



## NEW FEDERAL BILL PLACES 36 PERCENT CAP ON LOANS OFFERED TO MILITARY BUT DOES IT GO FAR ENOUGH?

**BY COLEY WARD**

In 2004, Private Adam Jordan, 24, who is married with three small children, borrowed nearly \$2,500 from a car title loan shop in Hinesville, near Fort Stewart military base, using the title to his 1998 Chevy Cavalier as collateral.

Shortly after receiving the loan he was deployed to Iraq, where he served for 11 months. While he was overseas he made monthly payments to the lender of \$250 each, for a total of \$2,695. Private Jordan figured he was well on his way to paying back his loan. But he was wrong.

From each of the 11 payments Private Jordan made, only 46 cents went towards the principal on his loan. By the time he had finished his tour of duty and returned home, he had paid the lender nearly \$2,700, but had paid barely \$5 of the \$2,500 principal. At the rate he was going, it was impossible for him to repay the loan in his lifetime.

Private Jordan learned the hard way what many U.S. servicemen and women have learned: car title loans are an easy way to get stuck in a cycle of

dept. He was not the first soldier to fall victim to a predatory lender, but with any luck, he will be one of the last. In September, the U.S. Congress passed a bill that will cap annual interest on all commercial loans offered to members of the military and their families at 36 percent, beginning in October 2007.

The Talent-Nelson Amendment, sponsored by Sens. Jim Talent and Bill Nelson, will protect our troops from triple-digit interest rates, both here in Georgia and in other states. Currently, Georgia law allows car title lenders to charge up to 300 percent annual interest. They can repossess a borrower's car if a payment is an hour late – with no notification to the customer – and they can sell that car after 30 days and keep any excess funds. For example, even if a car is sold for \$15,000 to cover a loan of only \$1,000, the lender keeps the extra \$14,000.

The Talent-Nelson Amendment came in response to a July Department of Defense (DOD) report that accused predatory lenders of targeting service members and their families by clustering around military bases and

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## THE NEWS IS IN (AND IT ISN'T GOOD)

**REPORTS SHED LIGHT ON MEDICATION ERRORS AND INFECTION RATES IN GEORGIA HOSPITALS**

**BY COLEY WARD**

In the last year several studies have documented the dangers that are inherent every time you are admitted to the hospital. These studies have confirmed what many consumer experts already suspected: spend time in a Georgia hospital and you are at risk for infection, doctor error and medication error.

### THE DANGERS

In July, the Institute of Medicine (IOM) found that more than 1.5 million Americans are injured every year by drug errors in hospitals, nursing homes and doctors' offices, a count that doesn't even estimate patients' own medication mix-ups. On average, a hospitalized patient is subject to at least one medication error per day.

Drug errors aren't the only cause for concern for hospital patients. According to the U.S. Centers for Disease Control and Prevention (CDC), one in 20 patients, or about 2 million a year, contracts an infection in the hospital, and about 90,000 die as a result. Hospital acquired-infections increase the length of hospital stays up to 30 extra days, adding to the cost of health care and causing substantial, unnecessary pain and illness.

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# ACTIVIST PROFILE: DON COFFEE

BY MAGGIE WHITE

A photograph on Don Coffee's refrigerator shows him smiling behind the wheel of his boat on Lake Lanier. In the photo he is tan, lean, and full of youth.

The photo was taken in 1999. Back then, even at 79 years old, Don still refused to act his age. He played golf and tennis, walked 15 miles a week, swam laps in the lake behind his house, boated, and traveled. Today, the Don Coffee in the photo seems like a distant memory.

In May of 2000, Don saw his doctor about a small polyp at the end of his colon. He was scheduled for outpatient surgery at the hospital and was sent home the same day.

But soon after he returned home, Don began to have excruciating abdominal pain and could not have a bowel movement. For several days, doctors dismissed his complaints. Finally, Don went to the emergency room where doctors discovered an infection that had spread throughout his body. During his surgery, the doctor had nicked his colon, allowing bacteria and feces to flow into his body. Then, while in intensive care, a breathing tube was left in his throat for too long, damaging his vocal cords.

