

# EXTENSIONS OF REMARKS

HONORING LINDA ROMER TODD

**HON. SCOTT MCINNIS**

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 31, 2000*

Mr. MCINNIS. Mr. Speaker, I would like to take this moment to congratulate Linda Romer Todd of Grand Junction, Colorado, on her recent award. Linda has been named Realtor of the Year by the Mesa County Association of Realtors. This award is well deserved and I would like to honor Linda's service to the community of Grand Junction by paying her tribute.

Linda is currently a Broker/Owner for Associated Brokers & Consultants, Inc., as well as a member of the Mesa County Association of Realtors. While a member for over two decades, she has used her natural ability to lead by donating her time as the Chair of the Governmental Affairs Committee and as the Director of the Association. Her work within the realty profession only begins at the local level and it is her membership at the state level that is most impressive.

As a member of the Colorado Association of Realtors she has again shown her desire to help others by serving in a number of different capacities. She currently serves on a number of committees including the Legislative, Mobilization, and Grassroots Committees where she serves as Co-Chair. She also is currently serving as Director of the Association and recently received the Political Service Award for the year 2000. Linda's work within her profession is quite impressive but it is her work to benefit her community that truly demonstrates her compassion to help others.

As a member of the Grand Junction Chamber of Commerce, specifically with the Government Affairs Committee and their Leadership Program, Linda has realized the true importance of helping one's community. She is currently an active and dedicated volunteer for Habitat for Humanity. As a member of this distinguished organization she is currently serving as President of the Mesa County division and Director of Habitat for Humanity of Colorado.

Linda's contributions to Mesa County and the State of Colorado are significant. It makes me proud to know that such outstanding individuals reside within the 3rd Congressional District. On behalf of the State of Colorado and the U.S. Congress I would like to congratulate her on her recent award and wish her the very best as she continues to work to better her community.

HONORING QUEENIE PEGRAM

**HON. EDOLPHUS TOWNS**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 31, 2000*

Mr. TOWNS. Mr. Speaker, I rise today to honor Queenie Pegram, who her friends describe as "very pleasant and good company."

Queenie Pegram was born on October 23, 1900 in Stony Creek, Virginia. She is the fourth child of seven siblings. Ms. Pegram came from a very religious family and was baptized at the age of ten.

She married her husband James in 1931 and moved to Brooklyn, New York where they immediately joined the church. Although they never had children of their own, Queenie and James raised their nephew Arthur and their cousin Brenda from infants.

Ms. Pegram has been a member of the Missionary Society in her church for 69 years. For 30 of those years she served as the president. During those 69 years she served her community well, visiting and caring for the sick and shut-ins. Often she would reach home late, after a full day's work at her housekeeping job. She would read and pray for the sick way past her dinner hour.

Ms. Pegram lives independent of her family with the help of a home health aid. She is still an active member of the community and attends church every Sunday, and sometimes stays for a double service.

She is always willing to take the time to listen and share her wisdom, especially with the younger generation. Some of her quotes: "The Lord has blessed me all my life, I didn't know them, but I do now;" "Treat others the way you want them to treat you and "Love everyone."

Mr. Speaker, Queenie Pegram is a woman of God and a true servant of the people. As such, she is more than worthy of receiving our recognition today, and I hope that all of my colleagues will join me in honoring this truly remarkable woman.

STARK PROVIDES FURTHER EVIDENCE OF NEED FOR FDA INVESTIGATION INTO DRUG COMPANY PRICE MANIPULATION

**HON. FORTNEY PETE STARK**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 31, 2000*

Mr. STARK. Mr. Speaker, I am today submitting for the RECORD a letter I sent to Dr. Jane E. Henney, Food and Drug Administration Commissioner. This letter provides additional information recently discovered during ongoing Congressional investigations into drug company price manipulation and supplements my previous two letters to Dr. Henney.

Recent congressional investigations have collected evidence that certain drug companies consistently inflate prices and engage in other improper business practices in order to create windfall profits from Medicare and Medicaid reimbursements. In response, drug companies have stated that such drug inflation has been consistent with, and perhaps even required by, flaws in the reimbursement system's reliance on Average Wholesale Price (AWP). Further, drug companies contend that AWP's are meaningless numbers.

However, as the letter below and its accompanying exhibits demonstrate, drug companies do indeed rely upon AWP's to advertise their drugs. And, in fact, drug companies often advertise truthful drug prices when there is no Medicare reimbursement available. The evidence uncovered suggests that contrary to drug company statements, it is not a flawed reimbursement system that leads drug companies to inflate their prices. Instead, it is drug companies' dishonest pricing based on their desire to create a profit for prescribing physicians seeking Medicare or Medicaid reimbursements.

My reading of the Federal Food, Drug and Cosmetic Act and its corresponding regulations suggests that the FDA should pay particular attention to these misleading drug company actions. And I again request that the FDA conduct a comprehensive investigation into such drug company business practices. My third letter to the FDA regarding this issue follows:

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
*Washington, DC, October 31, 2000*

Dr. Jane E. Henney,  
Commissioner, Food and Drug Administration,  
Rockville, Maryland.

DEAR DR. HENNEY: I write to provide essential, additional information to you about price manipulation by some drug companies arising from ongoing Congressional investigations. Such drug company price inflation exploits the Medicare and Medicaid programs. This is the second supplement to my letter to you of October 3, 2000.

Recent media reports of statements by certain drug company executives reveal a concerted effort to continue to mislead the Congress and the public about the nature of their companies' actions. Specifically, the drug companies have represented that their conduct, including their inflated price reports that have resulted in admittedly excessive Medicare reimbursements, has somehow been consistent with, and perhaps even required by, flaws in the reimbursement system's reliance upon Average Wholesale Price (AWP). This logic is premised on the erroneous contention that the AWP's associated with their drugs are meaningless numbers that should not reasonably be relied upon as an indicator of wholesale prices. Such statements are in themselves deceptive.

The evidence developed during the course of the Congressional investigation reveals that it is routine for the drug industry to advertise a drug product's price in the AWP format and to encourage the consideration of AWP as one factor when evaluating competing drug products. Indeed, the drug companies often compare their drug's AWP with that of a competitor in an effort to demonstrate their drug's superiority from a cost perspective and to influence physician prescribing decisions. Such advertisements are directed at prescribing physicians, pharmacists, and other health care professionals and take many forms, such as direct contacts, flyers, and trade publications such as the Red Book, Drug Topics and Medical Economics which are each published or updated monthly.

When there is no inflated Medicare reimbursement available for the prescribing physician, companies often advertise truthful

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

AWP prices. To illustrate this, I have attached, as Composite Exhibit "1", copies of advertisements by Rhone-Poulenc Rorer ("RPW") which accurately communicates its price of Dilacor XR in the form of AWP and compares the higher AWP price of the competing drug Cardizem. RPR then emphasizes that the physician should prescribe Dilacor over Cardizem in order to save the patient money:

"Now DILACOR XR provides potential cost savings when angina patients are prescribed diltiazem."

Attached as Composite Exhibit "2" are examples of Bayer Pharmaceutical advertisements for its drug Cipro where the drug company again accurately describes its price in the form of AWP and touts the cost savings to the patient in comparison to five competing drugs. Bayer explained it as follows:

"New CIPRO Cystitis Pack reduces the cost of branded therapy"

It is important to note that both RPR and Bayer use accurate AWP to urge physicians to consider the cost to the patient when exercising medical judgment in selecting from competing brand drug therapies. Price, as expressed in the industry standard format of "AWP", is clearly an important characteristic that is considered in evaluating drug products. Indeed, Bayer's AdalatCC advertisement attached as Exhibit "3", which features the popular "Dragnet" star Jack Web, drives home this point:

"Just the Facts

Powerful blood pressure control  
Comparable to Procarida. XL or Norvasc  
At a more affordable price" (footnotes omitted).

Footnote 6 of the ad's accompanying materials cites the Red Book—indicating that the AWP is considered a relevant benchmark when evaluating the drug's price.

Composite Exhibit "4" demonstrates that physicians seek the lowest drug prices when there is no financial incentive to utilize the highest price drugs. PDR Generics provides pricing information on prescription drugs in "one comprehensive, authoritative volume." The accompanying documents state the following:

"PDR GENERICS is the drug reference designed to help you find the most cost-effective generic alternatives for any prescription medication. . . ."

Exhibit "4" also provides further evidence that AWP prices are widely used as a reference tool:

"All detailed NDC and AWP pricing information is drawn from the authoritative RED BOOK database, Pharmacy's Fundamental Reference."

Ordinarily, drug companies ensure that their AWP's are an accurate reflection of price when engaging in such marketing and advertising activities. Clearly, such advertisements would be misleading if the drug company were aware that the published AWP's had no factual basis and could not be realistically considered as a benchmark for prices. I strongly believe that if any of the above ads used falsely manipulated AWP's to fraudulently indicate that the advertised drugs were less expensive when in fact the drug company was aware that it is more expensive, FDA or FTC enforcement would be warranted.

Unfortunately, such AWP manipulation is at the heart of the misconduct that Congress has uncovered in its investigation. As I have noted previously, the acts are being committed by some drug companies who know that the drug will be reimbursed by Medicare and that a health care professional will profit if the price is inflated. Advertising an AWP in the Red Book that falsely overstates a drug's price is as misleading as advertising an AWP that falsely understates the price.

One form of false advertising misleads third parties to pay more for a drug and induces doctors, who submit the claim themselves, to prescribe the most profitable drug. The other form misleads the doctor into believing that a drug, to be dispensed at a pharmacy and not claimed by the doctor, is cheaper for the patient when it is not. I believe both actions should be considered violations of the Federal Food, Drug, and Cosmetic Act.

