Mr. RAHALL. Mr. Speaker, I feel like the old farmer who was being severely chastised by his fellow farmers for beating his mule over the head because he wouldn't respond to a simple ''gitty-up.'' The farmer gave the stubborn old mule one final whap, and the beast of burden began moving swiftly ahead, pulling his load. The old farmer looked at his fellow farmers, as he tossed the two-by-four on the back of the wagon for future use and said:

First, you have to get their attention.

Last week I sent out a Dear Colleague about the termination of the Venipuncture home health benefit to get everyone's attention by asking: Have we No Shame?

While it may have felt like a two-by-four to many, hopefully it went to the heart of this body so that it can move toward doing something about the fact that the wildly applauded, history-making Balanced Budget Act contained language did, on February 5, 1998, terminate the 13-year old Venipuncture or blood drawing procedure as a skilled home health benefit under Medicare.

I hoped a two-by-four would alert them that this lost benefit is having a severe, life-threatening impact on seniors, and that we need to fix it.

We can and have spent hours on this floor renaming our National airport, but we have not spent any time on this floor talking about the gross and severe hardships caused by the loss of venipuncture as a home health benefit. I happen to think Venipuncture is more important.

My colleagues, we have a dire situation here.

We have HCFA promising that venipuncture can still be allowed, but we don't have HCFA explaining how difficult that could be.

We don't have HCFA spelling out that patients need to get to their doctors and ask for a reevaluation leading to a new authorization for them to receive a NEW skilled care so that venipuncture can continue.

And we don't have a lot of doctors out there willing to take a chance on being audited themselves if they actually do re-qualify a former venipuncture patient for a new skilled care.

We don't have HCFA spelling out that while most areas, and assuredly not rural areas, don't have laboratory technicians that make house calls—HCFA still insists that these elderly, frail disabled patients contact a lab technician and ask them to make house calls in order to draw blood—for which HCFA will pay the princely sum of $3.

And it is a little known fact—but some States have laws AGAINST lab technicians leaving their labs for any reason to perform blood work in a patient's home.

Now if venipuncture patients CAN'T requalify through their doctors for a NEW skilled care benefit, and if the patients CAN'T find a local lab technician willing to travel 50 to 100 miles in rural America to make a house call for a paltry $3, then venipuncture ISN'T available—is it?

So, while it is technically correct for HCFA to day that patients can still get venipuncture, they don't spell out the two big ''IF's''—and so the REALITY is that for the most part, Venipuncture patients are out in the cold and without services and unlikely to obtain them ever again.

And my colleagues, if you think doctors are afraid of the wrath of HCFA's auditors, listen to what Medicare's Fiscal intermediaries are saying.

Fiscal intermediaries are saying: venipuncture better not show up on ANY new claims received after February 5, 1998, even in conjunction with another new SKILLED benefit, because they will be denied. Fiscal intermediaries are afraid of audits too.

But the most offensive thing I've heard yet is that one fiscal intermediary official stated that in fact he believed that without venipuncture services, some of the patients could end up in the MORTUARY—his word—not mine—end up in the mortuary.

And this same official also stated it was ''too bad, so sad . . .'' about patients ending up in mortuaries.

No wonder you need a two by four to get folks' attention—when those in charge of processing home health benefit claims for the homebound, elderly, sick and terminally ill can state publicly that it's ''too bad, so sad . . .'' about former patients ending up at the local morgue—AND NO ONE RAISES AN EYEBROW?

I wish we could get a hearing on this matter. I wish we could get a hearing and bring in this intermediary to the witness table and ask him to repeat his offensive statements for the public record. I wish we could get the intermediary to tell us why he thinks people might die without venipuncture.

I believe it is true that patients might die without this benefit—but I guess as long as they don't die in epidemic proportions—no one will care.

Well, I care.

I know of 71 Members of this House that care because they cosponsor H.R. 2912.

My colleagues who are speaking during this special order tonight—they care, and I thank them for caring.

There are alternatives to terminating the benefit. Congress could grandfather in those patients now receiving venipuncture, but not allow any new patients to be covered by the benefit except as described in the BBA.

Or, Venipuncture could be retained as a skilled care, but placed under the requirement, also in the BBA, that it be administered by HCFA using normative standards as is required for other home health benefits under Medicare.

