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Health plan influx awaited

Unemployment is expected to spur use of the state's high-risk insurance program

SABINE VOLLMER, Staff Writer
Comment on this story

With unemployment rising, more people with high-risk health problems are expected to turn to state-subsidized insurance that takes effect Thursday.

But so far only 500 of the 180,000 North Carolinians estimated to qualify have applied.

State legislators established the N.C. Health Insurance Risk Pool more than a year ago to provide an option for people whose illnesses push them out of the market for private health insurance.

The pool's benefits are limited, and its costs are high. But for people with chronic diseases, enrollment can reduce out-of-pocket expenses by half -- especially after they've lost their jobs and exhausted their health insurance benefits under provisions of the Consolidated Omnibus Budget Reconciliation Act, or COBRA.

"This is an insurer of last resort," said Adam Linker of the N.C. Justice Center's Health Access Coalition. "It's definitely a good option for some people, but it's not going to help a large number of people."

Michael Keough, executive director of the insurance program, said 222 people have been accepted into the program to date. But Keough said the number of applications has doubled in the past two weeks and efforts are under way to further boost interest. He plans to start advertisements and to ask state lawmakers for steeper premium subsidies.

Similar high-risk health insurance pools have been around in 34 other states for years. It just so happens that North Carolina's pool becomes available as widespread layoffs are costing a rising number of people their employer-sponsored health insurance.

Based on research by the Kaiser Family Foundation, the number of uninsured increases by 1 million every time the national unemployment rate goes up a percentage point. In the past year, U.S. unemployment has risen from 4.7 percent to 6.7 percent, according to the U.S. Department of Labor.

In North Carolina -- where the number of people without health insurance has reached a 10-year high of 1.6 million -- community health clinics, which charge based on income, and free clinics have more patients asking for medical care.

The rising need is also giving more ammunition to advocates who have long pushed to improve health-care access for low-income families.

In the upcoming session, state legislators are likely to hear requests to increase funding for Medicaid, the health insurance for the poor, and for state-sponsored programs that offer
health insurance for children based on income.

Meanwhile, the new risk pool is available to those who lack insurance because they have health problems, have exhausted their COBRA benefits or lost their jobs to overseas competition. It's also available to people who would otherwise have to pay exorbitant insurance premiums because they have a high-risk health condition.

Still, the insurance is costly. Plans have annual deductibles of $1,000, $2,500 or $5,000. Premiums vary widely. While they are 175 percent of what a healthy person would pay on average, they are considerably lower than insurance in the private sector. A 51-year-old, female nonsmoker, for example, pays $426 under the plan with the highest deductible. The premium goes up to $786 per month if she chooses the plan with the lowest deductible.

The pool pays up to 80 percent of the costs once the deductible has been reached. Keough suggested that most of those enrolled in the pool will incur annual health-care costs that exceed their deductible.

Funding for the program comes through premiums -- which will pay for about 60 percent of the costs -- and from state taxes the insurance industry pays. An additional $5 million in funding will come from the state's tobacco settlement money.

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**BY THE NUMBERS**

People covered by the state's high-risk health insurance pool to date

Percentage of participants who say they smoke

Average age of those enrolled

Average monthly premium

Percentage of participants selecting the pool's highest-deductible, lowest-premium option, the most popular choice


A subsidiary of The McClatchy Company
Colleges, offices scrap land lines

Estimated 25% of businesses are phasing out desk phones in effort to save more money

By Greg Latshaw
USA TODAY

Jennifer Wunder, an associate English professor at Georgia Gwinnett College in Lawrenceville, Ga., says she likes to keep her college-provided cellphone handy to send text messages and e-mails to students.

"It's an incredible educational opportunity," she said.

On Jan. 7, she'll join about 75 fellow employees who will unplug their office phone and go wireless for good, said Lonnie Harvel, the school's chief information officer.

The public college is one of a growing number of businesses and organizations across the USA that are shedding traditional land lines and replacing them with cell phones or voice over Internet protocol (VoIP) technology in an effort to save money during tough economic times.

There are no national statistics available on how many of the nation's businesses have cut the cord. Lisa Pierce, vice president of Forrester Research, a marketing consulting firm in Cambridge, Mass., estimates about 25% of businesses are starting to phase out desk phones. More than 8% of employees nationwide who travel frequently have only cellphones, says Bill Hughes, an analyst with InStat, a marketing consulting firm in Scottsdale, Ariz.

