

The Courier-Journal

Our 112th year, No. 6

Carlisle, Kentucky, 40311, Thursday, February 8, 1979

20 cents per copy

Medicare payments may ease deficit

Government cutbacks, lower than expected occupancy rate factors in report

That \$53,311.34 deficit the Johnson-Mathers Health Care, Inc. showed on the 1978 income statements for the hospital and the nursing home may be a misleading figure.

That sum may be reduced by supplemental payments on Medicare and Medicaid payments — two programs that contribute heavily to the revenues of the two facilities.

For example, the hospital treated approximately 1,000 patients in the last year of which about 50 per cent were covered either under Medicare or Medicaid.

And the nursing home's patients that are covered under the two programs number about 88 per cent.

\$10,000 last year

The sum that may be forthcoming was lumped with bad debts in the income statements released two weeks ago. Although Ken Uriage, administra-

tor of the health care corporation, would not estimate the monies that could be received, he noted that the revenues received under this category last year totaled about \$80,000, a figure that could turn the current deficit into a surplus.

The reason the monies could not be counted on so far as revenues is that: under Medicare and the corresponding Medicaid program 80 cents of every dollar claimed is paid shortly after receipt of the bill by the governmental agency responsible for the payment. The remaining 14 cents is held in reserve. At the end of the year the facility submits a claim for the remainder of the bill and the claim is reviewed, with such factors as rates included in the figuring.

Uriage said several outside influences contributed to the performance of the complex this past year.

For one, the occupancy rate was lower than anticipated. The hospital was estimated at an occupancy rate of 83 per cent but the actual rate was 82. And the nursing home was budgeted for a rate of 90 per cent and only reached 86.

—but he doesn't know how much it will be. And if he disagrees with the sum submitted by the government, that's more or less tough luck. He says he knows of settlements that have been approved but rarely does the government lose such an appeal.

No estimate

The bad debts and contractual allowances entry on the 1978 income statements totaled \$17,803.94. Uriage didn't specify the amount of bad debts being carried other than to say that it was substantial and that was not unusual for smaller facilities in rural areas. Neither could he estimate the amount that the complex could expect under the Medicare-Medicaid cost reimbursement settlement, as the process is called.

Uriage said several outside influences contributed to the performance of the complex this past year.

That lower rate could affect the final Medicare-Medicaid settlement for this year, due to the overall tightening of the federal budget.

Plethora may brighten

Uriage said that with the completion of the new hospital (which is expected sometime around May 1) the revenues picture as far as the hospital may brighten.

He indicated that the present condition of the hospital might have some effect on patients choosing to stay there. The needs of the current hospital are looked at with the idea that a big expenditure may prove useless, in view of the impending move. For that reason, the hospital is currently in a state of transition.

But Uriage warned of troubles up ahead if Nicholas County does not strengthen its medical population (see story).

The administrator said that unless doctors were present in a community to refer patients to the hospital, that hospital would have trouble maintaining an occupancy rate that would pay for itself.

to \$20,000;

— season tickets to UK games (both sports);

— a house to stay in, and other fringe benefits.

It's a high stakes game, and it's no wonder that new doctors are looking around for the best deal before settling down. One of the things they look for is a hospital that they can practice in. Another is the local medical population; if there are too few doctors the chances of vacations are decreased.

One handicap gone

Those are the problems the committee appointed by the health care board is facing. By May 1 one of their handicaps will be removed — Nicholas County will have a new, modern hospital adjacent to a certified nursing home.

Whether or not Nicholas can measure up in other departments will be another story — and one that will have a telling effect on the new complex.

Board renews doctor search

One of the prime factors in whether or not the new Nicholas County Hospital becomes a paying proposition according to Ken Uriage, administrator of Johnson-Mathers Health Care, Inc., will be the medical population in Nicholas County — and Uriage doesn't see it as promising at this point.

Nicholas County and the local hospital are currently served by three doctors, and a surgeon who receives referrals from those three.

Two of those doctors are reaching retirement age. With only one local doctor practicing, many Nicholas Countyans would no doubt be doctors in surrounding towns.

The only problem with this is that those doctors decided the patient belongs in a hospital for a few days they would more than likely choose the hospital in their town. And each surrounding town in Carlisle that has a doctor also has a hospital.

Committee named

Just recently the health care board appointed a committee to recruit new physicians for the area.

This is not the first effort made in this direction. When the new hospital became viable, a committee joined together then to find new physicians. Between the time the bond issue was passed and now, at least two physicians have made trips to Nicholas County to study the situation. But no new doctor has come yet.

Part of the reason why is that attracting doctors in this area has become a process comparable to signing Pete Rose.

Fringe benefits

Uriage gave one central Kentucky county somewhat larger than Nicholas but still not on the scale of Bourbon, Montgomery, Clark, Woodford or Franklin as an example.

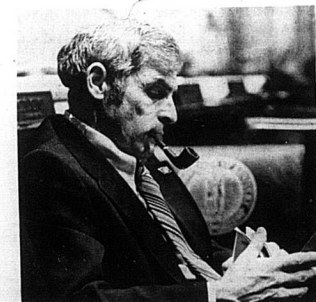
There is a committee was formed among the local Chamber of Commerce. The new doctor was promised many things, including:

- country club privileges;
- first year's salary guaranteed up



Solons at work

Nicholas County's representatives Sen. Ed Ford (above with Senate President Pro Tem Joe Prather) and Rep. Adrian Arnold are shown in their respective chambers during the current special session of the Kentucky General Assembly. Among their committee assignments are: Arnold—Appropriations and Revenue, Agriculture and Natural Resources and Rules; Ford—Education, Banking and Insurance and Counties and Special Districts.—State photos



Tax relief measures progressing

(Editor's note: This legislative summary of last week's special session action was written by the Legislative Research Commission. Legislative action was light Monday in the wake of the death Sunday night of Senate Majority Leader Tom Garrett, a Democrat from Paducah. His body was discovered late Monday morning in his Frankfort motel room where he had apparently suffered a fatal heart attack.)