AWP information is created by drug manufacturers for the express purpose of influencing decisions about their drugs. Although it appears most AWP representations are accurate and are affirmatively used to inform about cost savings, some drug manufacturers have chosen to inflate AWP's to exploit the Medicare and Medicaid Programs and thereby expand sales. Medicare and Medicaid relies on AWP's because the drug industry employs AWP to communicate prices. Drug manufacturers must not now be permitted to misconstrue the facts revealed in Congressional investigations by contending that the reimbursement system is flawed when they themselves provided the misleading information.

Following up on my last two letters on this same issue, I reiterate that my reading of the Federal Food, Drug, and Cosmetic Act and the corresponding regulations suggests that the FDA should pay particular attention to these misleading drug company actions. Accordingly, I request that the FDA conduct a comprehensive investigation into drug company business practices that includes the additional exhibits referenced above.

Sincerely,

PETE STARK,  
Member of Congress.

IN HONOR OF OLGA CHORENS AND  
TONY ALVAREZ, "OLGA AND  
TONY"

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 31, 2000

Mr. MENENDEZ. Mr. Speaker, I rise today to honor Olga Choren and Tony Alvarez ("Olga and Tony"), two very special and talented entertainers, who have been in show business for six decades.

Olga and Tony began their careers as singers in Cuba during the early 1940's. When they married in 1945, their celebrity status turned the wedding into a popular social event.

After the wedding, Olga and Tony went on a 5-year tour through Latin America, which began in Panama and ended in Argentina. Upon returning to Cuba, they were offered the opportunity to host a daily 1-hour television and radio program for CMQ and Radio Progreso, which they did with great success from 1951 to 1959, while also recording many successful albums. Because of their popularity, Olga and Tony were named Miss and Mr. Cuban Television.

Olga and Tony fled communist rule in Cuba for New York City and Puerto Rico, where they again performed on television. From 1965 to 1972, they performed on Telemundo, Channel 7, Channel 11, and WNJU Channel 47 in New York.

For the past 20 years, Olga and Tony have lived in South Florida, where they maintain a

large fan base and where their voices can be heard every Saturday morning on Radio Mambi. They also star on "El Show de Olga y Tony," which airs twice a week on Tele-Miami. In 1999, they were awarded a Star on the "Calle Ocho" Walk of Fame.

As entertainers, Olga and Tony have always promoted family values. They have been married for 55 years, and their parents and children often participated in bringing family-based entertainment to the television audience.

Today, I ask that my colleagues join me in honoring Olga Choren and Tony Alvarez for entertaining so many for so long, and for being inspirational role models to Hispanics throughout Latin America.

TRIBUTE TO STAN JENNINGS

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 31, 2000

Mrs. MORELLA. Mr. Speaker, I rise to salute Stan Jennings, a multitalented writer, illustrator, cartoonist, and photographer from Silver Spring, MD. His new book, *The Capitol and the Kids* focuses on Congress, Washington, and Montgomery County, MD, the district I have had the honor to represent in the U.S. House of Representatives since 1987.

The Capitol and the Kids is a refreshing, delightful look at the history of Washington through the eyes of Stan Jennings over the past 75 years. Stan, a native Washingtonian was born at Forest Glen, grew up in the shadow of the Capitol dome on Jenkins Hill, or, as he calls it his "kindergarten and entertainment center." The Capitol and the Kids gives the reader an unusual and heartwarming glimpse of the city, its great figures, and its not so greats. Through his pictures, sketches, and sense of humor he has observed the highlights and lowlights of the past 75 years.

The Kids are the folks in Washington. They include 435 Congressmen, 100 Senators, 9 Justices, a President, a Vice President, and numerous newspaper men and women. Stan Jennings has the unique ability to offer a thoroughly enjoyable trip through this century's historic times from Franklin Roosevelt's New Deal era to the current administration.

To quote Robert Frost, *The Capitol and the Kids* "begins in delight and ends in wisdom." Stan Jennings has written an exciting, informative, and humorous book on the history of Washington over the past three quarters of a century. I salute him.

HONORING BISHOP-DESIGNATE  
AUBREY BAKER, JR.

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 31, 2000

Mr. TOWNS. Mr. Speaker, I rise today to honor Bishop-Designate Aubrey Baker, Jr., the son of the late Bishop and Mrs. Aubrey Baker, Sr.

Aubrey was born on November 19, 1932 in Brooklyn, NY. At that time, his parents were members of Brooklyn No. 1 at First Church of

God in Christ, under the leadership of the late Bishop Frank Clemmons. The family remained there for 5 years until 1937, when they moved to a little mission in Brownsville, Brooklyn under the pastorate of the late Bishop Frank Edward Cook. Aubrey was reared and nurtured in the church, and he received Jesus Christ as his personal savior at an early age. He was baptized and filled with the precious Holy Ghost at the Holy Trinity Church of God in Christ.

Bishop-Designate Aubrey Baker, Jr. matriculated through the New York City Public School system, receiving his higher education at Long Island and New York Universities. He furthered his religious education at Shelton Bible College and the O.M. Kelly Religious Institute. In 1958, Bishop-Designate Aubrey Baker married Mildred Josephine Butler, and they were blessed with two beloved children: Aubrette and Renwick.

As a loyal and faithful servant of the Lord, the late Bishop O.M. Kelly ordained Aubrey Baker, Jr. in 1959 at the Holy Trinity Church of God in Christ in Brooklyn, NY. Continuing his faithful service, Bishop-Designate Baker, Jr., served as District Secretary Brooklyn No. 1, Assistant Financial State Secretary assisting the late Elder S.A. White, and State Y.P.W.W. President of ENY jurisdiction.

In May 1973, Bishop-Designate Aubrey Baker, Jr., was appointed to the Keystone Church of God in Christ and, in August 1977 under the leadership of the late Bishop O.M. Kelly, he merged Keystone and Zion Temple Church of God in Christ. His service in the jurisdiction included serving as Assistant Superintendent to the late Bishop F.D. Washington in the Brooklyn Hill District. Thereafter, he succeeded the late Bishop F.D. Washington as the Superintendent. Under the leadership of the late Bishop F.D. Washington, he served as a member of the Finance Board.

Mr. Speaker, Bishop-Designate Aubrey Baker, Jr. is a man of God and a true servant of the people. As such, he is more than worthy of receiving our recognition today, and I hope that all of my colleagues will join me in honoring this truly remarkable man.

#### NEW JERSEY INSTITUTE OF TECHNOLOGY'S STORMWATER MANAGEMENT PROJECT

**HON. BOB FRANKS**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 31, 2000*

Mr. FRANKS of New Jersey. Mr. Speaker, I rise today regarding a matter of great importance to my district and the entire State of New Jersey. My home state is confronted with an array of complex challenges related to the environment and economic development. However, one issue in particular, the over development of land, had become especially concerning because of the impact it is having on our watersheds and floodplains, as well as its resulting impact on economic activity.

As many of my colleagues already know, this past August vast parts of northern New Jersey were devastated by flooding caused by severe rainfall. The resulting natural disaster threatened countless homes, bridges and roads, not to mention the health, safety and welfare of area residents. The total figure for

damages in Sussex and Morris Counties has been estimated at over \$50 million, and area residents are still fighting to restore some degree of normalcy to their lives.

While the threat of future floods continues to plague the region, one New Jersey institution is taking concrete steps to prevent another catastrophe. The New Jersey Institute of Technology (NJIT) has been studying the challenges posed by flooding and stormwater flows for some time, and is interested in forming a multi-agency federal partnership to continue this important research.

NJIT is one of our state's premier research institutions and is uniquely equipped to carry out this critical stormwater research. The university has a long and distinguished tradition of responding to difficult public-policy challenges such as environmental emissions standards, aircraft noise, traffic congestion and alternative energy. More broadly, NJIT has demonstrated an institutional ability to direct its intellectual resources to the examination of problems beyond academia, and its commitment to research allows it to serve as a resource for unbiased technological information and analysis.

An excellent opportunity for NJIT to partner with the federal government and solve the difficult problem of flood control has presented itself in the 2000 Water Resources Development Act (WRDA). At my request, the final version of this important legislation includes a provision directing the U.S. Army Corps of Engineers to develop and implement a stormwater flood control project in New Jersey and report back to Congress within three years on its progress. While the Corps of Engineers is familiar with this problem at the national level, it does not have the firsthand knowledge and experience in New Jersey that NJIT has accrued in its 119 years of service to the people of my district and state. Including NJIT's expertise and experience in this research effort is a logical step and would greatly benefit the Army Corps, as well as significantly improve the project's chances of success.

Therefore, I urge the New York District of the Corps of Engineers to work closely with my office and NJIT to ensure the universities full participation in this study. By working together, we can create a nexus between the considerable flood control expertise of the Army Corps and NJIT, and finally solve this difficult problem for the people of New Jersey. I hope my colleagues will support my efforts in this regard.

#### SUPPORT FOR THE EFFORTS OF CHANNEL ONE TO TEACH OUR CHILDREN ABOUT DEMOCRACY

**HON. VAN HILLEARY**

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 31, 2000*

Mr. HILLEARY. Mr. Speaker, at a time in which we hear so much about what's wrong with our children and young adults, it is easy forget all of the positive things taking place. The truth is that most of our children are doing well—they are growing up in loving homes, they are receiving a high-quality education, and they are becoming tomorrow's leaders. And while it is right to point out instances

where we can improve, I believe it is equally important to call attention to positive developments.

In that vein, today I would like to commend the Channel One Network and the 900,000 young adults who participated in Channel One's "OneVote", the largest online vote ever. "OneVote" allowed students in Channel One middle and high schools across the country to cast online ballots for President, for Governor, and for Senate in states where statewide races are taking place. The students also were polled on important national issues. Each student was assigned a special registration number so that only registered students could vote and that no student could vote more than once.