I am listening and I am ready to work with the committees of jurisdiction, or with the Administration including the President, should he wish to use his executive order powers to remedy this gross injustice against the frail elderly, disabled and terminally ill Medicare enrolled patients throughout this entire country.

And while we are waiting to see how many patients end up in the mortuary for a lack of venipuncture benefits I ask you:

ARE WE ASHAMED YET?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. RIGGS) is recognized for 5 minutes.

(Mr. RIGGS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

FINANCIAL AND PHYSICAL ABUSE OF SENIORS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. SANCHEZ) is recognized for 5 minutes.

Ms. SANCHEZ. Mr. Speaker, the Los Angeles Times and the Orange County Register this weekend reported on one of the fastest growing crimes in our communities: financial and physical abuse of seniors. And according to Orange County's adult protective services, most elder abuse is money motivated. Seniors are the victims of various financial scams, many of which occur within the privacy of their own homes by entrusted caretakers.

Financial and physical abuse against seniors is on the rise. Last year, Orange County logged 3,419 elder abuse calls and predicted that about only one in six are reported.

□ 1915

And in most of these cases the abuse occurs within the privacy of their own homes. As many people grow older, remaining in their homes should increase the level of comfort and security and peace of mind, not threaten them. That is why I fear the potential for abuse in shared housing arrangements. Let us prevent this abuse before it happens.

Shared housing agencies provide living arrangements for seniors who wish to remain in their homes, but require some additional care. An example of a shared housing arrangement would be, for example, if my mother had a vacant room in her house and needed someone to help her pay the bills and do her shopping, she could seek out someone in a shared housing arrangement. The agency would refer a potential caretaker, who would live with her and care for her in lieu of rent. Unfortunately, we live in a society where violent crimes occur every day, and we can no longer guarantee safety within our own homes. But we can increase our level of safety through continued preventive efforts.

I believe that the problem of crime is, at least in part, a problem of resources. Until now, shared housing agencies have not had the resources necessary for proper safety for their clients. And without the ability to check the backgrounds of clients, they confront constraints that hinder them from increasing public safety.

Therefore, I have introduced H.R. 3181 to assist shared housing agencies in preventing crime. This bill authorizes shared housing agencies to run background checks on potential caretakers. And this bill is not just about background checks and fingerprinting, it is about making our communities safer for all of us to live, it is a tool that shared housing agencies can use to prevent violent crimes and to help protect our loved ones.

This bill provides the appropriate mechanism to be proactive in stopping abuse and fraud. But most importantly, it gives us all the peace of mind to know that our loved ones will be safely cared for within the privacy of their own homes. My bill establishes the necessary process to help combat the potential for abuse in shared housing.

It is important to recognize that the bill does not mandate, does not mandate, an agency to run FBI checks on their clients; it is merely a tool that they can use if they choose to. It is flexible and voluntary. It allows each agency to determine whether or not it is beneficial for them to use the FBI in order to guarantee protection for their clients. And by allowing the State and FBI to run background checks, service within housing arrangements will only improve. Administrators will receive comprehensive reports and will be able to better determine what is a most suitable and safe match for their clients.

I have been working very closely with the FBI and local police departments, who agree that this bill can significantly reduce fraud and physical abuse. Currently there is no national standard, no operating procedure to screen potential home-sharers. Many States have begun to run checks for child-care providers and for school teachers. Just as it is our responsibility to protect our youngest citizens, it is also our responsibility to ensure the safety of our seniors.

I encourage my colleagues to cosponsor H.R. 3181.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. SHAYS) is recognized for 5 minutes.

(Mr. SHAYS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

(Mr. PALLONE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

MEDICARE LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. GANSKE) is recognized for 5 minutes.

Mr. GANSKE. Mr. Speaker, I think it is important that we inform the public in terms of a specific on the Medicare legislation that we passed last year. Many of our citizens are seeing articles in Newsweek Magazine and other magazines about the rampant fraud and abuse in Medicare, and so we have been working on ways to try fix that.

The Balanced Budget Act, which was enacted last year, incorporated a provision regarding eligibility for home health care benefits. Previously, a Medicare recipient who received venipuncture, drawing of blood, automatically qualified for a full range of other home health services, including skilled nursing care, physical therapy, medical social services, and home health aide services for assistance with bathing, cooking and cleaning just for having a blood draw.