Today, the damage to Don's body is devastating. The retired colonel, who served 25 years with the Air Force and has 15 medals for his service as a Lead Navigator, Bombardier, and Radar

Navigator/Bombardier, is severely handicapped, living in constant pain and frustration. Even things like eating and breathing are difficult.

"I have lost 60 pounds," Don says. "I have vocal chord paralysis and my toes, fingers and gums are numb. I can't distinguish flavors. All my solid food must be shredded with a food processor to keep me from choking."

That's not all. Don also has chronic diarrhea. He has to wear a support belt 24 hours a day. And, as if to add insult to injury, he has a worse hernia than before his surgery.

His medical problems have also become a financial burden. After three operations, Don required a full-time caregiver for months after leaving the hospital. Since his surgery, he has spent \$100,000 that he intended to give his 21 grandchildren – money he earned flying combat over Germany, Korea and in service during the Vietnam War.

Doctors tell Don that nothing can be done. He tried to hold the surgeon accountable in court, but the statute of limitations on his case expired while he was in bed recovering.

"I was unconscious half the time," Don says. "I was trying to stay alive."

Coffee has reached out to several attorneys, the surgeon, the hospital, other doctors, the state medical board, his state senator and representative, the lieutenant governor and the governor, to no avail. Still, Don Coffee isn't giving up.

His story is evidence that for patients who have suffered because of someone else's negligence, justice and accountability have always been hard to come by, even before Georgia passed a devastating law in 2005 that limits the legal rights of victims of medical errors.



## THE NEWS CONTINUED FROM PAGE 1

Yet, despite this high rate of prescription error, doctors are seldom held accountable – even when they purposely commit prescription fraud. According to a report issued in August by Public Citizen, a Washington, D.C.-based watchdog group, doctors who commit crimes often escape harsh professional punishment by state and federal agencies. Professional disciplinary boards are particularly light on doctors who have been involved in crimes related to drugs, including prescribing violations and substance abuse.

The Public Citizen report says 36.2% of physicians who were involved in prescription violations and/or use, possession or distribution of controlled substances faced only "wrist-slap" punishments, such as fines, reprimands and mandatory educational programs.

### THE COSTS

The Chicago-based Midwest Business Group on Health claims that low-quality health care is costing nearly \$400 billion a year, or about 30 percent of the total \$1.3 trillion spent annually on medical expenditures in the U.S.

From medical errors and unnecessary treatments to misused drugs and bureaucratic waste, new research suggests such problems each year cost private employers between \$1,700 and \$2,000 per insured worker. Premiums are up 16 percent this year for most large employers, while smaller companies are seeing even larger cost increases, analysts say.

Drug errors are not just dangerous, but expensive. A preventable drug error can add more than \$5,800 to the hospital bill of a single patient. Assuming that

# TORT REFORM GOES UNDER THE KNIFE

BY ALLISON WALL

Last year, the Georgia General Assembly delivered a present to Big Insurance, the hospital and medical lobbies, and corporate giants Georgia Pacific, Home Depot, Georgia Power and Coca-Cola. It was called Senate Bill 3, and it severely changed the state's justice system.

Senate Bill 3 limits what a jury can compensate any victim injured as the result of medical malpractice for physical loss and disability to \$350,000 – even if the negligence kills a loved one. This one-size-fits-all approach brutally affects retirees, veterans, stay-at-home parents and anyone else who does not work or works for modest pay.

The controversial bill also takes away the rights of patients injured or killed in any of Georgia's emergency rooms because of clear negligence. The ER immunity provision of the law requires patients to prove "gross negligence," which means proving that their medical provider willfully and knowingly mistreated them. This is virtually impossible to prove in an emergency setting, after the fact.

What's more, the law contains several smaller provisions that have combined to make it almost impossible for victims of medical malpractice to find justice in a courtroom. But since the law was signed in 2005, several of those smaller provisions have been struck down as a violation of Georgia citizens' constitutional rights, or are awaiting a ruling from a higher court.