Now I know my colleagues are skeptics—and will think I enjoyed this poll solely because Governor Bush defeated Vice President GORE in a landslide. That's not true, although it did make me feel better about our future.

Seriously, the simple truth is that this vote should be celebrated no matter who won or lost. Channel One's "OneVote" undoubtedly gave many young Americans their first taste of democracy on a national scale. Students in one small school in rural Tennessee were able to see how their votes compared not just with their friends across the hallway, but with kids across the country, from California to Missouri to Maine.

Young adults also were encouraged to think about important issues facing our country, including education, world affairs, and integrity in government. They were urged to think about how these issues impact their lives and the lives of those around them. More than just a quick poll, OneVote is part of Channel One News' ongoing process of education and involvement for millions of teens.

Mr. Speaker, these activities should be recognized and encouraged. Staying informed, thinking about concerns greater than one's self interest, and participating in our nation's decision-making process are excellent habits for our young adults to develop.

There is a great deal of cynicism in our country about whether our government really does the work of the people. Recent history shows that this cynicism has led to lower and lower voter turnout at elections. This is a shame, Mr. Speaker, because the only way to make sure the government does the people's work is if the people stay informed and actively engaged in the affairs of government.

The power of the people to control this country's future can take many shapes and forms—from writing letters to the editor to serving in office. But the greatest power comes from perhaps the simplest of acts: voting. When all the campaigning speeches are over and the television ads are gone, each and every American gets their say when they step into the voting booth and pull the lever. We need to constantly remind our fellow citizens, especially those in the next generation, that voting is both an important right and responsibility.

Mr. Speaker, the Channel One Network's "OneVote" gave hundreds of thousands of young Americans an important first lesson in democracy—and I would like to recognize Channel One and the thousands of participating schools and their students for this outstanding success.

WILLIAM KENZO NAKAMURA  
COURTHOUSE

**HON. JENNIFER DUNN**

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 31, 2000*

Ms. DUNN. Mr. Speaker, I support H.R. 5302, to name the United States courthouse in downtown Seattle as the "William Kenzo Nakamura United States Courthouse."

It is important to pay tribute to a man who made such great contributions to our nation. Private First Class Nakamura was an outstanding American, and this is a fitting way to honor him for giving his life to protect our freedom.

Pfc. Nakamura grew up in what is now the Chinatown International District in Seattle. He was studying at the University of Washington when he was moved with his family to an internment camp in Idaho. Despite this hardship, Pfc. Nakamura joined the 442nd Regimental Combat Team, which went on to become the most decorated military unit in history.

On June 4, 1944, Pfc. Nakamura provided cover for a retreating platoon in Catellina, Italy, and was killed by enemy fire. At first, Nakamura and other soldiers of color did not receive national recognition for their heroic deeds. Finally, this June, Nakamura and other soldiers received the Medal of Honor.

I believe naming this courthouse after Pfc. Nakamura is a fitting tribute for a man who defended his country and the freedoms we all enjoy. Pfc. Nakamura's valor and heroic actions should never be forgotten, and his dedication to his country—the United States—should be honored. I encourage all my colleagues to support this resolution.

HONORING LION IRVING STRAVITZ  
OCTOBER 2, 1912-DECEMBER 19, 1998

**HON. EDOLPHUS TOWNS**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 31, 2000*

Mr. TOWNS. Mr. Speaker, I rise today to honor the life of Lion Irving Stravitz, who passed away on December 19, 1998.

Irving Stravitz was raised in Brooklyn and, as a child, loved to work with his hands. He became a carpenter at a very young age and always had his own business.

He met and married Eva, who became his partner in Lionism and life. She served side by side with him through thick and thin for the sixty-three years of their marriage. Together, they raised two children, David and Renee, who bestowed upon them the loves of their lives: two grandchildren, Allison and Matthew.

Irving was emblematic of the drive that Lion Melvin Jones, one of the founding members of Lionism, exhibited. Irving became a member of the Hyde Park Lions Club and served the Club by holding every office up to and including President. He was elected to the position of Deputy District Governor of District 20-K1. Mid-stream, Irving transferred into the Brooklyn Canarsie Lions Club and served for the remainder of his thirty years. He received Certificates of Appreciation, plaques that honored his dedication and was the first Lion in the Club to be presented with the Melvin Jones Fellowship Award.

His love and dedication will keep him in our hearts forever. Irving Stravitz was a Pin Trader and Pin Maker. His special project was the Vacation Camp for the Blind where his skill as a carpenter proved invaluable. He was involved with the Little League and ran the Hyde Park Lions Club's annual football pool fundraiser.

In the final words of Marc Antony's eulogy of Julius Caesar, "Indeed, this was a man." Mr. Speaker, I join with his friends and loved ones in saying "Irving, indeed you were a man and one of Lionism's finest tributes."

Mr. Speaker, Lion Irving Stravitz is more than worthy of receiving our recognition today, and I hope that all of my colleagues will join me in honoring this truly remarkable man.

**VIOLATION**

**HON. CHARLES A. GONZALEZ**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 31, 2000*

Mr. GONZALEZ. Mr. Speaker, as we near the end of this session, one of the country's largest companies is asking Congress for special treatment. According to numerous media reports, AT&T is asking Congress to attach an amendment to an appropriations bill to allow them to violate conditions they agreed to when their merger with MediaOne was approved by the FCC. This amendment would allow AT&T to violate the caps on cable ownership, caps that are designed to promote competition and protect consumers from price-gouging.

No Member of either this House or the other body has introduced a bill to give AT&T this break, nor has a single hearing been held on the issue. To even consider this bill to enter legislation would not at this time be wise for the simple fact that we do not have enough proper information to make an informed decision concerning this break for AT&T.

Mr. Speaker, we should ask that AT&T keep their word. As well we should reject any last minute legislation that has not been fully reviewed by the Congress.

HONORING LAWRENCE D. DAHMS,  
EXECUTIVE DIRECTOR, METRO-  
POLITAN TRANSPORTATION COM-  
MISSION

**HON. ELLEN O. TAUSCHER**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 31, 2000*

Mrs. TAUSCHER. Mr. Speaker, today I pay tribute to Lawrence D. Dahms, executive director of the Metropolitan Transportation Commission in the San Francisco Bay Area, who will be retiring at the end of this year.

The Metropolitan Transportation Commission (MTC) was created in 1970 to provide transportation planning for the nine-county San Francisco Bay Area. MTC is the designated federal Metropolitan Planning Organization (MPO) for the nine-county San Francisco Bay Area, and is charged with disbursing federal, state and regional transportation revenues in the region. The retirement of Lawrence D. Dahms is a severe loss to the Bay Area community.

Lawrence D. Dahms has served as MTC's executive director since 1977. In both his 23 years at MTC and in an earlier six-year stint at the Bay Area Rapid Transit District (BART), Larry spearheaded the successful effort to extend BART to San Francisco International Airport. His many accomplishments also include a pivotal role in negotiating the San Francisco Bay Area Regional Rail Agreement, known as MTC Resolution No. 1876. This became the basis for securing federal funding for BART to San Francisco International Airport and the Tasman light-rail extension in Silicon Valley, as well as state and local funding for East Bay BART extensions to Dublin and Bay Point.

In addition to his regional impact, Larry was a leader on the national stage in developing and advocating the landmark 1991 federal Intermodal Surface Transportation Efficiency Act (ISTEA). This ushered in a new era in federal transportation policy by giving states and localities greater responsibility and flexibility in the investment of federal dollars. Larry continued his involvement as he advocated for the passage of ISTEA's successor, the 1998 Transportation Equity Act for the Twenty First Century (TEA-21), which consolidated that policy shift and dramatically increased funding levels.

Larry took the lead in implementing this new federal policy at the local level by establishing the Bay Area Partnership to foster multimodal decision-making and coalition building, in the process creating a trail-blazing MPO that is a model for the nation.

I, as well as the Bay Area Congressional Delegation, wish Mr. Dahms our most sincere thanks for his accomplishments. We greatly appreciate his achievements on behalf of the past, current and the future residents of our region. We wish him well in all his future professional and personal endeavors.

**HONORING DUSTY RHODES**

**HON. JOHN JOSEPH MOAKLEY**

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 31, 2000*

Mr. MOAKLEY. Mr. Speaker, today I pay tribute to the director of Sail Boston 2000, Dusty Rhodes.

It has been estimated that between seven and eight million people visited Boston during Sail Boston 2000. It was a remarkably well planned and well-executed international tall ship event. From the pageantry of the Opening Ceremony at Rows Wharf to the spectacular Parade of Sail out Boston Harbor for the start of the race to Halifax, Boston was at her very best. Residents and tourists alike thrilled to the majesty of the ships and warmly welcomed the young crews to the historic Port of Boston. The presence of the tall ships in July was a nostalgic reminder of our city's great maritime heritage and a celebration of the rebirth of our magnificent harbor.

Boston was the only Official Race Port in the United States for the International and American Sail Training Associations' Tall Ships 2000 Race of the Century. An event of this magnitude requires precise planning and extraordinary effort, and the appropriate credit should be given to the person who was most responsible for bringing the ships to the port and organizing Sail Boston 2000, the largest

event ever held in the history of New England. Her name is Dusty Rhodes.

Eight years ago, immediately following her success in producing Sail Boston 92, Dusty, as President of Conventures, Inc. flew to London to attend the Annual International Sail Training (ISTA) Race Committee Conference. Although not on any agenda, she lobbied committee members, ISTA officials, ship captains, diplomats, and governmental officials, promoting Boston as a potential Race Port for the year 2000.

