

# Duplin Times

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## Duplin Hospital Seeks Fiscal Cure

When a rural county hospital's low-income patients turn the hospital itself into a financial patient, voters and tax-payers face major decisions.

When the hospital is \$700,000 behind in paying its bills, as Duplin General in Kenansville has been in recent months, taxpayers must decide how close the gap is between income and expenses.

Should they use county taxes, or raise fees to the patients who can pay, or turn the hospital over to a private for-profit firm?

Under the last option, the firm probably would need a county subsidy for patients who can't pay their full bills.

The problems facing Duplin General, an 80-bed facility serving one of the state's most rural counties, are typical of rural medical facilities, according to hospital and county officials.

The hospital is losing money because federal Medicare and Medicaid programs only pay about 70 percent of the hospital's charges. Patients under these programs make up two-thirds of its care, exactly opposite what county officials say should be.

W.J. Costin, chairman of the Duplin County Commissioners, said the patient payment mix should be about 30 percent Medicare and Medicaid and about 70 percent private insurance or payment schedules.

Duplin General now is in a serious bind because it has deviated from that formula.

"The government cheats on the payment of bills," said Dr. Corbett L. Quinn, of Magnolia, a longtime practitioner in Duplin County. He appears to have strong support from hospital and local government officials when he charges "the government lies when it says it funds Medicaid and Medicare."

Quinn suggested levying a county tax, labeled as a hospital operating tax. Duplin County voters authorized a property tax of up to 8 cents per \$100 for hospital operation when they approved the hospital in a 1952 referendum.

Costin said the county needs the hospital and won't allow it to close. The hospital's Board of Trustees will meet at 7 p.m. Thursday to discuss its financial problems.

"We've got to find something out by June 1," when the county plans its budget, Costin said. "They're (trustees) \$700,000 behind in paying bills, although this varies month by month. They're having cash flow problems."

"We're getting hit at both ends," Costin said. "Besides having to make up the difference between billings and what we get, we have to send \$308,700 to Raleigh this year as the county's share of the Medicaid program cost."

In the past five months, the hospital billed Medicare patients \$106,188 — as much as allowed by current rules — and billed Medicare for the \$982,117 balance of those

patients' fees, hospital administrator Richard Harrell said. Of that balance, Medicare paid only \$695,974, leaving the hospital with unpaid and uncollectable bills totaling \$286,143.

Current government jargon calls that loss "contract adjustments." Hospitals are barred by law from billing Medicare and Medicaid patients for the difference between charges and actual government payments. Some of the federally applied squeeze is designed to hold down hospital costs.

Hospital officials, however, maintain their costs far exceed what they can recover under these programs.

Hospital Board Chairman Ray Sanderson said Medicare and Medicaid reimbursements are about equal to the cost of a patient's care, but do not account for the patient's share of the hospital's total operating costs.

When all hospital costs are included, Harrell said, the actual cost of Medicare patients was \$263.51 per day, of which patients paid \$25.71 and Medicare \$168.52, leaving \$69.28 unpaid and uncollectable.

During the past hospital fiscal year — Oct. 1, 1981 to Sept. 30, 1982 — 50 percent of Duplin General's patients were on Medicare, a program for the elderly; 9 percent on Medicaid, designed to aid the poor; 12 percent under a mental health program using a similar reimbursement formula; and 29 percent on insurance or out-of-pocket payments.

When all hospital costs are included, Harrell said, the actual cost of Medicare patients was \$263.51 per day, of which patients paid \$25.71 and Medicare \$168.52, leaving \$69.28 unpaid and uncollectable.

Eight percent of the hospital's billings ended up as bad debts, Harrell said.

Sanderson cited a recent "worst case scenario" in which Medicaid paid \$252 and Blue Cross \$18 towards a patient's \$670 bill, leaving a loss of \$382.

In a memorandum to county commissioners, Quinn predicted, "It will cost in the neighborhood of \$1 million initially and about \$500,000 annual maintenance (in public money) as long as the present formulas for state and federal participation remain in effect."