For example, lawmakers who supported Senate Bill 3 claimed that the "venue" changes would keep attorneys from "shopping" their cases to get sympathetic jury pools. But the effect was to give insurance companies and their defense attorneys the right to demand the most lenient, friendliest courtroom.

In February, the Georgia Supreme Court ruled that it is unconstitutional to allow defendants in medical malpractice

lawsuits to dictate the county where their case is heard.

Chief Justice Leah Ward Sears in her opinion wrote that the state Constitution grants only trial judges, not defendants, the authority to transfer cases from one county to another. For that reason, the venue provision is unconstitutional, she said.

Another provision, "offer of settlement," was first rejected in 2005 in a Gwinnett County court. Before going to trial, the plaintiffs had received an offer of \$6,300 from the defendant to settle the lawsuit. The plaintiffs decided to exercise their right to a jury trial and turned down the settlement offer. The jury awarded the plaintiffs only \$2,860. To add insult to injury, the plaintiff was instructed to pay the defendant's legal fees.

Why? The "offer of settlement" provision in Senate Bill 3 says that if a plaintiff turns down a settlement offer, and fails to receive a court judgment that is at least 25 percent higher than the settlement offer, then the plaintiff is on the hook to pay the defendants' legal costs. In other words, victims have to do more than just win – they have to win big.

Gwinnett Superior Court Judge Michael Clark ruled against the "offer of settlement provision," saying, "To penalize the winning parties simply for not winning enough, as the statute apparently permits, would effectively chill 'the right to prosecute or defend' a cause of action in the courts of this state."

Again this summer, the Georgia Court of Appeals struck down a provision in Senate Bill 3 requiring medical malpractice plaintiffs to give up the privacy of their medical records when they file their lawsuits.

The provision required the plaintiff to file a medical authorization form contemporaneously with the filing of a medical malpractice complaint. Failure to provide the authorization would subject the complaint to dismissal.

The Court of Appeals' ruling said the confidentiality waiver conflicts with the federal Health Insurance Portability and Accountability Act (HIPAA), which guarantees the confidentiality of patient information. The ruling reaffirms that access to patients' information must be balanced with privacy protections.

Finally, the provision that restricts the use of expert witnesses has also come under fire. It says an expert in medical malpractice lawsuit must practice the same specialty that he or she is testifying about?

Defendants have attempted to use that part of the law to say that an orthopedic surgeon cannot criticize a neurosurgeon, even though they both perform many of the same surgeries. Georgia courts have said that as long as the two doctors both have the same specialty – both perform the same surgeries – then one can testify about another.

The "expert witness provision" was found unconstitutional, to the extent it was to be applied retroactively, by Judge Clayton in Cobb County last year; but she just reversed herself last week in a new ruling (*Mason v. Home Depot*). A final ruling on the matter is expected soon.

While the courts are cutting out the unconstitutional parts of SB 3, some groups are working hard to protect the law. In a recent article on election tampering, the Atlanta Journal-Constitution reported that, "The Safety and Prosperity Coalition, according to its web site, was formed largely to guard Georgia's 2005 tort reform, limiting liability for businesses when they are sued, from erosion in the courts. The group, which could channel unlimited funds into television ads and other efforts to influence voters ... had raised a reported \$318,500 by the end of September. Last week, it began airing its first ad ... on network TV."

If you thought the fight over tort reform in Georgia ended with the passage of Senate Bill 3, think again. In many ways, it has just begun.

# FROM THE DIRECTOR'S CHAIR PUT GEORGIA WATCH ON YOUR GIFT LIST

BY ALLISON WALL — EXECUTIVE DIRECTOR



A librarian in Bainbridge needs to find health insurance for her son, who graduated school but has not found a job with health benefits yet. An older woman on a ventilator must decide whether to pay rent, her heating bill or her electricity bill. A soldier at Fort McPherson is fighting foreclosure.