"In the business environment, it's really a matter of a company saying, 'This will save us money,'" Hughes said.

Robert Rosenberg, president of The Insight Research Corp. in Boonton, N.J., said U.S. businesses are lagging behind Europe and Asia in going wireless because major cellular carriers, such as AT&T and Verizon, are also earning money by providing land lines to businesses - an $81.4 billion industry in 2008, he said.

Rosenberg said businesses nationwide spent $51.7 billion on wireless devices this year but in five years will double that to $107.6 billion, overtaking their expenses for land lines.

U.S. tax law is a hurdle for employers going wireless, said Jason Goldman, counsel for telecommunications and e-commerce for the U.S. Chamber of Commerce. Since 1989, he said, the Internal Revenue Service has deemed personal use of company cellphones as extra compensation, which creates extra paperwork for both employers and employees.

The chamber supports changing the code so employees don't have to list their calls, Goldman said.

Among those going land line-free:

- In Washington, D.C., the City Administrator's office launched a pilot program in October in which 30 employees with government-issued cellphones gave up their desk phones, said deputy mayor Dan Tangherlini. Because the government has issued more than 11,000 cellphones to employees, the program could multiply into a significant savings if a portion also give up desk phones, he said.

- KLA-Tencor, a manufacturer to semiconductor companies that earned $2.5 billion last year, plans to equip 42 employees with only cellphones by March, said Timothy Campos, the chief information officer for the San Jose company. The calls will connect into a VoIP phone system that will save money on international calls, he said.

- Colleges including St. Mary's College in Notre Dame, Ind.; Marquette University in Milwaukee, Wis.; Roanoke College in Salem, Va.; and Elon University in North Carolina have removed land lines from dorms the past two years, representatives at those schools say.

They are saving hundreds of thousands of dollars by doing so, said Jeri Semer, executive director of the Association for Information Communications Technology Professionals in Higher Education in Lexington, Ky.

St. Mary's saves $400,000, which it put mostly toward faculty salaries, said Laurie Stickenmaier, vice president for finance and administration.

A study conducted among more than 16,000 households between January and June by the National Center for Health Statistics of the federal Centers for Disease Control and Prevention found more than one in six families have substituted a wireless telephone for a land line.

"The trend shows no signs of slowing down," said Stephen Blumberg, a senior scientist who worked on the report.

Latshaw reports for The Daily Times in Salisbury, Md.
Today's debate: "Defensive" medicine

Lawyers' bills pile high, driving up health care costs

Our view:
Fear of lawsuits prompts doctors' to overprescribe diagnostic tests.

Health care costs are out of control, as we heard constantly during the presidential campaign. Yet that doesn't stop sensible physicians from shunning the sickest patients or ordering needless hospitalizations, drugs, tests and invasive procedures.

Against their better judgment, physicians practice "defensive medicine" — actions designed to protect themselves from lawsuits rather than serve patients' best interests.

Why? The threat of being sued is pervasive, and doctors simply don't trust the legal system. One in seven obstetricians/gynecologists has stopped delivering babies, and three-quarters have been sued at least once, according to a 2003 study.

Compliance with arbitration and mediation encourage quicker settlement of legitimate claims. At Kaiser Permanente in California, 6 million patients have signed agreements to resolve disputes without a jury.

As a pilot project, states can create specialized health courts, where experienced judges decide cases without juries by having impartial experts testify about whether an injury was preventable. Awards would be more consistent and patients could receive quicker compensation.

States need tougher error-reporting systems in which each hospital's track record is made public. Sealing settlements from public view, a common practice, makes it impossible to study and should be eliminated.

Physicians fear that candor about mistakes could get them sued. A safe harbor is needed. In 2006, then Sens. Barack Obama and Hillary Clinton proposed a law that died in committee to give physicians and hospitals an alternative to the courtroom and a chance to discuss errors without fear.

The current system is arbitrary, inefficient and results in years of delay. Reform would encourage doctors to focus on patient needs instead of what unnecessary tests might keep a lawyer away from their doors.

Medical Association found 93% of Pennsylvania doctors practice defensive medicine.

