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UHS: $1B earnings expected in 2007-08

Three-quarters of the expected revenue will come from PCMH.

By Jimmy Ryals
The Daily Reflector

University Health Systems of Eastern Carolina is set to become a billion-dollar business in the next year. The company’s income should cross the $1 billion mark in the 2007-08 fiscal year, according to a budget approved Tuesday by the UHS Board of Directors. Company officials expect UHS, which owns six hospitals and other health care agencies, to bring in $1.03 billion next year.

UHS Board Chairman Larry Seigler said he was “wowed” by the prospect of a 10-figure revenue year for the company.

“I’ve just got chill bumps thinking of my responsibilities as a board trustee overseeing a billion-dollar corporation,” he said at a budget retreat Tuesday. “I’m proud to be a part of it.”

Under the new spending plan, UHS income would outpace expenses by about 4 percent during the 2007-08 year, which starts Oct. 1.

Three-quarters of the expected revenue will come from Pitt County Memorial Hospital. The PCMH Board of Trustees approved a $780 million hospital budget Tuesday. Pitt Memorial officials project a 2007-08 profit margin of 3.1 percent.

PCMH’s spending plan includes a 6.8-percent increase in the rates patients and insurers pay for care. It’s not an across-the-board increase, said David Hughes, PCMH vice president for financial services. Some services could see 3- or 4-percent hikes; fees for others could rise by more than 7 percent, he said. Individual rate raises will largely depend on how costs rise at other tertiary-care hospitals in North Carolina.

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BUDGET

Highlights from the 2007-08 PCMH budget:
- Total revenue: $779 million
- Total spending: $744 million
- Projected admissions: 38,574
- Projected surgeries: 32,160
- Projected emergency room visits: 85,729
- Full-time employees: 5,495
BUDGET
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Pitt Memorial has struggled financially in 2007. With a little more than three months left in the fiscal year, PCMH has generated less than a quarter of the net operating income officials had budgeted. Income is outpacing expenses by 1.7 percent, roughly four times lower than the 2006-07 budget projections. Officials have attributed the slow business to an increase in treatment of uninsured patients and lagging demand for profitable outpatient and surgical services.

“What that makes us do is buckle down more on the expense side of the house,” Hughes said.

To that end, PCMH trimmed its planned capital spending for next year from $78 million to $21 million. The hospital is also eliminating some temporary positions and moving some employees from contracted positions to salaried posts. Spending is still set to increase by nearly $35 million in 2007-08, compared to $53 million this year.

The new budgets come with an “activist” streak, said UHS CEO Dave McRae.

In the past, trustees focused on a hospital’s financial health and left the quality of care to doctors. The 07-08 spending plans include goals — launching a new record-keeping system, recruiting and retaining staff and improving service — that go beyond fiscal health, McRae said.

That goal-setting leaves trustees and administrators “very actively involved in driving quality measures and driving key decisions about what needs to be done to assure that the hospital is not only operating financially well but in all other areas,” he said.

In other news from the PCMH/UHS board meeting, all doctors seeking admitting privileges at PCMH must be board certified under a change in medical staff bylaws approved Tuesday. Increasingly, hospitals around the country are requiring board certification for staff physicians, said Dr. Walter Pofahl II, PCMH chief of staff.

“This is a big change,” Pofahl said. “We do have several physicians who are actually very good doctors who are on our staff currently who are not board certified.”

Current PCMH doctors who aren’t certified will be exempt from the new requirement.

The PCMH Board of Trustees and UHS Board of Directors are legally separate bodies, although the same people sit on each group. The PCMH board meets as the UHS board once per quarter, as it did Tuesday.

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GENERAL ASSEMBLY

UNIVERSITY SMOKING:
University of North Carolina system campuses will be able to ban smoking in more locations and on campus grounds in a bill now heading to Gov. Mike Easley's desk for his signature. The measure would allow smoking to be banned at any building used by the UNC system. Current law is more limited. The bill also gives UNC power to control smoking in 100-foot buffer zones around buildings. The Senate agreed to House changes to the bill, which also allows exemptions for the UNC Health Care System and medical buildings at East Carolina University, leaving policies there to the discretion of administrators.
Breast cancer genes can be hidden in Dad’s side of the family

By Carla K. Johnson
The Associated Press

CHICAGO—A deadly gene’s path can hide in a family tree when a woman has few aunts and older sisters, making it appear that her breast cancer struck out of nowhere when it really came from Dad.