Georgia Watch is there when Georgia families are in need. We are the only group that partners with military bases and District Attorneys to offer free consumer workshops in communities of all sizes, in all four corners of the state, on topics like identity theft, flood insurance and credit scores. And Georgia Watch is one of few voices standing up to powerful special interest groups at the state Capitol, and defending the rights of consumers.

Maybe the financial pressures of election season and the Christmas season have you thinking that the time for giving has come to a close. As you flip through the pages of *The Watcher*, I hope you'll make room for one more gift. The gift of consumer protection.

We're asking you to please make a tax-deductible contribution to the consumer watchdog that is working hard for you. You can be a part of our Annual Fundraising Campaign by making your contribution by mail or online at [www.georgiawatch.org](http://www.georgiawatch.org).

Even better, you can multiply your contribution by doing exactly what you do every Christmas – shop! Georgia Watch recently joined Benevolink, which works with online stores like Kmart, the Bass Pro Shop, the Gap, Best Buy, Office Depot, Barnes & Noble Booksellers and Home Depot to generate more contributions through your purchases all year long at no extra cost to you.

You don't pay any extra for the items you buy, or purchase things you don't need. You don't sign up for new credit or loyalty cards. There are no receipts, coupons or paperwork to keep up with. You simply shop for the things you want, and Georgia Watch receives charitable benefits that enable us to work even harder for a stronger Georgia.

The first step is to register with Benevolink for free at [www.benevolink.com](http://www.benevolink.com). Then, shop online as you normally would at your favorite retailers' Web sites. Based on your online purchases, participating stores will deposit charitable funds into your Benevolink account. Once a quarter, you visit the Benevolink Web site and direct your funds to Georgia Watch.

Imagine that your total online shopping this Christmas adds up to \$200. Given that the average retailer contribution is seven percent, you could earn an extra \$15 for Georgia Watch while shopping for a few of your families' favorite things.

If it's the thought that counts, than gifts purchased through the Benevolink program count two-fold. There's never been a more rewarding way to promote consumer rights.

## MILITARY CONTINUED FROM PAGE 1

lenders of targeting service members and their families by clustering around military bases and using military terms in their advertising. The DOD report stated, "Predatory lending practices are prevalent and target military personnel, either through proximity and prevalence around military installations and online, or through the use of affinity marketing techniques."

Many consumer advocates applauded the 36 percent APR cap on loans offered to military personnel. Michael Calhoun, President of the Center for Responsible Lending, released a statement praising the Talent-Nelson Amendment.

"Senators Talent's and Nelson's amendment to the Defense Authorization bill provides financial body armor for these service members," Calhoun said. "Military service members are particularly vulnerable to these predatory loans, and we have a special obligation to protect them and their families. These families must balance the financial challenges of running a household, often while one of them is on duty abroad."

Georgia Watch regularly travels to military bases to conduct workshops on predatory lending with Army Financial Services. We hear firsthand from financial counselors and soldiers

about their experiences with car title lenders. And their stories prove beyond a doubt that car title and payday loans can be devastating.

The Talent-Nelson Amendment was a long time coming. But there are still questions regarding the bill. First and foremost, we are left to wonder what this will mean for civilian Georgia families who will continue to struggle to pay triple-digit interest payments. Does a sailor's grandmother deserve the same protection from predatory lenders as her boy in the Navy? What about the thousands of working parents fighting every day to feed, clothe and provide health care for their children,

# 2007 LEGISLATIVE PREVIEW

BY DANNY ORROCK

As families across Georgia gather together to celebrate the holidays, legislators and the crowd at the state Capitol are eagerly eying the start of the 2007 Georgia General Assembly.

Compared to past years, there was relatively little turnover in the state House and Senate this election cycle. Republicans maintained their 34-22 majority in the Senate, while increasing their majority in the House to 106-74, as a handful of Democratic incumbents switched parties.

What will this mean for the upcoming legislative session? What sort of legislation can we expect in 2007 and which proposed bills will most seriously impact consumers?

