



FROM THE CENTER OUT

March-April-May 1989

CENTER COMPARES THE PERFORMANCE OF FOR-PROFIT AND NOT-FOR-PROFIT HOSPITALS

The Center's second hospital report is getting rave reviews. Jim Johnson of the Fiscal Research Division of the N.C. General Assembly said the hospital study is "a study of national significance.... The Center has made a significant contribution toward a greater public understanding of the role of for-profit hospitals in a rapidly changing health care delivery system." The report has already been covered in an Associated Press wire story in 26 newspapers. A Smithfield Herald editorial said, "The Center's data prompts us to ask whether it's fair to allow for-profit hospitals to get by with so little charity care while publicly-owned institutions like Johnston Memorial [Hospital] take care of all comers, rich and poor alike." The News & Observer of Raleigh said in an editorial about the Center's findings on indigent care: "The North Carolina Center for Public Policy Research performs a valuable service with its report on the problem."

Four years in the making, the Center's second report on hospitals in North Carolina examines the performance of for-profit and not-for-profit hospitals in the state. The March report, Comparing the Performance of For-Profit and Not-for-Profit Hospitals in North Carolina, begins with an examination of recent trends affecting all North Carolina hospitals -- investor-owned and not-for-profit, public and private, rural and urban. These trends include declining occupancy rates and the change in federal reimbursement policies. The research in the remainder of the 214-page report answers the following four questions:

- Q: Do for-profit hospitals provide more or less indigent care than not-for-profit hospitals? A: Less
- Q: Do for-profit hospitals have higher or lower costs and charges than not-for-profit hospitals? A: Higher
- Q: Do for-profit hospitals offer a broader or narrower range of services than not-for-profit hospitals? A: Narrower among medium-sized hospitals; broader among small hospitals
- Q: If for-profit hospitals provide less indigent care, do they (as for-profit corporations) pay taxes which would offset any deficiencies in indigent care? A: In some counties, yes.

The authors of the report are Lori Ann Harris, Marianne Kersey, and Ran Coble. To obtain a copy of the report send \$42.00 plus \$2.50 for postage and handling to the N.C. Center for Public Policy Research, P.O. Box 430, Raleigh, NC 27602 or call (919) 832-2839. Limited copies of the Center's first hospital report, The Investor-Owned Hospital Movement in North Carolina, released in July 1986 are still available for \$31.40 each plus \$2.00 for postage and handling.

DISCUSSION ON A STATE ENVIRONMENTAL INDEX MOVES FORWARD

The proposed N.C. Environmental Index, first advanced by the Center in the October 1988 issue of North Carolina Insight, is moving forward. In his Inaugural Address in January, Gov. James G. Martin endorsed the concept to regularly monitor the status of the environment. Then in February, the Z. Smith Reynolds Foundation sponsored a dinner and roundtable discussion of the Index in Raleigh. More than 30 persons -- including representatives from business, academia, state government, the legislature, and environmental groups -- attended to discuss the advantages and disadvantages of the Index. Meanwhile, the N.C. Department of Natural Resources and Community Development is going forward with its plans to produce the first Index in 1990. They plan to announce the formation of a special panel to determine what environmental indicators should be included in an N.C. Environmental Index. That panel will be named later this year.

WHEN YOU WISH UPON A STAR

The budget of a nonprofit organization is often spread very thin. This does not always allow for much-needed office supplies, so the Center has decided to include a wish list in each newsletter. Donations from our members will be greatly appreciated. Please contact Nancy Rose at (919) 832-2839, if you have questions or wish to make a donation. "We wish we had....a dictaphone, an IBM-compatible laser printer, a FAX machine, 3 legal file cabinets (4-drawer), and 2 grounded anti-static pads." We would like to thank HKB Associates in Chapel Hill for donating an IBM-compatible Okidata printer to the Center in response to our requests in the January-February newsletter.

IN THE LEGISLATURE

N.C. Legislature Has Largest Number of Committees in U.S.

At the start of the 1989 legislative session, Rep. Josephus L. Mavretic (D-Edgecombe), the new Speaker of the House, cut the number of House committees from 58 to 12. He did, however, create 50 subcommittees.

In January, the Center had reported that North Carolina's General Assembly had more standing committees than any other state legislature in 1987-88.

During the past two legislative sessions, the N.C. House of Representatives had 58 committees, the largest number of any state in 1985-86 and 1987-88. The N.C. Senate in 1985 had 30 committees, second only to New York's 31. In 1987, the N.C. Senate took over first place as the number of its committees grew to 37.

"Such a large number of committees carries with it advantages and disadvantages," said Jack Betts, editor of the Center's magazine, North Carolina Insight. "On the up side, it spreads power around, and it gives a forum for nearly every bill that comes up. But on the down side, it makes it extremely difficult for legislators to attend all their committee meetings or for them to develop expertise in a few specific policy areas."