A new study suggests thousands of young women with breast cancer—an estimated 8,000 a year in the U.S.—aren’t offered testing to identify faulty genes and clarify their medical decisions.

Guidelines used by insurance companies to decide coverage for genetic testing should change to reflect the findings, said study co-author Dr. Jeffrey Weitzel of City of Hope Cancer Center in Duarte, Calif. Testing can cost more than $3,000.

“Interestingly, it’s about Dad,” Weitzel said. Half of genetic breast cancers are inherited from a woman’s father, not her mother. But unless Dad has female relatives with breast cancer, the faulty gene may have been passed down silently, without causing cancer. (Men can get genetic breast cancer, too, but it’s not common.)

Weitzel said doctors often overlook the genetic risk from the father’s side of the family.

The study, appearing in today’s Journal of the American Medical Association, looked at the genetic test results from 306 women diagnosed with breast cancer before age 50.

None of the cancer patients in the study had a family history of breast or ovarian cancer.

Among the women with plenty of female relatives, about 5 percent had BRCA gene mutations. But among those with few sisters and aunts older than 45 (when breast cancer would be likely to appear), almost 14 percent had mutations of the genes BRCA1 or BRCA2. That suggests that these cancer patients were unaware of their genetic mutations because there were so few women in the family to signal a cancer risk.

The researchers defined few female relatives as fewer than two on either the father’s or mother’s side of the family.

Women who were adopted and don’t know their family medical history should be aware of the findings, Weitzel said. Women whose female relatives died young before breast cancer had time to show up also are affected.

When such a woman gets breast cancer before age 50, she should get a genetic test, said Dr. Noah Kauff, a cancer geneticist at Memorial Sloan-Kettering Cancer Center in New York. That would help her decide whether to have the unaffected breast or her ovaries removed to prevent more cancer. Kauff was not involved in the research, but wrote an accompanying editorial.

“The study allows physicians and patients to make an argument to insurance carriers that, although there’s not a family history of breast cancer, it’s still reasonable to test and it should be covered,” Kauff said.

Genetic testing helps a woman choose her next medical steps. A woman with breast cancer who has a BRCA gene mutation has a four times greater risk of developing cancer in the other breast and a 10 times greater risk of ovarian cancer than does a woman with breast cancer who has no BRCA gene mutation.

Some women with a family history of breast cancer choose to have a BRCA genetic test so they can decide whether to reduce their cancer risk by removing their ovaries and breasts before any cancer appears. Drug therapy and monitoring with annual MRI tests offer alternatives.
After it blooms, it will smell as bad as a blooming corpse

Rare plant (titan arum) at UNCC nearing a rare feat

BY KAREN CIMINO
THE CHARLOTTE OBSERVER

CHARLOTTE - A titan arum plant, commonly known as the corpse flower because it smells like rotting meat, is expected to bloom in two weeks at UNC Charlotte.

This will be the first time this particular plant has bloomed and the first time a titan arum has bloomed anywhere in the Carolinas, said Larry Mellichamp, director of UNCC's McMillan Greenhouse. It has only bloomed at 19 other institutions in North America.

"In the last 100 years, there’s no other botanical phenomenon that has created quite the craze you get when they bloom in cultivation," Mellichamp said. "It's so rare, it's like a volcano erupting or a panda being born in captivity."

UNCC bought a corm, which is like a bulb, four years ago for $100. Last year, the plant grew its first leaf, which was 10 feet high and 8 feet wide and looked like a small canopied tree.

Bella, as the staff has nicknamed it, is entering its reproductive phase, Mellichamp said. When it blooms, it will emit a horrendous stench to draw flies, which pollinate the large bloom in the wild.

"It makes yours eyes water, and it makes you feel like throwing up," said Tim Metcalf, director of the University of California Davis Botanical Conservatory where a titan arum bloomed last month.

"We had about 3,000 people come during the five days it was open," he said.

"The first night is when it is super pungent," Metcalf said, adding that insects can smell it from a mile away and people from two blocks away.

Italian botanist Odoardo Beccari discovered the plant, which is indigenous to the rain forests in Sumatra, in 1878.

The titan arum’s scientific name is Amorphophallus titanum. It’s the world’s largest and most famous flowering, unbranched structure, botanists say. That means the entire plant above ground is made of a single immense leaf that can grow 20 feet tall with a 45-foot canopy.

When it blooms, the entire plant looks like a huge bell-shaped flower up to 9 feet in circumference, with a shaft growing out of it. But it's actually an inflorescence, or grouping of flowers. (Other inflorescences include the orchid and milkweed.)