



Business

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Feds fine Health Net nearly \$350,000

Medicare-enrollment miscues will cost insurer

KEN ALLTUCKER
THE REPUBLIC • AZCENTRAL.COM

Private health insurance company Health Net gave the wrong information to nearly 14,000 Medicare customers in Arizona during open enrollment last fall, a miscue that prompted the federal government to fine the health insurer nearly \$350,000.

In levying the fine, the federal government said it was the second time Health Net provided wrong information about benefits and prescription drug plans to the health insurer's Medicare

customers.

The Centers for Medicare and Medicaid Services said the health insurer did not correct the inaccurate information until more than one month after enrollment started last fall.

Seniors are allowed to change their private Medicare plans during open enrollment from Oct. 15 through Dec. 7 each year. So they must evaluate prescription drug plans and medical coverage benefits of their private plans to decide whether they need to switch based on their personal health or financial needs.

Health Net said that it discovered the problem and mailed the correct information to beneficiaries on Nov. 24 — or about five weeks after enrollment started.

"This was over a month after the open enrollment period had started, and therefore, affected the time in which enrollees could use the information to make a fully informed decision about their Medicare health care and prescription drug options for the 2015 plan benefit year," Gerald J. Mulcahy, who oversees Medicare's enforcement of such plans, wrote in a notice disclosing the fine last week.

Woodland Hills, Calif.-based Health Net has until Sept. 15 to challenge the

\$349,075 fine. Health Net officials said the insurer will respond before the deadline.

"We are sorry for any confusion or frustration our errors caused," Health Net said in a statement. "We discovered the errors shortly after the materials were mailed last year and notified CMS. And we immediately began the process of sending corrected information to affected beneficiaries."

Health Net initially told 4,865 Medicare customers that its plan did not charge more for the first five days of a hospital stay when the plan actually increased the patient's responsibility by

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James Gothro (left) of Surprise and his son Jacob Gothro, who is stationed at the Naval Medical Center in San Diego, usually use Interstate 10. However, because of the bridge collapse, they rerouted to Interstate 8, ending up in Dateland, Ariz., like many other travelers this week.

PHOTOS BY RACHAEL LE GOUBIN/THE REPUBLIC

Traffic booms at tiny I-8 oasis as drivers avoid I-10

JUSTIN SAYERS
THE REPUBLIC • AZCENTRAL.COM

DATELAND — This tiny western Arizona community off Interstate 8 isn't known for much beyond date palms and date shakes, but it's been bustling since Sunday's closure of Interstate 10.

Since travelers have been forced to find routes around the bridge collapse near Desert Center, Calif., trucks and cars have descended on the Dateland Travel Center, one of the few oases between Yuma and Gila Bend along I-8.

With almost 40 workers, the cluster of small businesses is the biggest employer in the Yuma County community and a favorite stop of many San Diego travelers.

"Once the I-10 closed, it was pretty insane — our sales tripled," said Rickey Rosales, manager of the Texaco gas station. "We had to call in extra fuel trucks, we had to make sure our vendors brought in extra product... we also had to make sure to call in extra staff."

Dateland, about 120 miles southwest



Sales tripled at Dateland Travel Center from Saturday to Monday as drivers flocked to I-8.

of Phoenix and 70 miles east of Yuma, was founded in the 1920s as a travel stop along the railroad and had a brief stint as a military training site in the 1940s. The community remains a blur to many of the drivers who pass it going 70 mph.

The spike in business after the closure has been "pretty substantial," said Rosales, who has been working at Texaco

for nearly five years.

"We stay really busy," he said. "To get that amount of business, it was really nice for the community. I don't think that many people realize Dateland is here."

Dateland's original travel center was constructed along I-8 after it opened in the 1960s and stood until 1997. The current 9,000-square-foot facility at Milepost 67 includes the Texaco and Quizno's Subs, as well as an RV Park, gift shop and the ice cream parlor, which serves the self-proclaimed "World Famous Date Shakes."

The shakes are made from dates from an adjacent farm that has about 1,000 fruit-producing trees.

The center and the farm are owned by Roland Walker and his wife, Charna, who bought the facility after moving from Calgary, Alberta, in 1995.

A spike in business is a nice bump for the travel center, which was hit

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Appeals Court OKs utility trash burning

Ruling reverses ban on power-generation method

RYAN RANDAZZO
THE REPUBLIC • AZCENTRAL.COM

The Arizona Court of Appeals reversed a lower court's decision on Thursday, saying it is OK for Mohave Electric Cooperative to burn trash for renewable energy.