Legislative News Service

As the special session of the General Assembly nears completion, the major job of finding state money to pay for the tax cuts being enacted is also nearing an end.

The Appropriations and Revenue (A & R) Committee, the Legislature's budget making group, has been closely reviewing spending in the major state agencies and programs, recommending cuts in many of them. Money saved by the cuts will be used to offset money which state government will lose when the tax cuts take effect.

The House and Senate will have to reach a consensus on the issue of paying for the tax cuts and, so far, the two groups have taken differing looks on how best to make up the lost revenue.

In recent legislative action, the House and Senate passed a bill which puts a limit on the amount of property tax revenue which can be collected by local government, school board, or other taxing district. The bill was passed only after lengthy debate in the A & R Committee and on the floor of the House. Opponents of the bill say it will handicap governments and others because it will prevent them from collecting the money which is necessary for services to grow and continue.

However, the bill's supporters say it is a step toward curbing inflation by cutting back on government spending. In addition, they say, it will force

governments to spend their money more efficiently.

In other action, bills lowering the minimum fines for traffic offenses were passed in both chambers and the legislation stiffening the penalties for welfare fraud was approved by the Senate and a House committee. The welfare fraud bill makes welfare cheating a felony instead of a misdemeanor and allows the collection of the bill.

A bill has been approved by the House that will allow the state to assist coal operators who produce less than 200,000 tons of coal per year. The assistance will cost the state about \$200,000 annually. Supporters say the legislation is needed to help the operators meet the new federal strip mining regulations. However, opponents say the bill sets a precedent by extending state aid to private businesses.

A bill to raise bank interest rates on loans under \$15,000 was passed by the House recently. The bill allows state-

chartered banks to charge the same interest rate as federally chartered banks in the state on loans not exceeding \$15,000. The maximum state rate is eight and one-half per cent, or two per cent below the ceiling that federal charter banks can charge.

Members of the House of Representatives watched recently as Pat Freibert of Lexington was sworn in as the newest member of that body. Rep. Freibert was chosen in a special election on Jan. 27. She takes the seat held until recently by Jack Trevey. Freibert is the first female Republican to be elected in this decade.

Two toll-free telephone numbers are available to citizens and groups wanting to participate in the legislative process. To give a message to a legislator, call 1-800-373-7196. Messages will be delivered to legislators' desks. To find out the status of a particular bill, call 1-800-373-7194.

Jackets to Bourbon 67-59

Nicholas wins in new Bourbon gym for first time

By Kay Cooley

Without fouling, the Nicholas County Bluejackets overcame the Bourbon County Colonels 67-59 last Friday night.

The triumph was the first time the Bluejackets have defeated the Colonels in the new Bourbon County gym.

"Team effort and hustle was the difference," stated Coach Mike Kenney after the ballgame. "We played together real well for our second straight game."

And truly a "team effort" it was as Nicholas County pulled together in the first quarter. A tip out of bounds by Bourbon, gave the Jackets the ball and a goal to tie the score at 12. A basket by Mike Hutton with 30 seconds left in that quarter, again tied the game with 14 points each. The Colonels attempted a stall and a last second basket, but their attempt failed as the quarter ended 14-14.

Excitement filled the gym as the Bluejackets took a slight lead in the second quarter. The lead came after David McCaffrey stole the ball, successfully shot a basket, and a free throw. The three-point play put the Jackets up 25-23. With 1:00 on the clock before the half, a Colonel turnover put Nicholas in control again. One out of two free throws by Mike Wells added another point to Nicholas County's side. Two successful free throws by Mark Ruddell with only 13 seconds before halftime

well by district tournament time," he had one.

Ruddell led assists with six, followed by Hutton with five.

Leading rebounder was James Anderson with 12. Hutton had six, Mike Wells and David McCaffrey had four each.

Nicholas County travels to Frankfort this Friday night at 8 p.m.

Area tobacco markets close; state average reaches \$131.91

All area burley markets with the exception of Lexington closed for the season following the Jan. 31 sale. Cynthiana finished the season with the highest average in the seven markets that draw Nicholas County tobacco. Lexington, the world's largest burley tobacco market, far outdistanced the other six in volume.

The Cynthiana season average for 14,100,380 pounds was \$134.94. Next was Paris with an average of \$132.49 and a volume of 10,774,158 pounds.

The others by average and pounds sold were: Mt. Sterling, \$123.11 (1,482,745); Maysville, \$122.31 (3,725,967); Morehead, \$121.14 (10,523,242); Lexington, \$121.07, 67,749,301

and Winchester, \$115.10, 12,408,782. Lexington, Shelbyville and Carrollton were the only Kentucky markets still open after last week's sales. One Missouri and one Indiana market were also recording sales.

The Kentucky average after last week's sales was \$131.91 on a volume of 437,222,570 pounds. The last has brought \$176,753,370 to Kentucky growers so far this season.

The amount of tobacco placed in the pool is slightly this season. On the total market about 9.7 per cent of the crop has been assigned to the pool. This compares with 8.8 per cent placed under loan last season.