Energetically and tirelessly (and pregnant), she fought for Boston. It was just the beginning of her persistent and often frustrating attempts to have Boston officially designated for the Tall Ships 2000 Race. Dusty returned each year, from 1993 to 1997 continuing her mission and, I will add, all at her own expense.

In 1996 the International Race Committee selected Boston as a result of her efforts. OPSAIL then entered the competition for the first time attempting to have New York designated as the Official Race Port in place of Boston. Race Ports were required to pay a port fee to ISTA under the Race Committee Rules. New York refused and Dusty Rhodes committed her own funds to assure Boston's involvement. These funds, like many others which accrued during the planning process of Sail Boston, were totally at risk, but Dusty's belief in the potential of this millennium tall ship event made her even more determined. She took that risk and, when the dust settled, Boston had been selected and the OPSAIL, New York/Boston battle began.

Sail Boston was a huge success, from a maritime as well as a financial point of view for the Commonwealth of Massachusetts. Hotels, restaurants, tour boats and retail establishments all benefited substantially from the millions of people who came to Boston for the return of the Tall Ships. Thanks to Dusty Rhodes and her efforts on behalf of the City, Boston will continue its prominence as a destination point for national and international tourism. In a 1992 Boston Globe article, she was referred to as "the Unsinkable Dusty Rhodes." With all the obstacles thrown in her way, Dusty has proved to be just that, and we all can thank her for making the Summer of 2000 a most memorable one.

#### MISSED OPPORTUNITY ON MEDICAL PRIVACY

#### HON. GARY A. CONDIT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 31, 2000*

Mr. CONDIT. Mr. Speaker, today I spoke regarding the unfinished business of ensuring Americans that their personal medical information will be kept confidential. Despite a consensus that an individual's health information is easily accessed and susceptible to manipulation, Congress failed to act on this crucial issue.

This is certainly not a new issue. I first introduced comprehensive medical privacy legislation at the beginning of the 104th Congress. Last year, in an effort to reach a consensus, I worked closely with Rep. HENRY WAXMAN, Rep. ED MARKEY and Rep. JOHN DINGELL to develop a bill that could gain the support of

the majority of our colleagues. The product of this effort was H.R. 1941, the Health Information Privacy Act. In addition to the four primary sponsors, 66 of our colleagues joined us in sponsoring this legislation.

We were not alone in our efforts to protect these sensitive records. The Secretary of Health and Human Services, directed by provisions of the Health Insurance Portability and Accountability Act, issued proposed health privacy regulations on November 3, 1999 after Congress failed to meet its self imposed deadline. In all, these proposed regulations represent a good solid start, but failed to address several key items since the Secretary's scope was limited to health plans, clearinghouses and providers that share health information electronically.

Therefore, the proposed regulations did not cover health records that have never been maintained or shared electronically. Additionally, the Secretary's proposal does not cover all entities that come into possessions of health information. Safeguards given to an individual's health record should be applied equally, whether it is in the hand of a health care provider, researcher or a lending institution.

Unfortunately, the issue of medical privacy was never given the attention it deserves in this Congress. The leadership of the next Congress, should make this issue a priority and make a public commitment to schedule a full, fair and open floor debate within the first three months of reconvening the next session. This will be the only way we can come to an agreement on comprehensive medical privacy legislation.

#### TRIBUTE TO MIZELL MEMORIAL HOSPITAL FOR RECEIPT OF THE 2000 ALABAMA QUALITY AWARD

#### HON. TERRY EVERETT

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 31, 2000*

Mr. EVERETT. Mr. Speaker, I would like to pay tribute to an outstanding business in my congressional district which was recently honored with a prestigious state award for operational excellence.

Earlier this month, Mizell Memorial Hospital in Opp, Alabama was named the winner of the 2000 Alabama Quality Award for excellence in leadership; strategic planning; patients, other customers, staff and market focus; information and analysis; process management; and organizational performance.

The Alabama Quality Award, modeled after the Malcolm Baldrige National Quality Award, honors organizations whose recent innovations increased productivity and quality within the organization.

For years, Mizell Memorial has served rural South Alabama with a level of professionalism equal to and surpassing Alabama's most innovative and progressive businesses. I am pleased that its employees' fine work and dedication has finally been recognized with this prestigious award.

My congratulations go out to Mizell Memorial Hospital's management and employees for their exemplary efforts to improve the lives of south Alabamians.

#### TRIBUTE TO HANNAH JOANN LANZHEN SIMONS

#### HON. GREG WALDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 31, 2000*

Mr. WALDEN of Oregon. Mr. Speaker, it gives me a great deal of pride to extend this official welcome to one of our nation's newest citizens, Hannah JoAnn LanZhen Simons of Hood River, Oregon.

Hannah was born November 8, 1996 in Magongtan, Zhejiang Province in the Peoples Republic of China. Her first months were spent in the Lanxi Social Welfare Institute, an orphanage. In the summer of 1997, she was adopted at Hangzhou, Zhejiang Province, PRC by her mother, Marta Simons, and brought to the United States to live. On September 26 of this year, she became a citizen of the United States.

It's a wonderful thing that China allows for these adoptions which have lifted little babies out of orphanages and placed them into arms of loving families here in America.

Mr. Speaker, it's also important to acknowledge the continued efforts of this Congress to expand the opportunity and affordability for adoption. Together, with families like Hannah's, we're making life better for children from around the world.

#### ABBOTT LABORATORIES OVER- CHARGES TAXPAYERS AND JEOPARDIZES PUBLIC HEALTH

#### HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 31, 2000*

Mr. STARK. Mr. Speaker, I am today submitting for the RECORD a letter I sent to Mr. Miles White, Chief Executive Officer of Abbott Laboratories. Recent congressional investigations have collected evidence that Abbott has reported inflated prices and has engaged in other improper business practices in order to create windfall profits for providers submitting Medicare and Medicaid claims for certain Abbott drugs.

Such drug company behavior overcharges taxpayers and jeopardizes the public health system. The letter follows:

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
Washington, DC, October 31, 2000.

Mr. MILES WHITE,  
Chief Executive Officer, Abbott Laboratories,  
Abbott Park, IL.

DEAR MR. WHITE: You should by now be aware of Congressional investigations revealing that Abbott has for many years reported and published inflated and misleading price data and has engaged in other deceptive business practices. This letter is a call for your company to immediately cease overcharging taxpayers and jeopardizing the public health.

The price manipulation scheme is executed through Abbott's inflated representations of average wholesale price ("AWP") and direct price ("DP") which are utilized by the Medicare and Medicaid programs in establishing drug reimbursements to providers. The difference between the inflated representations of AWP and DP versus the true price providers are paying, is regularly referred to in

your industry as "the spread." The evidence amassed by Congress clearly shows that Abbott has intentionally reported inflated prices and has engaged in other improper business practices in order to cause its customers to receive windfall profits from Medicare and Medicaid when submitting claims for certain drugs. The evidence further reveals that Abbott manipulated prices for the express purpose of expanding sales and increasing market share of certain drugs. This was achieved by arranging financial benefits or inducements that influenced the decisions of health care providers submitting Medicare and Medicaid claims.

Contrary to Abbott's recent assertions in the national media, the price manipulation conduct was in no way required by or consistent with existing reimbursement laws or policies. Indeed, Abbott did not falsify published prices in connection with other drugs, where sales and market penetration strategies did not include arranging financial "kickbacks" to health care providers.

In the case of the drugs for which Abbott sought to arrange a financial kickback at the expense of government programs, the manipulated discrepancies between your company's reported AWP and DP versus their true costs are staggering. For example, in the 2000 edition of the Red Book, Abbott reported an AWP of \$2,094.75 and a DP of \$1,764.00 for a package of Acyclovir Sodium 1 gm. 10's (package of 10) [NDC #00074-4452-01], while Abbott was in reality selling the exact same drug to Innovativ members (a large national group purchasing organization) for only \$105.40. This represents a difference between the AWP and cost of \$1,989.35 or a mark up 1987 percent. (Composite Exhibit "1"). I have been informed that Abbott then aggressively marketed its Acyclovir Sodium to health care providers by touting the financial inducements created by the false price representations and other types of monetary payments.

Acyclovir Sodium is an important drug in the treatment of AIDS related illnesses and it is essential that government health programs be able to accurately estimate its acquisition cost in setting reimbursements. Even more devastating, Abbott has intentionally caused the government to pay inflated amounts for this important drug at a time when AIDS health benefits were being limited due to budgetary constraints.

Another example of Abbott's drug price manipulation concerns the IV antibiotic Vancomycin, the drug of last resort in combating many life threatening infections. The public health crisis associated with the overutilization of Vancomycin is now of immediate concern. Exhibit #2, article from Hospital Pharmacist Report entitled Under Attack Vancomycin-Resistant S. Aureus Hits U.S. Shores, states: Indeed, as stated in the article, the problem has reached the level where the CDC has called for strict limits on the use of this vital drug.

In recent press reports, Abbott attempts to avoid responsibility for financially inducing health care providers to administer Vancomycin. Abbott has suggested that the drug's usage in the outpatient setting is minimal. The evidence developed by the Congressional investigators, however, reveals that outpatient utilization of Abbott Vancomycin has grown substantially in recent years as Abbott inflated its price reports to drug price publishers, while the true price to health care providers fell. Enclosed as Composite Exhibit #3 are excerpts from the Red Book showing Abbott's false price reports for Vancomycin in 1995, 1996 and 1999, together with advertisements available to industry insiders reflecting the lower actual prices. The following chart summarizes this information:

The evidence uncovered shows that providers will purchase and utilize pharmaceutical manufacturers' products that have the widest spread between the providers' true costs and the reimbursement paid by third parties—including State Medicaid Programs and Medicare. In 1996, Abbott, Fujisawa, Lederle, Lilly and Schein all made representations of Wholesaler Acquisition Cost ("WAC") to the State of Florida, as summarized in the chart below (Exhibit "4"). The chart sets out the reimbursement amount paid by Florida Medicaid, the industry insider's true cost and "the spread" between Medicaid reimbursement and true cost. A review of the chart below clearly demonstrates that the vast majority of providers utilize Abbott's Vancomycin, the drug with the greatest spread between the true wholesaler acquisition cost and the inflated false WAC reported by Abbott.

Exhibit "5", prepared by the National Association of Medicaid Fraud Controls Units in conjunction with their ongoing investigation, further demonstrates that Abbott maximized sales volume and captured market share by causing 33 State Medicaid Programs to pay substantially inflated reimbursements for Abbott's Vancomycin.

The following document (Exhibit "6") reflects misleading price representations that Abbott sent to Medi Span (now acquired by First Data Bank) concerning two package sizes of Vancomycin. Medi Span's data acquisition specialist attempted to clarify with "Jerrie," from Abbott, the pricing discrepancies and confusion over the prices of the two packages:

Abbott's apparent price manipulation created a financial incentive for doctors to increase their usage of Vancomycin, at the very time that overutilization of the drug created a health crisis. This is an especially reprehensible misuse of Abbott's position as a drug manufacturer.

Additionally, as indicated by the evidence below, Abbott has provided or arranged for a number of other financial inducements to stimulate sales of its drugs at the expense of the Medicaid and Medicare Programs. Such inducements include volume discounts, rebates, off invoice pricing, and free goods, and are designed to result in a lower net cost to the purchaser, while concealing the actual cost. For example, a product invoiced at \$100 for ten units of a drug item would in reality only cost the purchaser half that amount if a subsequent shipment of an additional ten units is provided at no charge. The same net result can be achieved through a "grant," "rebate," or "credit memo" in the amount of \$50. The following excerpts from Abbott's internal documents (Composite Exhibit "7") are examples of Abbott's creation of off invoice price reductions that conceal the true price of drugs and impede the Medicare and Medicaid Programs from accurately estimating the acquisition cost of drugs:

As I am sure you are aware, the inflation index for prescription drugs continues to rise at a rate of more than twice that of the consumer price index. The American taxpayers, Congress and the press are being told that these increases are justified by the cost of developing new pharmaceutical products. Abbott and certain other manufacturers are clearly exploiting the upward spiral in drug prices by falsely reporting that prices for some drugs are rising when they are in fact falling. For example, the actual price being paid by industry insiders for Abbott's drug, Sodium Chloride 0.9 percent, was in many years less than half of what Abbott represented. Abbott falsely reported that the average wholesale price to health care providers for Sodium Chloride 0.9 percent, 500 ml 24s, [NDC # 00074-7983-03], rose from \$206.06 to \$229.43 during the years 1993

through 1996. The Congressional investigations have revealed that, in fact, the true price to industry insiders from Florida Infusion was only \$43.20 in 1993 and the price actually fell to \$36.00 by 1996. (Composite exhibit 8).

Abbott's knowledge that true wholesale prices were falling for many of its drugs at the very time that it falsely reported that its prices were rising is evidenced by an internal Abbott document (Exhibit "9") dated March 10, 1994 to a wholesaler, Florida Infusion, which states the following:

"The first three pages, identified as Florida Infusion Price Changes indicate the products in which prices were changed and their new contract price. Favorable factory cost in 1994 have lead the way for these price reductions! (emphasis added).

Shortly after informing Florida Infusion that its prices were being reduced, Abbott falsely informed Red Book that its prices were being increased, as evidenced by the internal memo dated May 26, 1994 (Exhibit "10"):

"As you are aware, on at [sic] the beginning of April, Abbott took a list price increase. This also has an effect on our AWP (Average Wholesale Price) which Red Book quotes for reimbursement purposes."

Abbott created and marketed these financial inducements for the express purpose of influencing the professional judgment of doctors and other health care providers. Abbott's strategy of using taxpayer funds to increase company drug sales and enriching doctors and others who administer the drugs is reprehensible and a blatant abuse of the privileges that Abbott enjoys as a major pharmaceutical manufacturer in the United States.

Doctors should be free to choose drugs based on what is medically best for their patient. Inflated price reports should not be used to financially induce doctors to administer Abbott's drugs. Abbott's conduct, in conjunction with other drug companies, has cost the taxpayers billions of dollars and serves as a corrupting influence on the exercise of independent medical judgement both in the treatment of severely ill patients and in the medical evaluation of new drugs.

Accordingly, I have requested that the Commissioner of the United States Food and Drug Administration, Dr. Jane Henney, conduct a full investigation into the business practices of certain drug companies, including Abbott. My reading of the Federal Food, Drug, and Cosmetic Act and the corresponding regulations suggests that the FDA should pay particular attention to Abbott's misleading price reports and take affirmative action to ensure that its representations about its drugs are accurate and not misleading.

Abbott is clearly capable of representing prices that do not include a kickback for many of its drugs. The following chart ("Exhibit II") specifies drugs for which Abbott reported accurate prices:

As illustrated by the preceding information, Abbott clearly has the ability to accurately and competently report its prices and consistently did so when it was in its own economic interest.

I urge Abbott to immediately cease reporting inflated and misleading price data. Such action places the nation's health care at great risk and overcharges taxpayers.

Based on the evidence collected, Abbott should make arrangements to compensate taxpayers for the financial injury caused to federally funded programs. Any refusal to accept responsibility will most certainly be indicative of the need for Congress to control drug prices. If we cannot rely upon drug companies to make honest and truthful representations about their prices, then Congress will be left with no alternative but to take decisive action to protect the public.



I would appreciate your sharing this letter with your Board of Directors and in particular with the Board's Corporate Integrity Committee.

Sincerely,

PETE STARK,  
Member of Congress.

IN HONOR OF NEW YORK STATE  
ASSEMBLYMAN DENIS BUTLER  
ON HIS RETIREMENT AFTER  
TWENTY-FOUR YEARS IN OFFICE

**HON. CAROLYN B. MALONEY**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 31, 2000*

Mrs. MALONEY of New York. Mr. Speaker, I rise today to pay tribute to New York State Assemblyman Denis Butler, who is retiring this year after twenty-four years of service in the New York State Assembly, where he has represented the residents of his native Queens, New York district superbly.

First elected in 1976, and reelected every year since, Assemblyman Butler has led a remarkably distinguished career in the State Assembly, where he rose to the rank of Assistant Speaker Pro Tempore in 1993. He has served as a senior member of the Assembly labor and Aging Committees, and currently serves as a member of the Rules, Analysis and Investigations, Economic Development, and Oversight Committees. He is also the Chairman of the Subcommittee on the Special Problems of the Aging as well as the Chairman of the Assembly Queens Delegation.

Assemblyman Butler has been a champion of the aging, disabled, and underprivileged, and has worked tirelessly for the working men and women of his district. With the support of the Assembly leadership, Assemblyman Butler created SCRIBE (Senior Citizens Rent Increase Exemption), which has helped low income seniors remain in their homes. Additionally, he was a prime sponsor of EPIC, New York's prescription drug buy plan, which has helped thousands of elderly new Yorkers pay for necessary medication.

Assemblyman Butler has also been extremely active in civic affairs and has worked alongside local community activists on a wide range of issues, from improving educational and youth programs, to strengthening the local police presence. His caring guidance and enthusiasm have truly made his neighborhood a more pleasant place to live and work. Assemblyman Butler's service in Albany has been extraordinarily beneficial to his Queens, New York constituents, and I applaud him on such an esteemed career.

Assemblyman Butler began his career in politics after completing his education, which included a significant amount of time at seminary school, and working as an account executive and sales manager in the fields of television and radio broadcasting. Throughout his years serving his community in the legislature, time and again. Assemblyman Butler has proven to be a community-driven and compassionate legislator. He is one of the original founders of the 114th Auxiliary Police Corps, the past president of St. Joseph's Home School Association, and has also served as a member of the St. Joseph's Parish Council. For twenty-eight years, Assemblyman Butler has organized the annual Toys for Tots Drive.

Assemblyman Butler has been honored by numerous organizations, among them, the Veterans of Foreign Wars Post 2348, the Long Island Chapter Knights of Columbus, and the Federation of Italian-American organizations of Queens, Inc.

Mr. Speaker, I encourage my colleagues to pay tribute to such a respectable man. Assemblyman Butler has demonstrated that the work of a legislator is not only a rewarding opportunity for the person in office, but also immeasurably helpful to local communities. Assemblyman Butler has served as an enormously valuable resource and public servant to his Queens constituents and I am sure his services will be missed.

TRIBUTE TO THE HONORABLE  
WILLIAM L. CLAY, SR.

SPEECH OF

**HON. STEPHANIE TUBBS JONES**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 27, 2000*

Mrs. JONES of Ohio. Mr. Speaker, it is with great pleasure that I stand here this evening to acknowledge the accomplishments of one, United States Representative WILLIAM CLAY, my friend and colleague.

WILLIAM CLAY, United States Representative from the 1st Congressional District of Missouri, was first elected to Congress in 1968. He has served in these hallowed chambers for 15 succeeding Congresses from 1969 through January 2001.

His commitment to public service has been lifelong. His work includes serving as Alderman in St. Louis and serving as Education Coordinator, Steamfitters Local No. 562. Mr. CLAY, throughout his business and professional life, has always been a people's fighter, championing the cause for those left out, the voiceless and the poor.

