

Peer Review Organization (PROs) unless they change treatment patterns for what they consider "medically inappropriate" reasons. PROs directly contributed to the demise of rural hospitals.

Certificate of need programs and other stringent economic rate controls used to slow the acquisition of advanced diagnostic equipment and technology has been cited a possible cause contributing to higher death rates among patients in heavily regulated hospitals than those with less government regulation. Yet, HCFA's William Roper says "continued restraint . . . is necessary and does not compromise beneficiaries' access to the quality of care they receive." But the fallacy of cost-effective medicine has been demonstrated repeatedly in the way it jeopardizes not only the lives of individual patients but also the viability of America's entire hospital system.

The present climate against new medical technologies is actually undercutting the country's capacity to spur new breakthroughs in medical-scientific fields. Investors are dissuaded from developing new life-saving technologies because it is unlikely that financially strapped hospitals will purchase or be reimbursed for using them. Yet, not only does the newer equipment pay for itself, it saves more lives than outmoded technology.

With DRGs came an oppressive demand for documentation. Hospital administrators saw a 100% cost increase from paperwork alone. They were forced to cannibalize medical staff and critical diagnostic equipment for accountants, form processors, and sophisticated cost-calculating computers. Fewer lab technicians led to slower and less accurate testing.

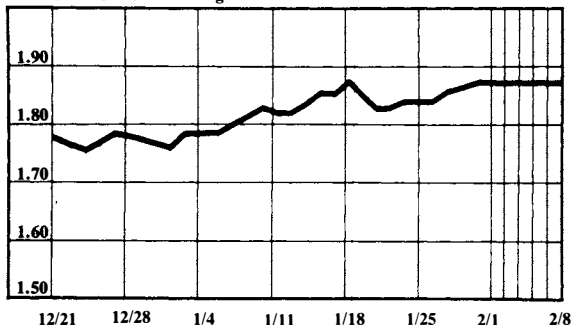
Underpaid, overworked nurses are driven out of their field by the burden of regulatory documentation and expanded patient load. Medicare budget cuts meant hospitals laid off 125,000 licensed practical nurses and nurses' aides since 1983. That forced medical facilities to have registered nurses perform non-nursing duties that take up 10-60% of a nurse's time. By 1986, a shortage of nurses was reported by 83% of U.S. hospitals. Now, 18% of the nation's hospitals turn away patients due to shortages. In some New England Veterans Administration hospitals, *over half of the beds were taken out of service* due to lack of staff. Thus, as a direct result of "cost-effective" policies, the nursing crisis has become so acute that HHS had to establish a totally new Commission on Nursing to study the frightening shortage of 600,000 nurses by the year 2000.

With sharp reductions in hospital nursing staff, patients who need assistance with eating do not get it. Instead, they starve. Some 60,000 patients die of starvation in U.S. hospitals every year. One-third of all U.S. hospital patients are malnourished and a half-million more face critical complications because of it. If a patient loses 30% of his ideal body weight in the hospital—as one-third of all patients do—the chance of his or her living through an operation is reduced to about 5%!

Currency Rates

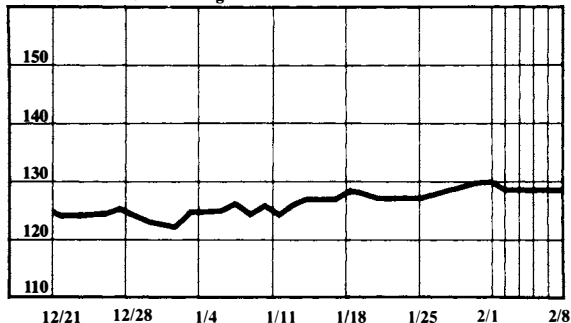
The dollar in deutschemarks

New York late afternoon fixing



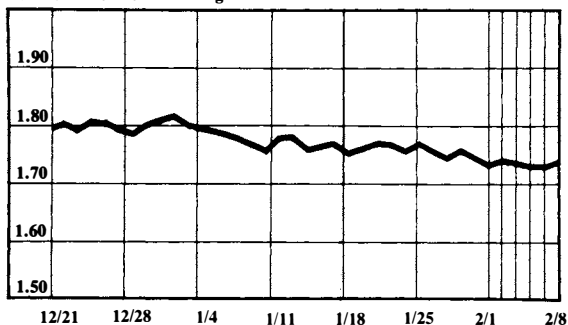
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing

