



## National Healthcare News

### United Healthcare bought PacifiCare with Conditions

December 20, 2005, the United Health Group merge with PacifiCare Health Systems, Inc. was approved for \$ 9.2 billion acquisition cost. The California Insurance Commissioner, John Garamendi, approved the merge provided the company earmarks \$250 million for healthcare for the poor. The companies would be forbidden from passing the costs of the deal on to their insured members, *and* they must guarantee that customer service remains unaffected. The combined company has also **agreed to pay \$13.7 million in incentives to doctors** based on quality improvements in order to offset United Health's "bad reputation for the way it pays physician claims." . The companies have agreed in principle to the terms. Reuters News, 2005

### TREND: States Hit Public Employees with Smoking Surcharges

Generally, smokers overall medical costs are higher on average than nonsmokers. In an effort to curb growing group health insurance costs, numerous private and public-sector **employers are imposing an insurance premium surcharge on smokers**. For example, under Georgia's program, state workers during open enrollment will be asked, "Have you or any of your dependents used tobacco products in the previous 12 months?" Tobacco products include cigarettes, cigars, and pipes as well as "smokeless" products, such as chewing tobacco. The policy relies on the honor system. Tobacco users will incur a flat surcharge of \$40 a month for the upcoming year per family policy. Georgia State employees found to be concealing tobacco use risk losing medical coverage for one year. Other organizations with monthly smoking surcharges include the State of Alabama, \$20, Illinois' Navistar trucking firm \$50, and Northwestern Mutual Life, \$25. Business Insurance, May 23, 2005 by Rupal Parekh

### IRS 2006 Standard Mileage Rates

Your patients and traveling staff will be interested. The Internal Revenue Service issued the 2006 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

- 44.5 cents per mile for business miles driven
- **18 cents per mile driven for medical** or moving purposes
- 14 cents per mile driven in service of charitable organizations, other than related to Hurricane Katrina.

Note: When figuring your 2005 taxes, there *was a special one-time adjustment for the last four months of 2005* when gas prices topped \$3 per gallon. Business rates from January to August were 40.5 cents per mile. From September through December 2005, the rate was **48.5 cents** per mile.

### Notable 2005 Science Discoveries

While doctors keep updated on their specialty advances, it's fun to see how other scientific research has been progressing. Examples from the December 23, 2005, journal *Science* and *infoplease.com*:

1. **Genetics**: Breakthrough studies included mapping the chimpanzee genome and sequencing the 1918 flu virus.
2. **Spacecraft** traveled to the moon, Mercury, Venus, Mars, a comet, an asteroid and to Titan, Saturn's largest moon.
3. **Plants** Plant molecular biologists identified a signal initiating seasonal flower development.
4. **Neuron stars**. New instruments recorded vivid insights into intensive gamma ray bursts in the Milky Way.
5. **Brain wiring and disease** Several studies suggest that schizophrenia, Tourette's syndrome, and dyslexia are rooted in pre-natal brain "faulty wiring" of the brain's neural circuitry.
6. **Protein** Important to nerves and muscles, gatekeeper proteins channel potassium ions in and out of cells.
7. **Oldest homo sapiens fossils** Re-calibrated, Omo I and Omo II in Ethiopia were dated as 195,000 years old.
8. **T.Rex to birds**. Soft tissue found in a USA T-Rex supports the theory that modern birds descended from dinosaurs.
9. **Neuro-cybernetics** With an implanted chip in the motor activity part of his brain and wires attached to a computer, a Mass. quadriplegic directs computers to carry out his brain commands, even moving his paralyzed hand. Wow.