

Walmart raises health-care premiums

It rolls back eligibility for coverage among part-time workers, too

By Anne D'innocenzio
THE ASSOCIATED PRESS

Walmart Stores Inc., the nation's largest private employer, is scaling back the eligibility of health-care coverage offered to future part-timers and dramatically raising premiums for many of its full-time workers.

Industry observers say the changes could have implications

for millions of other workers, as more companies on the fence could replicate its moves.

The discounter, which employs more than 1.4 million workers, said the changes were forced by rising health-care costs. All future part-time employees working less than 24 hours a week, on average, will not be covered under the plan, starting next year.

Premiums will rise for many existing workers, and the company will reduce by half the amount it contributes for each worker to help pay for health-care expenses

DID YOU KNOW?

Walmart Stores Inc. is Southern Arizona's fifth-largest overall employer, and second-largest private employer, with 7,308 full-time-equivalent employees at the beginning of this year, the Star 200 survey shows.

not covered under their plan. Tobacco users will be particularly hit hard, seeing premiums more than double compared with increases of as much as 41 percent for sin-

gles, according to Making Change at Walmart, a group backed by the United Food and Commercial Workers International Union, which has been pressuring Walmart on worker rights.

"We are striking a balance between managing costs and providing quality care and coverage," said Greg Rossiter, a Walmart spokesman. He emphasized that Walmart's health-care coverage remains "top tier" among its peers.

A number of companies have been looking for ways to cut health-care costs and have been

shifting more of the burden to their employees. The costs of employer-sponsored health insurance surged 9 percent this year, said a report last month by Kaiser Family Foundation and the Health Research and Educational Trust.

But a big package of cuts from one company is unusual, said Drew Altman, CEO of the Kaiser Family Foundation. "While we do see increases in cost sharing, this is unusual and is outside the bounds," he said. "It could provide

See WALMART, A13



Reena Zutshi, right, shown working with researcher Carolyn Shomin, is president and CEO of Luceome Biotechnologies. The UA spinoff company received a \$1.6 million grant to develop KinaseSeeker, which helps speed the process of finding effective cancer drugs.

Las Cazuelitas passes health check, won't be shut down

By Phil Villarreal
ARIZONA DAILY STAR

After six consecutive failed inspections, Las Cazuelitas de Tucson has managed to earn the Pima County Health Department's approval.

"We're good to go," restaurant owner Abelardo Frisby said. "We just want the public to get a good idea that this wasn't a hazardous issue. People weren't getting sick."

The department placed the Mexican restaurant, at 1365 W. Grant Road, on an intervention program that placed it in danger of having its license revoked.

Las Cazuelitas received a provisional license after being written up for four critical violations during an Aug. 5 inspection. It failed follow-up inspections Aug. 16 and 26, as well as Sept. 6, 16 and 27. The restaurant passed muster on Oct. 7.

Las Cazuelitas joined midtown Chinese restaurant Gee's Garden as the only Pima County restaurants believed to have been placed on intervention programs since the Arizona Food Code was revised in 2002. The interventions are the final step before the county closes a restaurant down.

"The restaurant will be inspected more frequently until we are sure they will stay in compliance," said Jeff Terrell, Pima County Consumer Health and Food Safety program manager, via email.

Frisby said the failed inspections hurt business by creating an unfair perception that the restaurant was unsafe.

The reason the restaurant kept failing was because of a plumbing problem involving the dish machine and sanitizer sink, which drained into the grease trap. Frisby completed a \$16,000 renovation that now makes the plumbing comply with the Arizona Food Code.

Frisby said the original plumbing was installed in 1978 under previous ownership, and that a grandfather clause allowed it to remain in place until the recent run of inspections.

He said the reason the repair took so long to complete was that it took weeks to get approved for the loan, jump through city permit hoops and complete construction.

Other previous health-code violations included dirty dishes placed with clean ones, foods stored at too-high temperatures in refrigerators and an employee not washing his hands after handling eggs.

Frisby said his staff has corrected those issues and underwent training through the county to get up to date on food-handling procedures.

"It's important for the public to know this is not something we take lightly," Frisby said. "We've been in business for 11 years and aren't going to get sloppy."

Contact reporter Phil Villarreal at pvillarreal@azstarnet.com or 573-4130.

Luceome receives NIH grant to put technology on market

UA spinoff's product speeds finding right cancer-fighting drug

By Michelle A. Monroe
ARIZONA DAILY STAR

Luceome Biotechnologies, a University of Arizona spinoff company, received a \$1.6 million grant from the National Institutes of Health to commercialize its drug research technology.