Representative CLAY, senior member, Missouri congressional delegation, currently serves as Ranking Member, House Education and Workforce Committee. He also served as Chairman, Committee on the Post Office and Civil Service in the 102d and 103d Congresses. Representative CLAY was the chief architect of H.R. 1, the Family and Medical Leave Act, a major piece of legislation. In addition, it was Representative CLAY who worked tirelessly to have the Hatch Act reform bill signed into law.

Representative CLAY's work in the areas of education, labor and workforce will stand long after he leaves Congress. His work to ensure equal access to education and to promote educational excellence are testaments to his belief in providing opportunities for all Americans. In addition, Representative CLAY has boldly stood, where many others would not, to ensure fair wages as well as safe, healthy working conditions for American workers.

In 1969, Representative CLAY and twelve other African American representatives of the 77th Congress joined together to form the "Democratic Select Committee." This committee was later renamed the Congressional Black Caucus. Founding members included Representatives WILLIAM CLAY, Shirley Chisholm, George Collins, JOHN CONYERS, Ronald Dellums, Charles Diggs, Augustus Hawkins, Ralph Metcalfe, Parren Mitchell, Robert Nix,

CHARLES RANGEL, Louis Stokes and Walter Fauntroy. Representative CLAY, through the Congressional Black Caucus, worked and dedicated himself to removing barriers and helped to mold a Nation to its higher calling for a government "of the people, for the people and by the people."

Representative CLAY has authored two books, *To Kill or Not To Kill* (published in 1990) and *Just Permanent Interests* (published in 1992). Moreover, Mr. Speaker, Representative CLAY has also founded the William L. Clay Scholarship Fund, a fund that presently enrolls fifty-six students in twenty-one different schools.

Today, Mr. Speaker, I recognize a Statesman, an educator, businessman, author, and more importantly, a father and husband to Carol Clay for 43 years. I stand today to personally thank him for his friendship, guidance, love and his long-time friendship with my predecessor, Congressman Louis Stokes. Congressman Stokes gave me the opportunity that I possess today and now I am able to bask in the sunshine too!

Mr. Speaker, I stand to recognize and to say thanks to the outstanding Representative from the 1st Congressional District of Missouri, my friend, Representative WILLIAM LACY CLAY, Sr. Mr. Speaker, America is better off . . . , this Congress is better off, . . . , the Congressional Black Caucus is better off . . . because of Representative WILLIAM LACY CLAY, Sr. I salute you and America salutes you.

CONFERENCE REPORT ON H.R. 2614,  
CERTIFIED DEVELOPMENT COM-  
PANY PROGRAM IMPROVEMENTS  
ACT OF 2000

SPEECH OF

**HON. BOB RILEY**

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 26, 2000*

Mr. RILEY. Mr. Speaker, in an effort to ensure that our nation's seniors will continue to have access to quality health care, Congress is again providing a financial infusion into our nation's Medicare program.

I want to ensure that the Health Care Financing Administration (HCFA) implements the provisions of this Medicare "giveback" bill in accordance with congressional intent. Section 111 of this legislation would help alleviate the high out-of-pocket payment our seniors face today in hospital outpatient departments. HCFA has previously interpreted this provision in a manner that may result in a beneficiary paying more for a procedure done on an outpatient basis than they would pay if the procedure were done on an inpatient basis. I believe this interpretation of the Balanced Budget Relief Act (BBRA) of 1999 fails to carry out congressional intent.

While I am pleased that this year's bill would gradually begin to diminish these overcharges to our seniors, HCFA should interpret Sec. 111 on a "per incident" or "per procedure" basis or seniors will not be able to fully avail themselves of the help we have tried to include for them in this bill. Under HCFA's narrow interpretation of this provision in the BBRA of 1999, seniors may be faced with paying two or more separate copays for the same procedure and would likely pay less out-

of-pocket if they had the same procedure done in an in-patient hospital. I do not believe that was Congress' intent when the beneficiary copay limitation was first enacted last year.

There is no reason seniors in my district should check into a hospital overnight for a procedure because of the exorbitant copay they would face if it were done on an outpatient basis. HCFA should revise its interpretation accordingly to include all the services provided to a beneficiary in the course of an outpatient visit as envisioned by this year's Medicare "giveback" legislation.

### CARDIAC ARREST SURVIVAL ACT OF 2000

SPEECH OF

**HON. TOM BLILEY**

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 26, 2000*

Mr. BLILEY. Mr. Speaker, I strongly support H.R. 2498, the Public Health Improvement Act of 2000. This package, referred to by many as the "minibus," is composed of a number of different, but all very worthy, proposals designed to improve our public health infrastructure.

The first title of the bill, the Public Health Threats and Emergencies Act, strengthens the nation's capacity to detect and respond to serious public health threats, including bioterrorist attacks and disease-causing microbes that are resistant to antibiotics. Few things are more important than the ability to quickly and effectively respond to outbreaks of infectious diseases and bioterrorism.

Also in the bill, thanks to the good work of the Chairman of the Health Subcommittee, Mr. BILIRAKIS, is the Twenty-First Century Research Laboratories Act. This bill responds to the fact that while our nation possesses the best research institutions in the world, the infrastructure of many of these facilities is outdated and inadequate. The bill authorizes the NIH to make grants to build, expand, remodel and renovate our nation's research facilities.

The bill contains a number of other meritorious provisions. We reform the certification process for organ procurement organizations, providing them with due process and better performance-based measures; we provide better support for our nation's clinical researchers, so that we continue to attract and retain leaders in patient-oriented research; and we require the NIH to enhance research efforts for Lupus, Alzheimer's Disease, and Sexually Transmitted Diseases.

I'd be remiss if I didn't acknowledge the hard work of my colleague, the gentleman from Florida, Mr. STEARNS, on the Cardiac Arrest Survival Act, which is critical life-saving legislation. Sudden cardiac arrest kills more than 250,000 Americans every year. Many of these lives could be saved by immediate defibrillation. In our Committee investigations, we found that counties with defibrillation programs were able to save up to 57% of cardiac arrest victims. The legislation by Mr. STEARNS would protect good Samaritans who use defibrillators to help save the lives of our fellow Americans. It also encourages widespread use of defibrillators by removing the threat of unlimited and abusive lawsuits, and by establishing guidelines for the placement of defibrillators in Federal buildings.

In conclusion, I must note the hard work that went into this bill on both sides of the aisle, and in both bodies. This bill could not have been finalized without the dedication and efforts of Senator BILL FRIST and my colleague MIKE BILIRAKIS, and they are to be saluted, as is the minority. This is a good bill, and I urge my colleagues to support it.

### MOTION TO INSTRUCT CONFEREES ON H.R. 4577, DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2001

SPEECH OF

**HON. BENJAMIN A. GILMAN**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Sunday, October 29, 2000*

Mr. GILMAN. Mr. Speaker, I support the motion to instruct on Medicare+Choice being offered by the gentleman from New Jersey.

This motion will allow Medicare+Choice organizations to offer Medicare+Choice plans under Part C of Title XVIII for a minimum contract period of three years and to maintain the benefits specified under the contract for the three years.

At the time the Medicare+Choice Program was being developed, it seemed like a revolutionary concept that would greatly expand services available under Medicare, while keeping overall costs down. Regrettably, for far too many seniors, Medicare+Choice has become a false choice and a cruel joke.

In theory, Medicare+Choice sounded like a good program. Private health maintenance organizations (HMOs) would enter into contracts with the Health Care Financing Administration to provide services to seniors who signed up for membership. These services were included in various benefit plans, the content of which varied with the premium price. The higher the premium, the more services it offered. It bears noting however, that many of the benefits packages initially came with little or no premium cost to the individual senior. Moreover, many of these plans offered extensive benefits for such little cost, including prescription drug coverage. It sounded too good to be true. As history would show, this was precisely the case.

Within the first year, many of the HMOs recognized that providing health coverage for seniors, especially prescription drug benefits, was a highly expensive matter. Once the books were balanced, it became apparent that the cost of providing these services was not being offset by the per patient reimbursement being offered by HCFA. Being creatures of profit, the various HMOs began to take one of two courses of action. They either received permission to drastically raise their premium rates, as much as 1,500 percent in some cases, or they conveyed their intent to HCFA to withdraw their services from areas which they deemed to be unprofitable, usually suburban and rural counties.

My region, the 20th Congressional District of southeastern New York has been devastated by this process. When the Medicare+Choice Program was started, there were approximately six HMOs for seniors in my district to choose from. Today, none remain in Sullivan

County, two small plans exist in Orange County and the remaining plans in Rockland and Westchester Counties have sharply raised their premiums.

This is inexcusable. Our seniors deserve to be able to sign up for a plan with the knowledge and comfort that it will not be ripped out from under them after a year's time. The current system simply presents seniors with false hopes.

The fault for this situation lies with: HCFA, for not offering reasonable floor reimbursement rates, the HMOs, for seeking unreasonably high profits above patient care, and with the Congress, for failing to attach any punitive measures to HMOs that pull out of certain counties when they arbitrarily decide they will not meet their projected profit margin.

Mr. PALLONE's motion is a good first step toward solving this problem even though it represents the bare minimum of what the Congress should do to address this crisis. Last year, the Congress sent \$1.4 billion in additional funds to HMOs so that they would remain in the Medicare+Choice Program. Yet no accountability provisions were attached. The result was further pullouts this year. The House did the same thing last week with the Balanced Budget Act (BBA) giveback legislation that was incorporated into the tax bill; additional funds for HMOs with no strings attached. I predict this latest action will meet with the same results.

For the sake of those seniors who have been left out in the cold by their Medicare+Choice providers, I urge my colleagues to vote for this motion, and restore some common sense and basic accountability to this broken program.