Because of the large number of committees, North Carolina legislators have traditionally held many committee appointments. In 1987, the average was 10.7 committees per Democratic representative, and 10.2 per Democratic senator -- the highest in years for each. Republicans in both chambers had fewer committee assignments -- 9.9 each in the House, 8.0 in the Senate. Thirteen newspapers, 3 radio stations, and one television station carried stories on the legislative committee system in North Carolina.

Center's Research Makes a Difference

In March 1987, the Center cited specific instances where state environmental policy had been impaired or delayed and called for repeal of the Hardison Amendments, three laws that say North Carolina's environmental regulations can be no more stringent than federal regulations.

According to the Center, the three Hardison Amendments affected ambient air quality standards, influenced the way the state chose to regulate biocides, played a role in delaying new rules on toxic air standards, and could seriously impair the state's ability to deal with emerging environmental issues like incineration of municipal waste. For those reasons, the Center recommended that the General Assembly repeal these laws.

On February 22, 1989 the N.C. Senate voted 42-8 to repeal the Hardison Amendments. The House will now consider the bill. Sen. Dennis Winner (D-Buncombe) sponsored the bill in the Senate and Rep. George Miller (D-Durham) has introduced similar legislation in the House.

CENTER BOARD MEMBERS DESERVE SPECIAL THANKS

The Center wishes to express its appreciation to Center Board members Smith Richardson and McNeill Smith. Smith Richardson hosted our March 18, 1989 Board meeting and luncheon at the Center for Creative Leadership in Greensboro, NC. McNeill Smith arranged for his law firm, Smith Helms Mulliss & Moore to host a reception for our Greensboro area contributors and the Center's Board of Directors on March 17, 1989 in Greensboro.

FOUNDATION AWARDS GRANT TO THE CENTER

The Center also wants to thank the Janirve Foundation. On January 6, 1989, the Janirve Foundation made a grant of \$20,000 in support of the Center's 2nd edition of N.C. Focus, an anthology on state government and state policy issues that is used in many courses on state and local government in high school and college classrooms across North Carolina. We greatly appreciate this grant.

WHAT SHOULD WE LOOK AT NEXT?

Each year, we invite our members to suggest topics and priorities for future studies and reports. This is your chance to say what you think we ought to research... and why! Let us know if you think any new research topics should be added. Also, please take the time to review the areas below, and tell us what priority you would give to the proposed research topics. Suggestions should be submitted no later than June 15, so that they may be incorporated into our decisionmaking process. Thanks so much to all of you.

	<u>Accomplished in 1988</u>	<u>Proposed for 1989</u>	<u>Proposed for 1990</u>
<u>Major reports:</u>		For-Profit Hospitals Report #2: comparison of costs, range of services, tax contributions, and indigent care between for-profits and not-for-profits	Higher Education: (b) Evaluation of Aid to Private College Programs (c) Evaluation of Restructuring and Governance of the UNC System
		1. Campaign Reporting Laws in 50 states 2. Campaign Finance in N.C.	
		Higher Education: (a) How the UNC system identifies and rewards good teaching	
	<u>Article II</u> effectiveness rankings of 1987 General Assembly	<u>Article II</u> directory to 1989-90 General Assembly (7th edition)	<u>Article II</u> effectiveness rankings of 1989-90 General Assembly
<u>Short reports:</u>	Rankings of "Most Influential" Lobbyists in the 1987-88 General Assembly		Rankings of "Most Influential" Lobbyists in the 1989-90 General Assembly
	The Powers of the Lieutenant Governor		
<u>North Carolina Insight Magazine:</u>	Theme Issues Environmental Policy in N.C. (double issue) 2 General Issues	Theme Issues Poverty in N.C. (double issue) 2 General Issues	Theme Issues (1) Health Care in N.C. (in conjunction with 7 other state policy centers) (2) Public Schools (grades 1-12) 2 General Issues
<u>Policy Seminars:</u>	None	N.C. Environmental Index	None
<u>Special Projects:</u>	Program with UNC-TV on "The Business of Hospitals"	Program with UNC-TV on "Profiles in Poverty" Program with UNC-TV on State Environmental Policy, featuring solid waste management <u>N.C. Focus</u> , 2nd edition	2 programs with UNC-TV on (1) the state role in health care policy and (2) the media in N.C.

*Please send comments or suggestions to Ran Coble, Executive Director, P.O. Box 430, 5 West Hargett St., Raleigh, NC 27602.

A WARM WELCOME TO THESE NEW CENTER MEMBERS!

William G. Alexander	Susan Howard	Victor J. Schoenbach
Tom Blanford	Rep. John W. Hurley	SEMBAC II
Business Journal of Charlotte	Marine Research & Development	James Shields
Samuel Cooper	Crescent	JoAnn Smith
Mark W. Cullinane	Eric McAlister	Jacqueline P. Stewart
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Methodist College	NC Rural Communities Assistance	Elizabeth Betts Urquhart
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Jerry C. Dockham	Jeffrey B. Parson	Raymond A. Warren
Mr. & Mrs. Nelson Dollar	Pee Dee Council of Governments	Kenneth C. Wilkins
Laurie Dunn	Mary Rose Raufer	
Rep. Joe H. Hege Jr.	Richmond Community College Library	
Margaret Holton	Charles Runyon	

OUR THANKS TO OUR CORPORATE CONTRIBUTORS

The Center wishes to thank and welcome these new corporate contributors.