The grant award will help Luceome develop a product called KinaseSeeker that helps speed the process of finding effective cancer drugs.

Indraneel Ghosh, a UA chemistry professor, and his wife, Reena Zutshi, started the company in 2009.

The latest NIH award, a Phase II Small Business Innovation Research grant in August, follows a \$287,000 Phase I

SBIR grant the company won earlier this year.

"We more than met the goals and more than met the expectations for the first grant," said Zutshi, the company's president and CEO.

In humans there are more than 500 kinases, which are enzymes that act on specific proteins to transmit signals and control complex processes in cells.

These can be tested to see how they react to certain molecules in drugs. If molecules can be found that are more selective in which kinase they attack, "then you can actually find a compound that is not just potent but is also going to have fewer side effects because it will not bind or inhibit the kinases that are necessary for normal function of the body," Zutshi said.

Personalized medicine, like

Luceome's, is the future of health care, said Joan Koerber-Walker, president and CEO of the Arizona BioIndustry Association (AzBio).

"These new tests, like Luceome's, allow us to identify the various interactions that are going on inside the molecule," Koerber-Walker said. "As that happens, we get much needed information that's much more sensitive to the patient's needs, and much more effective."

The \$1.6 million grant will help the company get its product to market, Zutshi said.

"In the Phase II grants you have to show how you're going to commercialize the product, and what you're going to do technically to get to that goal," she said.

So far the company has identified 100 kinases, and with the new grant hopes to identify 200 more in the next two years.

"Our goal is to get as high as possible to the 500 mark, but that's easier said than done," Zutshi said.

The more kinases that are documented, the more personalized health-care professionals can make treatments.

"Different solutions like Luceome's KinaseSeeker allow us to get the right treatment to the right patient at the right time," Koerber-Walker said.

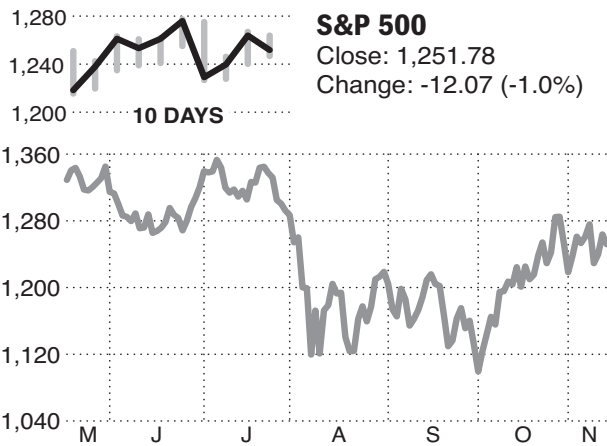
The Phase I grant was to fund research on the feasibility of a test to detect poly(ADP-ribose), a family of proteins that can signal DNA damage. The grant allows for subsequent Phase II submission for development of test kits to be used in the discovery of new drugs.

Michelle A. Monroe is a University of Arizona journalism student and a NASA Space Grant intern. Contact her at mmonroe@azstarnet.com

MARKET ROUNDUP

A broad rally swept through the stock market Friday after McDonald's, General Electric Co. and several other large companies reported solid earnings. The Standard & Poor's 500 index closed higher for the third straight week, its best run since February. The Dow is now up 2 percent from where it started 2011. The Dow has risen for four weeks straight, for the first time since January.

	HIGH	LOW	CHANGE	CLOSE
▲ DOW30	11,812.46	11,542.84	+267.01	11,808.79
▲ NASDAQ	2,646.92	2,611.11	+38.84	2,637.46
▲ S&P 500	1,239.03	1,215.39	+22.86	1,238.25
▲ Russell 2000	712.65	702.05	+16.00	712.42