One issue that will certainly come up again is identity theft, a problem that affected approximately 263,000 Georgians in 2005, and cost the state's businesses at least \$2.5 billion. Last year, two bills introduced would have given consumers the option to "freeze" their credit, providing bulletproof protection of their personal information from thieves. Even though 26 states have already enacted this powerful tool, both bills were defeated and Georgia consumers remain vulnerable to the fastest growing crime in the nation.

Yet another issue that is getting more and more attention is car title loan reform. Car title loans are difficult for many families to pay off and often leave borrowers in significantly worse financial shape. Currently, lenders can legally charge 300 percent interest on these loans, in exchange for a car title and a set of keys. If a person's vehicle is repossessed because he or she could not keep up with the payments on a car title loan, that vehicle can be sold and the lender can pocket every single penny – with none of the surplus funds returned to the borrower.

Georgia Watch will continue to push for a substantive reduction in the triple-digit interest rates on these loans transactions, and advocate for changes that refund surplus funds to folks whose cars are repossessed and sold. Last year, Georgia Watch worked

to get a Senate vote on interest rates, and this year we hope to have more success. You can see how your state senator voted on a bill to lower car title loan interest rates in the vote chart.

Health care is an important issue for everyone, and Georgia Watch is looking forward to pushing ideas to improve the quality of care delivered in Georgia's hospitals, nursing homes and doctors' offices. According to the Midwest Business Group on Health, medical errors account for 30 percent of the \$2 trillion spent on U.S. medical care.

Last year Rep. Mike Keown (R-Coolidge) introduced a bill to give injured patients and their families an opportunity to testify at disciplinary hearings of the state medical board. This year he will introduce the same bill, in addition to a bill that would add three non-doctors to the medical board to give consumers a greater voice on that panel.

Reducing the amount of hospital acquired infections will also be a priority next year. The cost of treating "Methicillin resistant staphylococcus aureus" infections, commonly called MRSA, is \$3.2 billion to \$4.2 billion annually. And according to the U.S. Centers for Disease Control and Prevention, one in 20 patients, or about two million a year, contracts an infection in the hospital. About 90,000 patients die as a result.

Several pieces of legislation have been introduced in the past to address this health care crisis, including proposals to study the problem for the next year, and proposals to mandate comprehensive reporting of infections and to make the information available to the public. Georgia Watch will work to see that this issue gets the attention it deserves in next year's legislative session.

We encourage you to make your voice heard in 2007. You have a Senator and Representative who represent you in state government and who need to hear the concerns of their constituents. Please feel free to contact Georgia Watch if you need help finding or contacting your elected officials. We look forward to seeing you under the Gold Dome next year!