### IN HONOR OF DR. HERBERT B. ANDERSON, PASTOR OF THE BRICK PRESBYTERIAN CHURCH, ON HIS RETIREMENT

**HON. CAROLYN B. MALONEY**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 31, 2000*

Mrs. MALONEY of New York. Mr. Speaker, I rise today to pay tribute to Dr. Herbert B. Anderson, the Pastor of the Brick Presbyterian Church in Manhattan, New York, on his retirement after twenty-two years of service to the church. Dr. Anderson will be honored for his many years at the church at a Festival Service of Worship this upcoming November.

Dr. Anderson, recently confirmed to become Pastor Emeritus after his retirement, has dedicated his life to the Presbyterian Church. After graduating from Chicago's McCormick Theological Seminary in 1954, Dr. Anderson began his career as a young pastor at the First Presbyterian Church in Harrison, Arkansas. After five years in this position, he moved onto the Southminister Presbyterian Church in Tulsa, Oklahoma, where he served as pastor for eight years. He then began preaching at the First Presbyterian Church in Lake Forest, Illinois, where he remained from 1967–1978 until he moved to the Brick Presbyterian Church, where he has remained.

Throughout his many years as a pastor, Dr. Anderson has served as a member and leader of numerous religious organizations. Since 1993, Dr. Anderson has been the Chairman of



the Federation of Protestant Welfare Agencies, Inc. He has also worked to promote interfaith dialogue and understanding. In the early 1980s, Dr. Anderson served on the delegations of the Appeal of Conscience Foundation to China, Argentina, and Hungary. In 1975 he traveled to Nairobi, Kenya as the Delegate to the Fifth Assembly, World Council of Churches. Throughout the years, Dr. Anderson's extensive involvement in Presbyterian and interfaith organizations has served as a contribution to the already superior reputation of the Brick Presbyterian Church.

Mr. Speaker, as a member of his congregation, I am confident that the work of Dr. Anderson will have a lasting effect on the Brick Presbyterian Church's congregation, whether it is through our recollection of a particularly memorable sermon by Dr. Anderson, or through the many wedding and baptism ceremonies that Dr. Anderson has presided over. Although Dr. Anderson is retiring, his many contributions to the Brick Presbyterian Church will continue to be appreciated for many years to come.

I congratulate Dr. Anderson on his inspiring career and I wish him an enjoyable retirement.

## OMNIBUS INDIAN ADVANCEMENT ACT

SPEECH OF

**HON. DON YOUNG**

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 26, 2000*

Mr. YOUNG of Alaska. Mr. Speaker, as chairman of the Resources Committee and author of title XV of H.R. 5528 as passed by the House, I wish to make a statement to provide factual background and clarify congressional intent as to the meaning and implementation of that title.

The Secretary of Interior has created allocation pools for acreage entitlements of regional corporations under sections 14(h)(1) and 14(h)(8) of the Alaska Native Claims Settlement Act (ANCSA) and conveyances to one regional corporation under section 14(h)(1) may have the effect of reducing the entitlements of all other regional corporations under section 14(h)(8). Chugach Alaska Corporation (Chugach) currently has significant entitlement remaining under its section 14(h)(1) allocation and the Secretary believes Chugach is over-conveyed under its current section 14(h)(8) but allocations under section 14(h)(8) have not been finalized. In the event that any acreage ultimately conveyed to Chugach as a result of title XV would have the effect of reducing the section 14(h)(8) allocations of other regional corporations under current regulations, section 1506(a) provides that such reduction shall be charged solely against Chugach's final section 14(h)(8) allocation, notwithstanding such current regulations, or other applicable law.

## SUPPORT FOR H.R. 5543

**HON. HEATHER WILSON**

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 31, 2000*

Mrs. WILSON. Mr. Speaker, the House recently passed a bill to increase the minimum

wage, increase the amount Americans can save each year through an IRA, and to improve add funds to Medicare and Medicaid programs. An important part of that Medicare package improves the reimbursement rates for Medicare+Choice. This program offers more choices for seniors to decide what kind of health care plan they prefer. The Medicare+Choice managed care plans usually offer better services and benefits than traditional Medicare—most importantly—they can provide prescription drug coverage to seniors who cannot afford a Medigap policy. In my district, nearly 60 percent of seniors who earn less than \$20,000 per year who chose a Medicare+Choice plan. But in my state, Medicare reimbursement for this program is half of what places in New York or Florida receive. And New Mexico's rate is too low for the plans to continue to offer the same quality service. H.R. 5543 will correct that disparity.

This measure is strongly supported by New Mexicans, and I wish to bring your attention to the attached article written by Bob Bada, that clearly illustrates the current situation and need for this legislation and the need for a long term reform of Medicare.

THE DUAL EDGED SWORD OF MEDICARE REIMBURSEMENT—THE MEDICARE PROVIDER AND HEALTH MAINTENANCE ORGANIZATION PERSPECTIVE

(By Bob Bada)

While the nation's booming economy and concomitant boosts in Federal tax revenues over the past six to seven years has extended the solvency of the current Medicare program to 2023, the baby-boom generation soon will begin to enter the program. Paying for the extended range of benefits for this increase in senior citizens will exact a large financial toll. In 2025, 69.3 million elderly and disabled persons are expected to be eligible for Medicare, up from 39 million today. The share of our nation's gross domestic product spent on Medicare is projected to almost double from 2.7 percent in 1998 to 5.3 percent in 2025. Congress passed the Balanced Budget Act of 1997 ("BBA") to secure the financial stability of the Medicare program by providing an estimated \$115 billion in cuts, over five years, in spending to physicians, hospitals, nursing homes, and home health agencies. In addition, the BBA sought to provide alternative network and product choice to beneficiaries via Medicare+Choice plans. Medicare patients, as intended by the BBA, would be able to elect coverage from Preferred Provider Organizations or private insurers, or they could establish a medical savings account, financed by the Health Care Finance Administration ("HCFA"), and purchase a high-deductible insurance policy. With the benefit of hindsight, it is apparent that the BBA, and subsequent amendments, have negatively affected not only the financial stability of Medicare providers, but also the level of choice for the beneficiaries it is mandated to protect. On this point, Senator Pete Domenici R-N.M., Chairman of the Senate Budget Committee stated: "Seniors in many communities are treated like second-class seniors because their choice and access to care is practically nonexistent. We have created a system of healthcare defined by the 'haves' and 'have nots'."

MEDICARE REIMBURSEMENT TO PROVIDERS

The BBA has created a surplus in funds for the Medicare Program over the past 2 years. This surplus is a pyrrhic victory, however. The BBA has reached a surplus by effectively transferring a growing share of the risk to the provider. The Medicare spending cuts called for by the BBA far exceeded the \$115

billion Congressional Budget Office (CBO) estimate, and, in fact, will reach more than \$212 billion over the five-year life of the BBA. The subsequent Balanced Budget Refinement Act of 1999 served only to restore a modest \$15 to \$18 billion in payments back to providers. Many providers have been forced into bankruptcy by these draconian cuts, while others have been forced to close their doors.

Cardiac surgeons saw over a 10 percent drop in their reimbursement and anesthesiologists experienced an 8 percent decline. In heavily penetrated Medicare and Managed Care markets, such declining reimbursement can have a serious financial impact on many providers. John DuMoulin, director of managed care and regulatory affairs for The American College of Primary Care Physicians—American Society of Internal Medicine, voiced his concern about the declining Medicare reimbursement schedule by stating that the model was flawed, and called it a "mixed bag" of tricks.

In communities like Albuquerque, New Mexico, which has experienced a 15-physician-per-month exodus due, in part, to poor levels of physician-based Medicare reimbursement, access to quality healthcare is becoming a serious concern (New Mexico Hospital Association, January 2000). In addition, as reported in July, 2000, by the American Hospital Association, 10 percent of the nation's nursing homes have filed for bankruptcy protection, and 35 percent of the nation's hospitals are losing money on inpatient services (Healthcare Financial Management, July 2000). Faced with escalating costs of as much as 8-10 percent due in part, to scientific/technological advances, higher drug costs, and increases in union labor nursing costs, hospitals are faced with a dilemma. They are scheduled to receive increases in Medicare reimbursement of 1.1 percent, less than the market-basket rate of inflation in fiscal 2001 and 2002.

Public and provider confidence in HCFA's understanding of the relevancy and possible drastic consequences of their continued pressure on provider reimbursement is not high. To understand the reason why, one need only examine the misguided approach that HCFA has used to determine the initial solvency estimates of Medicare: In 1998, following the passage of the BBA, the General Accounting Officer (GAO) generated new estimates that said that Medicare could remain solvent until 2008. In April 1999, the Bipartisan Commission on the Future of Medicare entered the fray when it issued its report to the nation: Medicare would live until 2015, said the commission. Then in early 2000, the Medicare trustee issued yet another revised estimate for the solvent life of Medicare—2023. That estimate lasted only a few weeks before the trustees admitted they had made a few calculation errors. Medicare would be alive and kicking until 2025. (Healthcare Financial Management, "Never Underestimate the Financial Future of Medicare," Jeanne Scott, June 2000).

The formula used by HCFA to calculate physician payment creates extreme oscillations in the reimbursement scale. The swings are due in large part to HCFA's use of a variety of time periods—the current fiscal year, the calendar year and other time frames—to make calculations about physician payment. Part of the problem exists within the new "sustainable growth rate system" enacted by the BBA to help control expenditures for physician services under fee-for-service Medicare. The growth rate system calculates the updates to the Medicare fee schedule conversion factor, which is used to set standardized reimbursement for specific service categories. The problem, however, is that HCFA is using projected data on utilization

patterns and associated healthcare provider costs rather than current actual data in establishing each year's sustainable growth rate. "Deliberate use of sustainable growth rate estimates that are based on knowingly flawed projections—even after actual data have become available—is arbitrary and capricious," the AMA said in a March 4 letter to Harriet S. Rabb, general counsel for Health and Human Services. (Government and Medicine, "Data driving swings in Medicare pay," Susan J. Landers, AMNews staff, May 17, 1999).