Utility regulators had agreed a trash-burning facility in Maricopa County would meet state renewable-energy rules, but the Sierra Club successfully stopped the project in Superior Court in 2013.

Thursday's decision reverses that ruling and acknowledged the Arizona Corporation Commission's authority over such matters.

"Given the commission's constitutional authority over these matters, the commission is ultimately charged with evaluating such issues and, as such, is the best-equipped branch of government to do so," Judge Patricia Orozco wrote, with Judges Samuel Thumma and Michael Brown joining the decision.

Mohave Electric convinced Arizona's utility regulators in 2011 and again in a 2012 rehearing that a trash-burning facility should count as a form of renewable energy.

The Corporation Commission requires utilities to get increasing amounts of power from renewable sources until 2015, when they must get 15 percent from solar, wind and other renewables.

When passed in 2006, those rules excluded trash-burning as a form of renewable energy but Mohave Electric won a special case.

"This is an important victory for the state and its efforts to have a balanced energy portfolio," Susan Bitter Smith, Arizona Corporation Commission chairwoman, said of the Appeals Court ruling.

In their challenge to the commission's decision, Sierra Club officials said the incinerator would contribute to the already poor air quality in metro Phoenix and prevent the development of other renewable energy sources such as solar and wind.

The Appeals Court also found that the commission relied upon ample evi-

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Seismic surveyors begin searching for oil and gas in Mohave County

ASSOCIATED PRESS

GOLDEN VALLEY — A group of seismic surveyors has begun searching for oil and gas in Mohave County.

According to their permit with the Mohave County Public Works department, the group from Nodal Seismic, a California-based geophysical firm, has been permitted "to assess public rights-of-way for the purpose of conducting exploratory geophysical operations through the greater Golden Valley area."

Mohave County Public Works director Steven Latoski said that Mohave County's involvement in the seismic testing is strictly limited to issuing the permit, and that "this is a private company, with nothing commissioned by Mohave County."

Nodal Seismic has brought in four vibrating trucks to measure and record seismic data along county roads, reported the *Kingman Daily Miner*. The area of

testing covers a 110-mile spread across Golden Valley.

Some residents have issued complaints about seeing the large equipment, said supervisor Jean Bishop said.

"They were not notified in advance, and that was the biggest complaint," Bishop said. "The other complaints we're getting is that they're tearing up the roads and that they look like military vehicles."

Nodal Seismic could not be reached for comment. Steven Rauzi from the Arizona Geological Survey said the potential for oil and gas in the county is low. Previous exploration in the 1980s didn't uncover much.

Bishop said residents could benefit if oil or gas were to be found in Golden Valley.

"It could be good for economic development," Bishop said. "The people that live in Golden Valley, they live there because it's remote and quiet. It would be a big change in lifestyle, if they hit big pockets of oil."

Thursday's results		
Dow Jones -119.12 17,731.92	Nasdaq -25.36 5,146.41	S&P -12 2,102.15

USA TODAY MONEY

Sending a surprise to Wall Street, Amazon reported a second-quarter profit of \$92 million. Analysts were expecting the e-commerce giant to post a net loss. **4B**

Gas prices

The average price of a gallon of regular unleaded gasoline Thursday (left) compared with a month earlier:

AREA	THURSDAY	LAST MONTH
Phoenix	\$2.88	\$2.72
Scottsdale	\$2.95	\$2.84
East Valley	\$2.87	\$2.72
West Valley	\$2.86	\$2.73

SOURCE: AAA ARIZONA (WWW.FUELGaugERePORT.COM/AZMETRO.ASP)

Business

MARK PRIBISH PROTECTING YOUR IDENTITY

Not even 'chip and PIN' credit cards can stop ID theft completely



Have you received your new/reissued credit card with a chip that stores your credit-card data? The cards have a square, gold or silver metallic-like image.

If we believe recent news reports, these "smart-chip" embedded cards will help stop the growing cascade of ID-theft victims. Unfortunately, it doesn't appear to be working.

Contrary to those reports, the roll-out of the new EMV (Europay MasterCard Visa) chip card actually will increase "new account fraud" and "account takeover" by 90 percent over the next four years, according to Javelin Strategy & Research.

The new cards will help reduce in-person card fraud, but online transactions will more than make up for this as ID-

theft criminals take advantage of EMV's web weaknesses. However, if you're a business, look out for the coming "liability shift." More on this later in the column.