LOCAL AND WIDELY HELD STOCKS

NAME	TICKER	CLOSE	CHG	%CHG	YTD %CHG	YLD	VOL (Thous)
AMR	AMR	2.69	-19	-6.6	-65.5	...	16403
AT&T Inc	T	29.13	+14	+0.5	-0.9	5.9	29100
Alcoa	AA	10.23	+28	+2.8	-33.5	1.2	28268
Apple Inc	AAPL	392.87	-2.44	-0.6	+21.8	...	21664
Augusta g	AZC	3.37	+0.6	+1.8	-11.5	...	108
BE Aero	BEAV	35.77	+1.28	+3.7	-3.4	...	775
BkofAm	BAC	6.46	-0.1	-0.2	-51.6	.6	233917
BerkH B	BRK/B	77.45	+1.58	+2.1	-3.3	...	7533
CntryLink	CTL	35.19	+42	+1.2	-23.8	8.2	6427
Chevron	CVX	105.53	+214	+2.1	+15.6	3.0	10460
Citigrp rs	C	30.30	+22	+0.7	-35.9	.1	64813
CocaCola	KO	68.19	+1.07	+1.6	+3.7	2.8	11183
Cnvrgrs	CVG	10.21	+10	+1.0	-22.5	...	769
CorrectnCp	CXW	22.55	+39	+1.8	-10.0	...	701
Costco	COST	85.30	+1.04	+1.2	+18.1	1.1	2861
DukeEngy	DUK	20.55	+31	+1.5	+15.4	4.9	10849
ExxonMbl	XOM	80.13	+142	+1.8	+9.6	2.3	26860
FMCG s	FCX	36.58	+1.79	+5.1	-39.1	2.7	27135
GenDynam	GD	65.32	+2.17	+3.4	-7.9	2.9	3185
GenElec	GE	16.31	-32	-1.9	-10.8	3.7	107745
GraniteC	GVA	21.64	+23	+1.1	-21.1	2.4	290
HomeDp	HD	36.86	+113	+3.2	+5.1	2.7	13823
HomeWllntl	HON	51.28	+282	+5.8	-3.5	2.6	8698
Intel	INTC	24.03	+42	+1.8	+14.3	3.5	121422
IBM	IBM	181.63	+4.38	+2.5	+23.8	1.7	7796
INTU	INTU	53.50	+1.22	+2.3	+8.5	1.1	2312
JPMorgCh	JPM	33.42	+29	+0.9	-21.2	3.0	45111
JohnJn	JNJ	63.78	+1.25	+2.0	+3.1	3.6	12612
Kroger	KR	23.09	+37	+1.6	+3.3	2.0	4871

FOREIGN EXCHANGE

Country	Foreign currency in \$US		\$US in foreign currency	
	Today	6mo ago	Today	6mo ago
Britain Pound	1.5939	1.6517	.6274	.6054
Canada Dollar	.9908	1.0487	1.0093	.9536
Euro Euro	1.3864	1.4544	.7213	.6876
Mexico Peso	.073158	.086156	13.6690	11.6069

COMMODITIES

	Close	Previous	% change	% YTD
Crude oil (bbl)	85.30	85.30	...	-6.7
Copper (lb)	3.22	3.05	+5.39	-27.5
Gold (oz)	1635.10	1611.90	+1.44	+15.1
Silver (oz)	31.17	30.27	+3.00	+0.9

HOUSING



Kenneth Harney

FHA’s new rules cut off many condos from loans

WASHINGTON — Is a little-publicized switch in federal mortgage policy causing huge problems for condominium sellers, buyers and homeowner association boards across the country — even depressing prices and blocking refinancings?

“Yes,” says condo industry leaders, from the 30,000-member Community Associations Institute to individual unit owners and realty agents.

They say rule revisions by the Federal Housing Administration have caused thousands of condo projects to become ineligible for FHA mortgages. This, in turn, has abruptly shut off loan money for would-be condo buyers and refinancers, forcing them to pursue conventional bank loans requiring much higher down payments — sometimes 20 percent and higher, versus the FHA’s 3.5 percent minimum.

For its part, the FHA says the rule changes it has adopted, which focus on project budgets, insurance and financial reserves, are designed to avert losses from delinquencies and foreclosures.

But the agency confirms that thousands of condo projects have failed to obtain or apply for required recertifications under the new rules. Out of approximately 25,000 condo projects nationwide with expiration dates for FHA eligibility between last December and Sept. 30 of this year, only 2,100 — just 8.4 percent — have been approved or recertified by the agency, according to Lemar Wooley, an agency spokesman.

Critics say that FHA did not consult adequately with the condo industry before changing its rules — a charge FHA denies — and contend that the agency did not think through some of its policies. Andrew Fortin, government affairs director of the Community Associations Institute, says one rule — that no more than 15 percent of the unit owners in a project be 30 days or more delinquent on their association dues — is often impossible for volunteer boards of directors in large projects to keep track of, much less to certify to FHA.

