

TENET HEALTHCARE CORP
Form 8-K
November 04, 2003

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report: October 31, 2003
(Date of earliest event reported)

Commission file number: 1-7293

TENET HEALTHCARE CORPORATION

(Exact name of Registrant as specified in its charter)

Nevada
(State or Incorporation)

95-2557091
(I.R.S. Employer
Identification No.)

3820 State Street

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Santa Barbara, California 93105

(Address of principal executive offices, including zip code)

(805) 563-7000

(Registrant's telephone number, including area code)

N/A

(Former name or former address, if changed since last report)

ITEM 9. Regulation F-D Disclosure

On October 31, 2003, Blue Cross of California notified Doctors Medical Center of Modesto (DMC), an acute care facility operated by a subsidiary of Tenet Healthcare Corporation (Tenet), of its intent to terminate its Comprehensive Contracting Hospital Agreement with DMC, effective November 30, 2003. Blue Cross and DMC have been engaged in a dispute over approximately \$50 million of accounts receivable that DMC claims are due from Blue Cross under this agreement.

According to Blue Cross, this contract termination is based upon conclusions it reached in a study of the patient records of 23 DMC cardiac patients from January 1, 2000 to January 31, 2003 a 37 month period. Blue Cross alleges that its review indicates that 12 of these 23 cases appeared to have been medically unnecessary. The 23 patients, all Blue Cross members, were treated by 13 different cardiologists who also routinely treat patients at other Modesto area hospitals. DMC and Tenet have concerns about both the methodology employed by the study and the small sample size, which represents approximately 1.2% of 1,922 cardiac cases treated at DMC during the same time period.

DMC and Tenet are attempting to work with Blue Cross to address these issues and provide assurance to Blue Cross and its members that patient safety is DMC s top priority. DMC has a very stringent cardiac review program, which follows strict protocols established by the American College of Cardiology and American Heart Association.

A copy of the Blue Cross termination notice is attached as Exhibit 99.1. A copy of Tenet s response is attached as Exhibit 99.2.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TENET HEALTHCARE CORPORATION

By: /s/ STEPHEN D. FARBER
Stephen D. Farber
Chief Financial Officer

Date: November 3, 2003

EXHIBIT INDEX

99.1 Blue Cross termination notice dated October 31, 2003

99.2 Tenet letter to Blue Cross dated November 3, 2003.