

## Recent Developments

### Family Resource Management

#### Medicare Deductibles and Premiums – 1996

Barring additional changes by Congress, the 1996 figures for selected Medicare out-of-pocket costs are: \$736 deductible for Part A (hospital insurance) and \$100 deductible for Part B (medical insurance). The Part B premium (usually withheld from a Social Security benefits check) is \$42.50 per month, a reduction from 1995. The Part A premium for persons with less than 30 work credits is \$289 per month. For persons with 30-39 credits, the monthly premium is \$188. *Source: North Carolina Department of Insurance and Health Care Financing Administration.*

#### *Consumer Spending Changes, 1990-1994.*

*Americans in the early 90s are "working harder, owning less, and looking worse." Analysis of changes in average household expenditures by major categories from 1990 to 1994 shows an overall reduction of 1.3 percent. Major changes include a 10.4 percent decline in spending on apparel (driven by a 37 percent reduction in spending on men's suits) and a 9.5 percent reduction in spending on food (with spending on groceries down by 3.8 percent and spending in restaurants down by 17.3 percent). The greatest increases were in health care (4.6 percent), transportation (4.1 percent), and cash contributions (3.8 percent). Some of the changes are presumed to be due to a slight decrease in the average size of households and the aging of the population. Source: American Demographics, January 1996, and Consumer Expenditure Survey-Bureau of Labor Statistics.*

**Submitted by:** Janice Holm Lloyd, Family Resource Management Specialist.

### **Legal Issues**

#### ***The Living Will***

*Hospitals and nursing homes ignore a patient's living will at their economic peril. The North Carolina Court of Appeals recently held that a patient's family is not responsible for nursing*

home bills incurred after the patient would have died if his living will had been honored after all legal requirements had been met. Source: *First Healthcare Corp. v. Rettinger*, 118 N.C. App. 600 (1995). For more information on the living will, see "The Living Will," HE-364, published by the North Carolina Cooperative Extension Service. Note: This case has been reversed by the North Carolina Supreme Court (3/8/96).

### ***Hospital Liable for Acts of Violent Patient***

The North Carolina Court of Appeals recently ruled that a state hospital must pay \$100,000 to the family of a man murdered by a mental patient released from the hospital. The mental patient had been involuntarily committed because of his past aggressive behavior that included killing a man. The hospital psychiatrist breached his duty to the victim by advising a court that the patient was not dangerous, even though his notes expressed strong doubts about that conclusion. Source: *Davis v. North Carolina Dept. Of Human Resources*. (North Carolina Lawyers Weekly No. 5-07-1852, 8 NCLW 1131, pages 1 & 15).

### ***Sexual Harassment***

Female employees who won a sexual harassment suit against their employer cannot recover against their employer's business insurance liability policy because it excluded coverage for intentional injuries. Source: *Russ v. Great American Insurance Companies*. (North Carolina Lawyers Weekly No. 5-07-1850, 8 NCLW 1130, pages 1 & 14).

### ***Learner's Permit -- Auto Accident***

A mother can sue her teenage son for damages she sustained when he crashed into a tree while she was teaching him to drive. Before she can recover, she must show that she was not negligent in supervising his driving. Source: *Stanfield v. Tilghman*. (North Carolina Lawyers Weekly No. 5-06-1802, 8 NCLW 1111, pages 1 & 27).

### ***Security Company Liable For Guard's Failure***

A security company who agreed to provide unarmed guards for an apartment complex may be held liable for injuries sustained by a visitor. The security guard witnessed a stabbing attack on the visitor. Rather than helping, he fled the building.

**Source:** *Cassell v. Collins*. (North Carolina Lawyers Weekly No. 5-07-1701, 8 NCLW 0993, pages 1 & 4).

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