Quinn said his estimate of \$1 million needed initially is an estimate of costs of immediate replacement for old equipment.

County Manager Ralph Cottle said county commissioners appropriated \$1.931 million for the hospital in the last five years, an average of \$380,000 per year, mostly for investment in the building and equipment. Cottle said this amounts to about 6 cents per \$100 in the county's property tax rate.

Commissioner D. J. Fussell said, "Duplin General is not going to close. Closing it isn't even in my vocabulary."

Fussell suggested hiring a consultant on hospital financial affairs to advise the commissioners and hospital trustees on possible solutions. He and other commissioners have said they may have to alter their priorities to maintain the hospital, but they don't favor the last resort: raising county taxes.

Duplin list were \$80,000 for storm windows, \$78,000 for a heating system boiler, \$75,000 for roof work, \$65,000 for fieldhouse and bathrooms, \$55,000 for bleachers, and \$38,000 for handicap barriers.

The study estimated \$511,100 worth of needs for Wallace-Rose Hill High School, the oldest part of which was built in 1955.

Major needs are roofs, \$147,300; fieldhouse and bathrooms, \$83,800; storm windows, \$46,900; and rewiring \$43,400.

Needs for Charity Middle School east of Rose Hill were estimated at \$406,700 with gymnasium-bandroom renovation to replace a frame building estimated at \$50,000.

Enrollment is 366 students in grades seven and eight.

## Duplin County Schools Detail Maintenance Bill

Maintenance of Duplin County's \$46 million worth of school buildings will cost about \$5.3 million in the next five years if the school board and county commissioners are willing to pay the full price tag.

An extensive school facilities review has been prepared for the county Board of Education. It evaluates school structures, sites and educational quality.

The Duplin system includes 18 schools, the administrative center and two maintenance buildings. The oldest buildings were built in the 1920s and the newest in 1979.

The most expensive items listed in the maintenance estimates are roof repairs, \$804,900; sewer renovation and construction, \$662,600;

storm windows for energy conservation, \$481,600; boilers in the older buildings, \$357,700; drainage tile, \$355,300; and parking lot work, \$336,100.

Other items prominent on the list were fieldhouse and bathroom work, \$273,800; floor covering, \$217,800; bleachers for athletic events, \$142,500; removal of barriers to the handicapped, \$141,400; tractors for grounds work, \$108,000; and ballfield fences, \$100,000.

Reroofing at the new Kenansville Elementary School is being done at the expense of the architect and roofing contractor and is costing the school system nothing.

Cost estimates for individual schools vary widely, from \$663,400 for James Kenan High School east of

Warsaw, one of the oldest high schools in the county, to \$32,200 for Kenansville Elementary, the newest school.

James Kenan's needs spread across most of the line items — \$180,000 for the sewer system; \$75,000 for roofs, \$72,000 for parking lot, \$65,000 for fieldhouse and bathrooms, \$45,000 for bleachers, \$40,000 for drainage, \$29,000 for ball fences, \$26,000 for storm windows, \$24,000 for wall lockers, \$22,000 for rewiring, \$12,000 for band room - gymnasium renovation, \$10,800 for ceiling fans, and \$10,000 for gym floors.

Needs totaling \$606,400 were listed for East Duplin High School near Beulaville, the county's largest school with 776 students.

Major items on the East

## 1982 Duplin Sheriff's Department Reports Half Stolen Property Recovered

Duplin citizens who were victims of theft in 1981 had a 50 percent chance of having their property returned, Duplin County Deputy Sheriff Glenn Jernigan said. And, the recovered property almost never returns valued as much as before the theft.

The Duplin County sheriff's department received reports of \$213,393 worth of property stolen during 1981. The sheriff's department recovered \$117,059.99 in stolen goods during the same year, Jernigan said. Figures for 1982 will not be available until mid-year, due to the continuing investigation of some of the crimes. The sheriff's department averaged about five investigations of theft a week during 1981. The average value of the 1981 thefts was \$881.79. And, 139 of the investigations were solved that year.

