and do their fair share, and take advantage of the economy of scale and volume that TennCare provides," Bonnyman said. "Nobody understands volume discounts like Wal-Mart."