District	Name of Senator	Party	City	Vote to decrease interest
42	David Adelman	D	Decatur	Y
9	Don Balfour	R	Snellville	N
26	Robert Brown	D	Macon	Y
11	John Bulloch	R	Ochlocknee	N
55	Gloria Butler	D	Stone Mt.	X
49	Casey Cagle	R	Chestnut Mt.	N
13	Joseph Carter	R	Tifton	N
16	Ronnie Chance	R	Tyrone	N
3	Jeff Chapman	R	Brunswick	N
17	John Douglas	R	Covington	N
39	Vincent Fort	D	Atlanta	E
7	Greg Goggans	R	Douglas	N
8	Tim Golden	D	Valdosta	Y
25	Johnny Grant	R	Milledgeville	N
30	Bill Hamrick	R	Carrollton	N
15	Ed Harbison	D	Columbus	N
29	Seth Harp	R	Midland	N
41	Steve Henson	D	Tucker	N
31	Bill Heath	R	Bremen	N
4	Jack Hill	R	Reidsville	N
32	Judson Hill	R	Marietta	N
14	George Hooks	D	Americus	E
47	Ralph Hudgens	R	Comer	N
1	Eric Johnson	R	Savannah	N
10	Emanuel Jones	D	Decatur	Y
46	Brian Kemp	R	Athens	N
12	M Meyer V Bremen	D	Albany	N
43	Steen Miles	D	Decatur	N
56	Dan Moody	R	Alpharetta	N
53	Jeff Mullis	R	Chickamauga	N
51	Chip Pearson	R	Dawsonville	N
23	J.B. Powell	D	Blythe	Y
35	Kasim Reed	D	Atlanta	Y
21	Chip Rogers	R	Woodstock	N
50	Nancy Schaefer	R	Turnerville	N
28	Mitch Seabaugh	R	Sharpsburg	Y
34	Valencia Seay	D	Riverdale	X
48	David Shafer	R	Duluth	N
52	Preston Smith	R	Rome	Y
44	Terrell Starr	D	Jonesboro	Y
18	Cecil Staton	R	Macon	N
27	Bill Stephens	R	Canton	Y
6	Doug Stoner	D	Smyrna	Y
22	Ed Tarver	D	Augusta	N
38	Horacena Tate	D	Atlanta	N
54	Don Thomas	R	Dalton	N
2	Regina Thomas	D	Savannah	Y
5	Curt Thompson	D	Norcross	Y
33	Steve Thompson	D	Marietta	N
20	Ross Tolleson	R	Perry	N
45	Rene Unterman	R	Buford	N
40	Dan Weber	R	Dunwoody	E
24	Jim Whitehead	R	Evans	N
37	John Wiles	R	Marietta	N
19	Tommie Williams	R	Lyons	N
36	Sam Zamarripa	D	Atlanta	Y

# ESTABLISHING OUR ROOTS

BY MAGGIE WHITE

Lobbyists are not like you and me. Many are working overtime to justify six-figure salaries, pushing policies that will protect and benefit the bottom lines of their clients – regardless of the cost to others.

At Georgia Watch, the only special interests that we represent are those of every Georgia family. We don't buy steak dinners for elected officials. Nor do we take them on hunting trips or fly them to the beach on our private jet.

Instead, we tell our elected officials about the problems facing consumers in our state and about possible remedies. We tell them about the people that we've met on our travels around the state – about people who have been plunged into debt by a triple-digit car title loan or who have been victimized by an identity thief.

Some politicians are eager to hear our stories. Others would prefer a steak dinner. That's where you come in.

Having you at the Capitol to share your concerns face-to-face with your elected leaders is the most powerful tool in our arsenal. Remember, public policy is open to the public, and it's impacted the most by dedicated people who are willing to get involved.

Can't make it to the Capitol? Give us a call and tell us your story so that we can write about it for our website. Speaking of our website, did we mention that it is currently undergoing a makeover? We expect to launch a new site in time for the new year. The new site will feature a streamlined layout as well as new content, including member profiles and photos and a predatory lending blog.

As always, we won't just wait for you to come to us. Are you part of a club or organization that would like to have Georgia Watch as a guest speaker? It could be your church, Kiwanis, PTA,

Rotary or neighborhood association, just to name a few. Contact us now to schedule a Georgia Watch staffer to talk about any or all of our issues, including:

- 1) Personal finance – how can you repair and build credit?
- 2) Identity theft – how can you prevent the nation's fastest growing crime from happening to you?
- 3) Health care – What are your rights as a patient, and what homework can you do before a medical procedure to better guarantee success?
- 4) Predatory loans and tax season – what are the hidden facts about loans such as car title loans and fast tax refunds?

At Georgia Watch, our challenge is to make consumer education easy, and to help you make choices that will benefit you and your family. There are so many ways we'd love to work with you. Suggest a new one to us!

## NEW WEB SITE GIVES CONSUMERS A CHANCE TO BE HEARD

BY COLEY WARD

When the 2007 Georgia General Assembly kicks off January 8th, Georgia Watch will be down at the State Capitol, educating state legislators about laws that will enhance patient safety and protect consumers from identity theft and predatory lenders.

But we'll need your help. If your consumer rights have been violated, come down to the gold dome and share your story. Nothing influences politicians more than hearing from the people who are directly affected by the laws that they craft.