Under the new law, a Medicare recipient requiring venipuncture services at home can still receive those services; however, the receipt of a venipuncture alone will not make that individual eligible for other home health services. Medicare will continue to provide home health services for those who are homebound if the physician has certified that home care is necessary and has established a plan of care.

The new law removes the ''venipuncture loophole,'' unquote, which resulted in the provision of home care to seniors who were not homebound or who did not have a demonstrable medical need for home health services. Now, the reason for this is that once a very small part of Medicare spending for home health care has increased at a very rapid rate in the last decade. Even accounting for inflation, home health care spending jumped more than fivefold between 1985 and 1996. While some of that expansion has been the result of an increase in the number of seniors taking advantage of home health benefits, an alarming amount of the home health budget is lost to various forms of fraud and abuse.

In hearings last year, the Committee on Commerce, on which I serve, heard from investigators from the General Accounting Office and the Office of the Inspector General about the fraud rampant in the home health benefits. One review, which included more than 3,700 services in 4 States, found that 40 percent, that is 40 percent, did not meet Medicare reimbursement requirements.

Another review of high-dollar home health claims in one State found that 43 percent should have been partially or totally denied. Equally troubling was an antifraud initiative by the Department of Health and Human Services that found that taxpayers were footing the bill for the venipuncture loophole. Many physicians were found to use blood monitoring as the sole reason for ordering home health services, resulting in numerous health aide visits from Medicare beneficiaries with no medical need for skilled nursing or therapy. The average cost of drawing blood for these individuals was over $100 because the visit was billed as a skilled nursing visit.

If these same services were performed as a blood draw under Part B of Medicare and the individual did not receive additional home health services for which they were not qualified, Medicare would only pay $3 for that specimen collection. Medicare could separately pay for the cost of a technician to travel to the home of an individual needing a venipuncture service if the beneficiary is unable to travel to a doctor's office or travel to a lab for a blood draw. But that would still be significantly less costly than the $100 billed because of a skilled nursing visit.

Mr. Speaker, the reforms passed by Congress will help keep Medicare solvent until about the year 2010. The wave of baby-boomers will begin retiring that year and will place severe financial strain on the program. Today there are about 4 workers for every retiree. By 2030 there will be just a little over 2 for each retiree.

Congress has to make fundamental changes in the Medicare program to make sure it is there for recipients in the future, and one way to do that is to root out fraud and waste in the Medicare system, and one way to do that is to make sure that those who need a venipuncture, but only a venipuncture, can get those services through a draw but not necessarily get additional services that are very, very costly. People need to consider that when they look at this provision.

THE FEDERAL RESERVE'S PRICING PRACTICES

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Mrs. MALONEY) is recognized for 5 minutes.

Mrs. MALONEY of New York. Mr. Speaker, the events of recent years have taught us time and again that we should rely as much as possible on the private sector functioning in the competitive marketplace to provide commercial-type services, particularly services sold to business firms.

Where there is a Federal agency that provides those types of services, we must closely examine its activities to determine if it is competing fairly with its private-sector competitors. This becomes more important when the agency both competes directly with private-sector firms and regulates those competitors.

Mr. Speaker, the Federal Reserve is using its role as competitor and regulator in the check processing system to unfairly undercut the private sector. They are using an accounting device called the ''pension cost credit'' to subsidize the prices they charge banks, resulting in an unfair handicap to the private sector.

When people hear the phrase ''Federal Reserve,'' they think about interest rates, inflation, and other aspects of monetary policy. However, the Fed is not just about monetary policy and banking supervision. Much of what the Fed does simply involves the processing of paper checks. The Fed charges its banks a fee for the service it provides.

In 1980, Congress passed the Monetary Control Act so that private sector companies could fairly compete with the Federal Reserve in providing banks with these and other services. Accordingly, the Fed must fully recover the cost of its services, which means it cannot use subsidized prices.

The Act specifically orders the Fed to establish the prices it charges based on the costs which it incurs in providing its services plus the costs a private company would also have to consider, such as the taxes it would have to pay.

But instead of following the intent of the Monetary Control Act, the Federal