The liability system is too often a lottery. Excessive compensation is awarded to some patients and little or none to others. As much as 60% of awards are spent on attorneys, expert witnesses and administrative expenses.

Change obviously is needed — and aggressively resisted both by trial lawyers who profit from the system and by others who don't want to lose a deterrent to medical malpractice. But there are ways to trim the waste and protect patients, too.

Playing defense

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Source: Massachusetts Medical Society Survey

By Keith Simmons, USA TODAY
Focus on medical mistakes

Opposing view:
Malpractice suits provide justice, hold doctors accountable for errors.

By Les Weisbrod

The field of medicine is filled with doctors devoted to improving lives and protecting patients.

Trial attorneys also are passionately committed to these identical principles. America’s fair and open legal system helps injured people seek recourse and leads to improved safety methods and standards.

Some believe altering the civil justice system is the answer to this country’s health care woes. Ultimately, this will not make anyone healthier or save one life. But reducing the startling frequency of medical errors, and specifically, errors caused by negligence, will unquestionably save lives. That is why this debate is so misguided.

The Institute of Medicine reports 98,000 people die every year from preventable medical errors, costing the nation $29 billion. Medical errors are the nation’s sixth leading cause of death, killing more people annually than auto accidents or guns.

By reducing medical errors, fewer people will be injured, leading to fewer malpractice claims. Bar-coding machines, e-prescriptions, electronic medical records and recruiting more nurses will undoubtedly reduce the number of errors. And all these solutions are far cheaper than creating an expensive new bureaucracy, such as health courts, especially when medical malpractice claims are a tiny portion of the overall court docket.

But doctors claim they are forced to run more tests to protect themselves from lawsuits, which leads to higher health care costs. This has been debunked. Studies from the Congressional Budget Office and Government Accountability Office have all cast doubts on the existence of defensive medicine, stating any savings from reducing it would be “very small.” Doctors run more tests because it benefits patients, not because of liability concerns.

And that supposed influx of “frivolous” claims? A study from Harvard’s School of Public Health found 97% of medical malpractice claims had merit, proving only those with real injuries seek any recourse.

If we want to reform health care, reducing the 98,000 preventable deaths is where progress is desperately needed. Ideally, there would be no medical errors. But until that day arrives, America’s legal system provides justice for deserving, injured individuals while holding wrongdoers accountable.

Les Weisbrod is president of the American Association for Justice, a Washington-based trade group for trial lawyers.

Support community colleges

Earlier this month, leaders of the nation’s most distinguished universities signed a letter that took up two full pages in national newspapers. They, like countless others, want a chunk of the massive economic stimulus package that Congress is expected to dole out next month — 5%, to be exact.

Their cause is a good one. The USA is slipping behind international competitors in turning out college graduates. At the same time, state legislatures are trimming aid to education, leaving public universities to raise tuition and fees.

Those may be reason enough for funnelling $40 billion into the nation’s university system for “shovel-ready” projects expanding and repairing university infrastructure.

What’s unmentioned in those pricey ads, however, is there’s one segment of the higher education world that’s most deserving, the nation’s 1,195 community colleges.

Consider these facts: Community colleges educate roughly half of all students but receive only a fourth of what’s handed out in local and state funds to four-year public and private colleges.

Over the next decade, at least 57% of all job openings will require postsecondary education but not necessarily a four-year degree. Some of the highest-demand workers get their job training at community colleges, including half of new nurses. As many as 40% of teachers get their academic start at community colleges.

Community colleges reach many students four-year colleges miss, including 35% of undergraduate minority students and 39% of undergrads who are the first generation in their family to attend college.

While many private, four-year colleges are seeing dips in applications, community college enrollments this fall rose by 8-10%. And yet in most states, the per-student aid is shrinking.

While breakthroughs in particle physics are unlikely to originate in community colleges, that’s more than compensated for by the close attachments that community colleges have to their localities. Years ago, when the furniture business in North Carolina swooned, community colleges stepped in to train workers in new skills. That flexibility and responsiveness should prove particularly valuable now in economically depressed states such as Michigan, where many auto-workers will need to find new careers.

Among the 51 higher education leaders signing that letter, only one represented community colleges. Perhaps it should have been the other way around.