Maybe you want to get involved, but you're too busy with work and family to talk in person about your consumer horror story? There's still a way. Georgia's senate leadership has launched GeorgiaSpeaks.com, a Web site that encourages all citizens to share their ideas about what will make Georgia better.

Each week, Georgia Speaks features a "Creative Idea of the Week." For example, a recent selection submitted by Rob Lange suggested, "Public schools should be limited to kids who speak English as their first language and whose parents speak English as their first language." Whether you agree or disagree, the time is now to vote on proposals like this, and post your own plans for success.

Georgia Speaks touts the Senate leaders' commitment to the following five principles. According to the website, only those suggestions that meet these guidelines will be considered during the legislative session.

Will it reduce the size of government? Will it strengthen our traditional family structure? Will it reduce the tax burden for our citizens? Will it increase personal responsibility?

Do you have any ideas for pro-consumer legislation that you think meet those criteria? Maybe there's something you simply need to get off your chest, even if it won't reduce the tax burden, or the size of government. Post your thoughts on GeorgiaSpeaks.com and let the senators you elected know what you think.

### THE NEWS CONTINUED FROM PAGE 2

hospitals commit 400,000 preventable drug errors each year, that's \$3.5 billion - not counting lost productivity and other costs - from hospitals alone, the report concluded.

What's more, hospital-acquired infections account for an estimated \$4.5 billion in excess health care costs

annually, according to the CDC.

#### THE SOLUTIONS

To better serve and protect Georgia patients, the first order of business should be restoring accountability to the health care industry. According to the IOM, at least a quarter of all medication-related injuries are

preventable and most errors could be avoided if more prescriptions were written electronically. The Institute recommends that all prescriptions be written electronically by 2010, and former Speaker of the House Newt Gingrich has been a staunch advocate of exactly this type of health care modernization.

# GEORGIA WATCH SUPPORTS AFFORDABLE HEALTHCARE

BY ALLISON WALL

Medical bills are the leading cause of personal bankruptcies. When uninsured people become seriously ill or injured, they are faced with enormous hospital bills. When patients can't pay the large bills, hospitals send aggressive collection agencies after them.

Currently, at least 45 million Americans are living without health insurance. Between 2003 and 2004, the majority of the newly uninsured – over 750,000 people – were working adults. In 2005, over 1.7 million Georgians were uninsured, an increase of 200,000 over the previous year.

Most people who don't have health insurance go without it because they simply can't afford it, or because their employers have stopped offering coverage. As the problem grows, it is becoming more and more important that we take steps to make health insurance and health care more affordable. We also need to ensure that nonprofit hospitals, which are charged with the task of caring for the uninsured, are fulfilling their mission. As it is, the system isn't working.

## Why are uninsured families charged more?

The only people who do not get a discount off their hospital charges are the uninsured. Hospitals charge the uninsured as much as ten times more than HMO's, insurance companies and government programs such as

Medicare. Nobody negotiates a discount for the uninsured, so these families get stuck with the highest bills.

Expensive hospital charges for the uninsured affect all of us, in fact. The higher the hospital bills, the more we all need insurance – and the more we are willing to pay for insurance, if we can. It is a vicious cycle that is driving up health care costs more and more each year.

## “Nonprofit” hospitals are cash cows

As indicated by IRS filings from 2002, 34 nonprofit hospitals in the state held approximately \$2.6 billion in untaxed cash and securities, and total hospital profit for 2002 was over \$500 million. Not too shabby.

Floyd Medical Center, located in Rome, was named “Large Hospital of the Year” in 2005 by the Georgia Hospital Association (GHA). According to the Rome News-Tribune, the nonprofit hospital's net revenue “is expected to increase by 10.8 percent in fiscal year 2007... projected to total roughly \$234.8 million.” Next year's estimated pure profit is expected to top off at \$6.4 million. And according to the hospital's own press release, “the completion of a multi-million dollar renovation to the facility” was one reason for the GHA recognition.