Even worse, according to other critics, the new rules put board members into legal jeopardy by requiring them to sign certifications attesting that the condo documents comply with all local statutes and that they have no knowledge of situations that could cause any unit owner to become delinquent at some later date. The mandatory certification carries a maximum penalty of \$1 million in fines and 30 years imprisonment if found to be incorrect. Large numbers of condo boards have balked at this requirement, critics say, leading to the drastic drop in certification requests and condo eligibility.

Bottom line for unit owners, sellers and buyers: If an FHA loan figures in your plans, first check with the association board. If the project isn’t certified, you are cut off — at least for now — from some of the most favorable mortgage terms in the marketplace.

Contact Kenneth Harney at kenharney@earthlink.net

Mexican truck crosses US border

Tractor-trailer the 1st in delayed NAFTA program

By Christopher Sherman THE ASSOCIATED PRESS

NUEVO LAREDO, Mexico — For the first time under the North American Free Trade Agreement, a Mexican truck crossed into the U.S. on Friday bound for the country’s interior.

The tractor-trailer hauling a large steel drilling structure crossed the border at Laredo nearly two decades after passage of NAFTA, which was supposed to improve cargo transportation between the two countries.

At a ceremony before the

truck set off for a Dallas suburb, the owner of the Transportes Olympic trucking company said he considers his fleet’s access to the U.S. interior like being invited to a friend’s house.

“We have to be extra orderly and very respectful,” Fernando Paez told dignitaries of both countries and a crowd of 300 people. “We will demonstrate that we can operate safely and efficiently.”

The driver of the Freightliner truck was Josue Cruz, who waved from the cab, flashed a thumbs-up and thundered toward the bridge over the Rio Grande. He was expected to unload in Garland today or

possibly Monday if the business couldn’t receive the cargo immediately.

Trucks have crossed into the interior before but only as part of a short-lived pilot program that began in 2007 with a limited number of vehicles. President Obama’s administration canceled it in 2009, and Mexico retaliated by placing tariffs on a wide range of American goods.

Hours before Friday’s ceremony in the border city of Nuevo Laredo, Mexico announced it was suspending the tariffs. But the Mexican government warned that they could be reinstated if the U.S. does not honor the accord.

The \$2 billion worth of tariffs were imposed on 99 U.S. products, including Christmas trees, onions, oranges, apples, juice concentrates, toothpaste, deodorant, sunglasses, among others. Mexico reduced the tariffs after signing the trucking agreement with the U.S. in July and then removed them completely Friday.

“With this program, we’re initiating a new stage of competition, of prosperity, of regional integration,” said Bruno Ferrari, Mexican secretary of the economy.

NAFTA, signed in 1994, had called for Mexican trucks to have unrestricted access to highways in border states by 1995 and full

access to all U.S. highways by January 2000. Canadian trucks have no limits.

But until now, Mexican trucks have seldom been allowed farther than a buffer zone on the U.S. side of the border, where their cargo was typically transferred to American vehicles.

The public debate surrounding the accord had mostly focused on the safety of Mexican trucks. But labor unions and other groups were strongly opposed to the agreement.

The impact of the program will be limited at first. Only 10 other Mexican trucking companies are going through the certification process right now.



The first commercial truck from Mexico en route to Garland, Texas from Apocada, Nuevo Leon, Mexico, crosses the World Trade Bridge from Nuevo Laredo, Tamaulipas, Mexico into Laredo, Texas. Friday was the first day that a Mexican truck was allowed in the U.S. interior under NAFTA.

BUSINESS BRIEFS

Gunmen kill three near Freeport mine

JAKARTA, Indonesia — Phoenix-based Freeport-McMoRan Copper & Gold Inc. says unknown gunmen killed three people Friday near its mine in eastern Indonesia, where thousands of striking workers are demanding higher pay.

Company spokesman Ramdani Sirait said one contract worker and two nonemployees were shot.

The Grasberg mine — which holds some of the largest gold and copper reserves in the world — is in the remote mountains of Papua province.

Ninety percent of its 12,000 workers walked off the job Sept. 15, demanding salaries of between \$2.10 and \$3.50 an hour be pushed as high as \$33.

Last week, two workers

were shot by police trying to control a crowd and three were killed by unknown gunmen.

Pivotal EU meeting starts this weekend

The fate of the global economy, European unity and the 401(k) savings of ordinary Americans all hang in the balance as Europe’s leaders meet this weekend to try to resolve a burgeoning debt crisis that threatens to spread.