"Money is one of the hardest things to recover," Deputy Jernigan at the Duplin Sheriff's Department said. "It is easily spent without being traced. But, an automobile is easy to trace because of the title and serial number of each car which is registered with the Department of Motor Vehicles." Household items or personal property are difficult to identify without a serial number or an identifying mark.

The Duplin County Sher-



Glenn Jernigan

iff's department is currently participating in a statewide program called Operation Identification, a part of the Crime Watch project started by the Department of Crime Control and Public Safety. Operation I.D. involves the marking of personal property with the owner's drivers license number, to make the item easy to identify. When a person marks property within the home or place of business, he or she qualifies for an Operation I.D. warning sticker. The stickers are placed at each point of entry, Jernigan said. The property should be inventoried with a description including the brand name, serial number or owner's identification number and the purchase

price. The inventory should be filed in two different places such as the home and office.

"The biggest problem with the recovery of property is identifying the items," Jernigan said. "You have to be able to prove to a jury the item belongs to you and that is hard to do on items with no serial number or identification number. And, we suggest a person mark all property with identification numbers because many items have serial numbers stuck on and after a few months or years the number will become loose and fall off." Jernigan suggests the use of an electrical writing tool to permanently embed owner identification numbers in property. Items such as jewelry and silverware cannot be marked, and Jernigan suggested the items be inventoried and photographed for identification purposes.

"If we are unable to prove that it is stolen, the suspect gets the property back," Jernigan said. "But, even when property is recovered, it's doubtful the victim gets the full value back. Most of the time the property has been damaged in some way and many sentimental items cannot be replaced or repaired." In cases where stolen property is returned and the suspect convicted, judges will impose a restitution for the amount of damage to the items. Restitution is only imposed upon those released on probation or paroled or allowed work release. However, Jernigan added, the convicted thief can be sued in civil court for damages.

"It's hard to know how much good the program (Operation I.D.) does because we don't know the number of times a criminal has walked up to a door and seen the warning sticker and

left," Jernigan said. "And, the breaking, entering and larceny cases are some of the hardest crimes to solve because you don't know for whom you are looking. The suspect can be male or female and of any race — there are no eyewitnesses to help. But, we think Operation I.D. is working because we have had a report of a breaking, entering and larceny at a business when all the equipment was marked with identification numbers but a kerosene heater. And, the kerosene heater was the only item stolen."

Homeowners' policies can help victims of theft replace the stolen property if the items are never recovered, Mrs. Hilda Booth of Booth Insurance in Kenansville, explained. Victims of theft, insured by a homeowners' policy, can file a claim for the missing items as soon as the property is reported missing to the Sheriff's Department. A homeowner's policy covers most of the general merchandise within a home and most policies are \$100 deductible. A homeowner's policy does have limits on payments for stolen items such as silverware, jewelry and money.

"For the owner's protection," Booth said, "we often tell them to have an inventory of their personal property, especially silverware, jewelry and other more valuable items. And, a photograph of the items is helpful. Items not covered under the general homeowner's policy can be insured by a floater to the policy, specifically identifying the items," Booth said.

"The Duplin County average of solved thefts was better than the national average in 1981," Jernigan said. "But we won't be satisfied until all the cases are solved."

## Board Of Education To Plan Budget

The Duplin County Board of Education began putting its 1983-84 budget together in a special meeting March 8 in the school headquarters building in Kenansville. It also continued a review that began Tuesday night of long-range facilities plan.

The board will conduct regular business at 7:30 p.m. March 15 and continue budget deliberations. That meeting also will be held in the school headquarters building.

Craig Phillips, N.C. superintendent of public instruction, will tour county school facilities March 16, starting with an 8 a.m. breakfast at North Duplin Elementary School near Calypso. He will visit the Warsaw, Kenansville and East Duplin schools and be the guest at a reception about 3:30 p.m. at the Wallace-Rose Hill High School.