In 2004 Macon's nonprofit Medical Center of Central Georgia (MCCG) held over \$535 million in total net assets, up from \$468 million the year before,

according to the IRS Form 990 filed by MCCG. That's not counting the \$39 million that MCCG's parent company – Central Georgia Health Systems – keeps safe for them. MCCG's CEO reported \$664,839 in compensation that year, plus \$179,332 in retirement benefits.

MCCG and Phoebe Putney Memorial Hospital in Albany are together holding assets nearing three-quarters of a billion dollars. The Albany Herald revealed that nonprofit Phoebe Putney reimbursed hospital executives \$156 in cigars and hundreds more on cocktails for a single evening at a fancy London bar in 2003.

## Hospitals & politics

Nonprofit hospitals have shown that they will guard their tax exemptions at all costs, even at the expense of improving care for the communities they serve – even the citizens who need reduced-cost or charity care.

In 2006 the Georgia General Assembly passed House Bill 1272, which would have extended tax-exempt status to free clinics that serve the neediest among us. These clinics help curb rising health care costs by providing treatment for common conditions like asthma, high blood pressure and diabetes before they lead to expensive hospital emergency room visits.

But when hospital lobbyists realized the bill would also require the legislature to re-authorize, and re-examine, their tax exemption in a few years, they pressured Governor Perdue to veto the bill.

## MILITARY CONTINUED FROM PAGE 4

taking on multiple low-paying jobs just to stay afloat?

In March, Conyers resident Alicia Lummus, who cares for her young son and disabled husband, lost her husband's 2001 Chevy Silverado - valued at \$14,000 - over a \$520 car title loan. For most of a year, she made monthly payment of \$132, totaling almost \$1,000, but that just wasn't enough for the lender. Early one morning, a loan shark repossessed the Lummus's truck, claiming she still hadn't paid the principal on her loan.

Today, on her way to work the night shift, Alicia drives her mother's car

past the corner where her husband's truck sits with a “For Sale” sign in the window. She is currently working with a lawyer to get it back.

Alicia's story is evidence that military members are not the only people who need protection from predatory lenders. If we shield our troops, but not other consumers, then loan sharks will just intensify their focus on poorer, urban areas.

This January, Georgia Watch will work with state lawmakers to pass legislation that will protect all Georgia families from triple-digit interest rates and repossessions. Right now, Georgia law

lets car title lenders operate in the dark, without oversight, and charge five times the interest that all other lenders in the state can charge. Not only is that unfair for all other lending businesses, credit unions and banks, but these customers are at risk of losing everything.

Most folks want to pay off their debt. They want to keep their cars. And when they lose their cars, they can't get to work, can't get to the doctor, can't keep their jobs, can't get their kids to school, can't get to church or the grocery store. Car title lenders are not just profiting off of a person's bad situation - they are making a bad situation dangerous.



**GeorgiaWatch** was recently invited by the Drum Major Institute for Public Policy to be a regular contributor to their blog on tort reform, called "Tort Deform." We at Georgia Watch believe that this blog is a unique opportunity to share opinions, personal experiences, facts and statistics about one of the important consumer battles that we are fighting here in Georgia.

Some of you have already been reading and commenting on our blog posts. And you're not alone. The Drum Major Institute estimates that over 10,000 people per month read our posts. We encourage you to take advantage of this opportunity as well and give voice to your thoughts by commenting on the blog – or on other comments already posted.

**ALLISON WALL**  
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**GeorgiaWatch** is OUTSPOKEN  
In 2006, Georgia Watch Executive  
Director Allison Wall made lunch or dinner  
presentations to:

- West Georgia Bankers Association
- Pilot Club of Carrollton
- Vidalia Kiwanis Club
- Coalition of Advocates for Georgia's  
Elderly (CO-AGE)
- Creative Loafing's Political Party.

You too can book Allison for a speaking  
engagement by calling Georgia Watch  
toll-free at **1-866-33-WATCH!**