The leaders are expected to decide at their European Union summit by Wednesday whether and how to expand the controversial bailout fund they created earlier this year. They also must decide how to add extra cash to their faltering banks — in need of somewhere between \$100 billion and \$300 billion — to prevent collapses or runs by nervous depositors.

And they must decide whether Greece, the basket case that sparked the crisis,

At the pumps
Average price per gallon of fuel as of Friday:

	REG	PREM	DIESEL
National	\$3.47	\$3.74	\$3.85
Arizona	\$3.36	\$3.58	\$3.79
Phoenix	\$3.32	\$3.56	\$3.76
Tucson	\$3.24	\$3.45	\$3.77

NOTE: Prices rounded to nearest cent.
SOURCE: AAA
10/22/11 ARIZONA DAILY STAR

gets more rescue support and how much.

BP is a step closer to new Gulf drilling

WASHINGTON — BP won approval from the Interior Department Friday for a plan to explore for oil and gas in the deepwater Gulf of Mexico, moving the company closer to drilling new wells halted when the blowout of its Macondo well touched off the country’s worst offshore environmental disaster.

aster.

The exploration plan was the first BP submitted to the Bureau of Ocean Energy Management since the Deepwater Horizon rig exploded, killing 11 workers and spewing nearly 5 million barrels of oil into the ocean.

BP still needs permits to drill a particular well.

Groupon’s fall is as swift as its rise

NEW YORK — Only several months ago, Groupon was the Internet’s next great thing. Business media christened it the fastest growing company ever. Copycats proliferated. And investors salivated over the prospect of Groupon going public.

Today, the startup that pioneered online daily deals for coupons is an example of how fast an Internet darling can fall.

Groupon, which had to delay its initial public offering of stock this summer

after regulators raised concerns about the way it counts revenue, is downgrading its expectations for the IPO.

In June, it was valued as high as \$25 billion, but in a regulatory filing Friday, the company said it expects a valuation less than half that, between \$10.1 billion and \$11.4 billion.

Ex-Fed bank leader nominated for FDIC

WASHINGTON — President Obama has nominated Thomas Hoenig, former Federal Reserve Bank of Kansas City president, as vice chairman of the Federal Deposit Insurance Corp.

Hoenig repeatedly urged the Federal Open Market Committee to tighten monetary policy to prevent inflation from accelerating and asset-price bubbles from emerging.

The Associated Press; McClatchy Newspapers; Bloomberg News

WALMART

Continued from Page A12

more cover for other employers who are looking to move in that direction.”

Only about 42 percent of overall companies offer health coverage to part-time employees, Kaiser says. About 28 percent of retailers don’t even offer health-care coverage for its part-time workers, says Mercer, a benefits consulting company.

With the economy still challenging, Walmart must cut more costs and

BY THE NUMBERS

Walmart said the premium increases vary by plan. For the most popular health-care plan — basic coverage for a single person — the cost will go from about \$11 per pay period, which is every two weeks, to about \$15 per pay period starting next year, the company said.

But smokers will feel more pain. Starting next year, smokers must pay \$25.40 for that same plan every pay period.

Associates with families under a basic health-care plan will have to pay \$52.50 per pay period next year, up from \$32.70 this year. Families with one smoker will have to pay \$62.50.

put those savings into lower prices for shoppers to remain the low-price leader. But for Walmart’s own associates, many of whom mirror their own

blue-collar customers — who live from paycheck to paycheck — that means they’ll have to shoulder even more costs while grappling with higher

prices in the food aisle and at the pump.

“Walmart’s plan to roll back health-care coverage for part-time workers and raise premiums for full-time employees should set off

alarm bells for American workers,” said Joseph Hansen, UFCW president. “This lowering of working standards will have repercussions throughout the retail industry.”

There is a new Chef in town...

STEWART STEAK HOUSE

Executive Chef Ramon Delgado creates spectacular tableside presentations with signature dishes such as Warm Spinach and Bacon Salad, Chateaubriand and Bananas Foster. Come see us tonight!

DESERT DIAMOND CASINO

NOVEMBER 4th 5th 6th SOUTH OF VALENCIA 7 DAYS A WEEK 4:00PM TO 10:00PM RESERVATIONS (520) 242-1222 OR 602.622.0000

Let's talk about ASSISTED LIVING

Call Andy Briefer at 520.293.3280 ext. 6
State of Arizona Certified Assisted Living Manager

Via Elegante LUXURY ASSISTED LIVING AT LA CHULLA

5644 N. Via Latigo • Tucson, AZ 85704
www.ViaElegante.com