First Factors Corporation	\$500
Capitol Broadcasting Company	250
Dudley Products, Inc.	100

And the Center's continuing thanks goes to these corporations which recently renewed their support for the Center:

Philip Morris USA	\$2000	Consolidated Diesel Company	\$500
BB&T	1000	GTE South	500
Ecusta	1000	Kaiser Foundation Health Plan of NC	500
The First Union Foundation	1000	NC Natural Gas Corporation	500
General Electric	1000	Northern Telecom	500
Lorillard Inc.	1000	Occidental Chemical Corporation	500
Nationwide Insurance	1000	Peat Marwick Main & Company	500
NCNB Corporation	1000	Piedmont Aviation Foundation	500
N.C. Power Company	1000	Wachovia Bank & Trust Company	500
Piedmont Natural Gas	1000	Volvo GM Heavy Truck Corporation	500
Public Service Co. of NC	1000	Hoechst-Celanese Corporation	350
Weyerhaeuser Company	1000	The Durham Herald Company	250
Planters National Bank	600	Fayetteville Publishing Company	250
Burlington Industries Fdn.	500	N.C. Health Care Facilities Assn.	250
Burroughs Wellcome Company	500	Stedman Foundation	250
Ciba-Geigy Corporation	500	Brady Trane Service Inc.	100

We are glad to have three corporations return to us after an absence of a year or more.
The Charlotte Observer \$2000 Data General \$1000 Winston-Salem Journal \$1000

We also want to thank five companies which made in-kind contributions to the Center. Alphanumeric Systems, Inc. donated a CPT 8500 word processor to the Center. Edwards & Broughton Company printed 600 brochures advertising our latest book-length report on for-profit hospitals in North Carolina. Our last newsletter was printed as a contribution from General Electric. Also, MasterPrint, a printing company located in Raleigh, printed the Center's new membership brochure as an in-kind contribution. We thank all of these companies for these important gifts to the Center.

Finally, we want to thank the 75 Center members who sent in special, year-end contributions. We are delighted that so many of our members responded in this special way. The following donors merit special thanks due to the size of their contribution:

Eben Alexander	Ruth Cook	Thomas Husted	Jim Newlin
Catherine Arrowood	Daphne Copeland	Hawk Johnson	D. Samuel Neill
Cass Ballenger	Chuck Flack	Betty Ann Knudsen	Ed O'Neil
Wade Barber	Virginia Foxx	Bob Lane	Smith Richardson Jr.
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Daniel G. Clodfelter	Mary Hopper	NC School Boards Assn.	

CENTER BOARD MEMBER DIES AT 48

Thomas L. Barringer, a member of the Center Board of Directors since its creation in 1977, died March 3, 1989 at his home in Wrightsville Beach, North Carolina. We will miss him.

Barringer, 48, was a senior partner in the Raleigh law firm of Barringer, Allen and Pinnix before he moved to Wrightsville Beach in September to start a private law practice.

Barringer was also on the board of directors of the N.C. Small Business and Technology Development Center at the time of his death. In the early 1970s, he helped create Raleigh Area Ministries, a coalition of area churches that operates social service programs.

CENTER EXAMINES POVERTY IN NORTH CAROLINA

The North Carolina Center for Public Policy Research and the UNC Center for Public Television produced a third one-hour television program on January 25, 1989 titled, "Center Reports: Profiles in Poverty." The program examined three profiles of rural and urban poor: a family on public assistance, a working poor family, and a disabled single adult.

Before the program aired, The Charlotte Observer urged citizens to watch the program with an editorial saying, "The more people know about poverty, the more they are likely to do something about it...Watch, and learn." After the program aired, The News & Observer of Raleigh reported, "[T]he centers...have accumulated so much data about poverty and government's inadequate response to it that their report should serve to intensify the state's attention to the misery in its midst." According to the Greensboro News & Record, "North Carolina cannot afford to tolerate a high level of poverty in its midst. The costs, both in moral and economic terms, are simply too high." The Salisbury Post editorial concluded, "If you saw public television's 'Profiles in Poverty' production last week, you probably have a different view of the poor in North Carolina and the government's role in helping them." The program received news coverage in 27 newspapers.

A special double issue of North Carolina Insight magazine was mailed to you recently, and it will also examine poverty in North Carolina. Articles in the magazine examined who makes policies on poverty in North Carolina, how the state's tax structure affects the poor, what happens to the working poor, and why health care is a concern.

To obtain extra copies of the special issue of North Carolina Insight, call (919) 832-2839, or send \$12.60 plus \$1.00 for postage and handling.

*Next in Insight (June-July general issue)

--An update on prison overcrowding

--Pro/con on veto power for the Governor

--The evolution of the Secretary of State's office

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