Phillips will take part in a regional school superintendents' meeting at 7:30 p.m. school system headquarters.

The board plans to approve its budget proposal in a special meeting at 7:30 p.m. March 29. It will present its budget proposal to the county board of commissioners April 5.

The board was informed by Herb McKim of Ballard, McKim and Sawyer, Wilmington architects, that re-

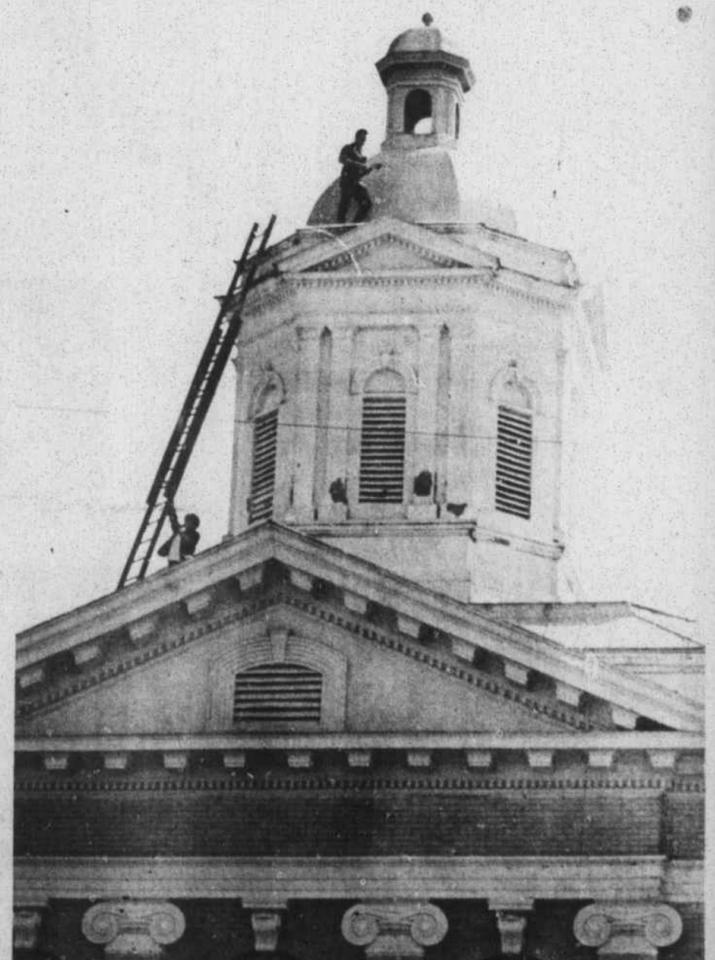
## Warsaw Waste System Finished

Construction of waste water treatment facilities for the town of Warsaw, representing a cost of almost \$2 million, has been completed by Miller Building Corp. of Wilmington, general contractor.

The tertiary filtering system includes a complete laboratory of 1,200 square feet and three pumphouses. Tests for quality control and purity are made in the lab.

The three-phase, 610,000-gallon capacity filtering system includes oxidation ditches, clarifiers and final filtering.

The plant was designed by McDavid Associates Inc. of Farmville, engineers.



## THE DERNED DOME LEAKS OR THE CURSED CUPOLA HAS A HOLE IN IT

Whatever you might want to call it, that thing on top of the Courthouse allows water to dribble into the courtroom and it disrupts court. Fact is, it took nine garbage cans to catch the leaking water Monday in the main courtroom. As the rains came down, court

had to be moved into the new courtroom. Stacy Smith and his maintenance crew rallied to the rescue. Seems some of the timbers in the old cupola rotted, and when there is rotted cupola lumber, it's caput. The tapered tin top tore, too. Caput county courthouse cupola caused catastrophe. Well, I do declare...