Javelin Strategy said that card-not-present fraud losses totaled \$10 billion in 2014 but will jump to \$19 billion in 2018, according to its 2015 Data Breach Fraud Impact Report.

For years, the traditional credit card with a magnetic-stripe has been the target for ID-theft criminals. Those cards store data in the stripes that does not change and is easy to copy or steal. "Skimming" of credit card data from ATMs, gas stations and restaurants has been a major problem for years.

The EMV-chip card technology includes the following protections and features:

» EMV-chip cards generate a one-

time encrypted code for every transaction.

» Cardholders will verify their EMV-card purchase by entering a PIN or a signature.

» The chip-embedded cards are inserted into a point-of-sale terminal and uses a one-time encrypted code that replaces your credit-card number.

» If the issuer requires a PIN (personal identification number) and the POS terminal is capable of accepting a chip PIN, then a signature is not necessary.

» If the POS terminal does not accept a chip PIN, then signature verification will work.

So far, the credit card industry is allowing signature verification instead of requiring a chip PIN as the retail business sector prepares for the Oct. 1, 2015 deadline for EMV adoption to comply

with the new credit card standards and technology in the U.S.

Small- to medium-size businesses, beware! As the EMV cards become common in the U.S., look out for the coming "liability shift": Credit card issuers have stated that if your business is not supporting the EMV technology, then your business could be liable for fraudulent transactions.

Mark's most important: Added secure card technologies like the EMV chip, though beneficial, won't stop ID-theft criminals completely. Businesses, now is the time to get ready for EMV to avoid being stung by the "liability shift."

Mark Pribish is vice president and ID-theft practice leader at Merchants Information Solutions Inc in Phoenix. Contact him at markpribish@merchantsinfo.com.

Dateland

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hard by the recession in 2008, Roland Walker said. The number of cars along the freeway dropped from 12,500 to 8,000 a day, and business plummeted roughly 40 percent "almost overnight," he said.

Despite the downturn, the Walkers took the opportunity to tear down the old facility and build a new one, which opened in April 2009. Their renovations cost \$3 million.

"We were ready when the economy turned around," he said. "We're still trying to crawl out of the recession."

Roland Walker said I-8 now gets roughly 10,000 cars a day. He estimated that there were roughly 30,000 cars on the freeway on Sunday and Monday.

"The I-10 gets 50,000 cars a day, so they had to go somewhere," he said.

Walker called for extra supplies and fuel Sunday night once the traffic started coming in, he said. The place was a "zoo," with lines of cars waiting to fuel up at the gas station and lines of people waiting inside at the cash registers, Walker said.

Outside of a little extra stress and chaos, the crowd was manageable, he said. The business didn't run out of anything, and he didn't hear of any com-



Richard Reycraft added a few extra miles and a date shake to his trip by detouring on I-8.

plaints from customers.

Monday's business came close to equaling sales over Thanksgiving weekend, which is the travel center's busiest time of the year, Walker said. Sales tripled from Saturday to Monday.

"I think they'll be some new customers driving down here," he said. "Hopefully, we'll break their habit of taking the I-10."

James Gothro of Surprise and his son,

Jacob, who is stationed at the Naval Medical Center at Balboa Park in San Diego, met on their motorcycles in Dateland before riding back to the Phoenix area.

They took I-8 instead of their normal route along I-10, and never would have been to the town otherwise, James Gothro said. Outside of being a little more scenic, the change of plans didn't really alter their ride.

"It's about 5½ hours to get back along

the I-10, and about 5½ hours back this way," he said.

The same was true for Curt Hurry, who was driving with his friend, Richard Reycraft, in a Budget truck to help Reycraft move from Los Angeles to Texas.

The cost of extra gas for the detour was a little inconvenient, Hurry said, but as a result of stopping, they both got to try the date shakes.

"I've never heard of this place, but it looks really cool," Hurry said.

The added traffic on I-8 also benefited restaurants and gas stations in Gila Bend, Yuma and Wellton, which reported upticks in business this week.

The manager at the Love's Travel Stop in Gila Bend said the night shift Monday was as busy as a normal afternoon, according to Love's spokeswoman Kealey Dorian.

Walker said business remained stronger than normal Thursday.

With the announcement that I-10 is going to reopen one lane in each direction on the Tex Wash Bridge today, he believes some people are going to bypass potential tie-ups by using I-8.

"Even though it's going to be one lane each (direction), I wouldn't be surprised if we see a one-hour backup with that many cars having to go down one lane," he said.

Reach the reporter at jsayers@arizonarepublic.com.

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