#### HEALTH MAINTENANCE ORGANIZATIONS AND MEDICARE+CHOICE REIMBURSEMENT FROM MEDICARE

Before the BBA was passed, Medicare beneficiaries essentially were limited to a choice between traditional Medicare coverage under Part A and Part B or HMO coverage. HCFA paid most Health Maintenance Organizations ("HMO") under the Medicare risk-based system. Under this approach, HCFA generally paid an HMO a prospective amount equal to 95% of the average adjusted per capita cost (AAPCC) of providing traditional coverage to Medicare beneficiaries in the county in which they resided. This amount was adjusted to reflect geographic differences in utilization and practice parameters, as well as certain demographic characteristics of enrollees, such as gender, institutional status, and age. Payment to most HMOs was risk-based in that it was fixed, regardless of the total costs incurred by the HMO in furnishing care to an individual beneficiary. The Medicare payment rates to HMOs varied significantly across the country. Thus, HMOs more actively pursued Medicare enrollees in areas where HMO rates tended to be higher, typically in larger cities. Conversely, market penetration by HMOs was limited in other areas, particularly in rural areas, where Medicare payments to HMOs were lower. Since Medicare HMO plans have traditionally offered enhanced benefits—such as prescription drug coverage and routine physicals—to their enrollees, the lower availability of managed care options in rural areas meant that many rural beneficiaries did not have access to the same benefits as urban beneficiaries did. (ProPac, Medicare and the American Health Care System: Report to the Congress, June 1997; and PPRC, Medicare Managed CARE: Premiums and Benefits, April 1997).

Under the BBA, Medicare+Choice plans would receive aggregate payments for the year based on their geographic location and the demographic characteristics of their enrollees. The BBA establishes that each county's payment is determined as the greater of (1) a local/national blend rate, (2) a national floor, or (3) a minimum update rate set at 2 percent above the previous year's rate. (Project HOPE Center for Health Affairs, "Changes to Medicare risk plan payments as a result of the Balanced Budget Act of 1997: implications for budget neutrality [abstract]," Schoenman, 1998). In addition, the BBA, through the use of a risk-adjustment payment, attempts to reflect the relative health status of managed care enrollees, with plans getting more money for their sickest beneficiaries. Because this risk adjustment model is based solely upon inpatient hospital utilization gathered from Medicare risk contractors, there are some genuine concerns regarding the administrative costs of gathering this data for HMOs, as well as concerns regarding inappropriate incentives.

With the passage of the Balanced Budget Act, changes in the Medicare program requirements were designed to attract more managed care plans to the program. These changes have resulted in new plans in some

areas, but the payment reforms in the BBA, coupled with new regulatory requirements, have already had the unintended effect of discouraging other health plans from participating, resulting in fewer choices for Medicare beneficiaries overall. In 1999, the number of Medicare risk plans declined in response to changes in public policy under the BBA. An estimated 450,000 seniors were affected in 1999 as 54 health plans announced their intent to reduce the size of the markets they served, and 45 did not renew their contracts with HCFA. In January of this year, another 41 Medicare+Choice plans announced their intentions to leave the Medicare market, with 58 additional plans announcing a reduction in their service area. In addition, many HMOs that remain have raised premiums or cut benefits to beneficiaries, including prescription benefits.

#### CONSEQUENCES

When Providers and Medicare+Choice plans pull out of markets on such a grand scale, the implications for seniors are tremendous. Access to care, continuity of care, cost of healthcare services, and provider/Medicare HMO (both inpatient and outpatient) "flight" are the paramount concerns of most Medicare beneficiaries (Modern Healthcare, "The exodus escalates, Medicare+Choice market pullouts to nearly double in 2001," Benko, July 3, 2000). As Medicare reimbursement to providers continues to fall far short of rates obtainable from private payers, providers will increasingly refuse to serve Medicare patients and/or will reduce the quality of services rendered to them. (Economic Commentary, "Medicare: Usual and Customary Remedies Will No Longer Work," April, 1997). For some providers, this decrease in reimbursement may prove to be too costly, forcing them out of business all together. Declining Medicare reimbursement to HMOs has had a similar effect, and has proven to be even more costly to Medicare beneficiaries than Medicare cuts in provider reimbursement. A study by the Barents Group, Westat, and the Henry J. Kaiser Family Foundation, performed in 1998, providing data on 2,163 Medicare beneficiaries who were involuntarily disenrolled from their Medicare risk HMO, confirms the implications of Medicare's declining HMO reimbursement methodologies, and subsequent decreases in Medicare contracted HMOs. The study identified seven areas of concern:

**Benefit Reductions:** Eighty-four percent of beneficiaries reported prescription drug coverage in their former HMO, but only 70% reported coverage after their plan withdrew. Beneficiaries most likely to have lost one or more benefits also were those most likely to have health problems and least able to pay for those benefits. The disabled under age sixty-five, those age eighty-five and older, and the poor and near poor were more likely to have moved to traditional Medicare with no supplemental coverage and were most likely to report losing benefits after the transition.

**Increased Out-of-Pocket Costs:** Four of every ten beneficiaries reported paying higher monthly premiums after their Medicare HMO left the market, with the share of beneficiaries paying no premiums for supplemental benefits declining from 67 percent to 53 percent and the share of beneficiaries reporting premiums of \$75 or more a month rising from 3 percent to 21 percent. Joining another Medicare HMO, however, does not appear to protect beneficiaries against premium increases or cost concerns. One quarter of those who joined another HMO reported paying higher premiums after switching HMOs and said they expect to have higher doctor and hospital expenses.

**Continuity of Care:** Most beneficiaries (91 percent reported having one person they

think of as their personal doctor or nurse. However, 22 percent of beneficiaries said that they had to find a new personal doctor after their plan withdrew, and 17 percent had to find a new specialist. Beneficiaries in traditional Medicare with no supplemental coverage were much less likely than others were to report having a personal doctor after their plan pulled out and more likely to report having to change specialists. For markets where provider financial viability is already threatened by high percentages of uncompensated care and dwindling commercial insurance payers, continuity of care is further diminished.

**Impact on Patient Interactions:** Time spent with Medicare patients on each visit is being reduced, and multiple visits for multiple problems are being required. Some physicians selectively refer the more difficult, costly cases to other physicians. Videos are being substituted for face-to-face patient counseling and education.

**Cutting Amenities:** Services for the convenience of patients are being dropped, such as arranging for community services, in-office phlebotomy and x-ray services, and incidentals such as post-procedure care kits. Screening and counseling are being curtailed. Satellite offices are being closed. Telephone consultations are being reduced, with office staff returning more telephone calls from patients.

**Impact on Access:** Medicare patient loads are being reduced, limited or eliminated. Some physicians accept Medicare patients only by referral. Money-losing services, especially surgical procedures, are not being offered to Medicare patients. Simple procedures formerly performed in the office are done in outpatient facilities. In addition, access to specialists is decreasing. Specialists refer patients back to primary care physicians as soon as possible, and are less willing to become primary physicians for their chronically ill patients. "Reimbursement generosity from private insurance relative to that from Medicare negatively affects physicians' assignment rates, implying that the elderly's access to health care and/or the financial burden is likely to be jeopardized by further reductions in Medicare reimbursements." (Journal of Aging Social Policy, "Physician case-by-case assignment and participation in Medicare," Zhang, 1997).

**Technology lags:** Many providers are not renewing or updating equipment used in their office, but shifting to hospitals to perform Medicare procedures. Purchases of equipment for promising new procedures and techniques are being postponed or canceled.

#### SOLUTION

How should we design Medicare if we had it to do over again? To restore the viability of the program's promise to future generations, and to prevent the drop in access of quality, cost effective healthcare for beneficiaries, the American Medical Association's approach makes sense. Medicare funding, states the AMA, must be shifted from the pay-as-you-go system to one in which beneficiaries have a larger responsibility to provide health insurance for their own retirement health care during their working years. Shifting out of a tax-based, pay-as-you-go system to a system of private savings can assure that all working Americans have access to health care in retirement. This does not mean, however, that government would not have a major role to play. The government would continue to make a substantial contribution toward the purchase of insurance for the elderly and it would enforce requirements for individual saving. From a financial standpoint, greater individual funding of retirement health care has at least five advantages over a government-based system:

A private system would allow individuals to freely choose the types of health care plans that meet their particular needs.

Individual funding would remove federal budgetary considerations and the accompanying extraneous budgetary issues from government policy toward the system.

Much of the funding of a private system would be invested in economic activity in the private sector, rather than in unfunded federal debt that must be repaid by subsequent tax revenue.

A higher rate of return is possible with investment of funds in private sector economic activity than in government debt instruments.

And, above all else, provider as well as Medicare+Choice HMO reimbursement would be appropriately set at free market competitive levels, as established by the consumer. (Rethinking Medicare: A Proposal from the American Medical Association—"Solutions for Medicare's Short-term and Long-term Problems", February, 1998).

#### CONCLUSION

It is somewhat paradoxical to think that providers of healthcare and their long-time adversary, the HMO (or in this case, the Medicare+Choice HMO), actually may have something in common. Providers of healthcare and managed care organizations agree that the Health Care Financing Administration, and its reimbursement methodologies, have eliminated some of the incentive for providing quality, cost effective access to care for beneficiaries. Nevertheless, because there is only a finite amount of dollars that HCFA can provide to the delivery of healthcare for beneficiaries, any short-lived alliance between providers and HMOs breaks down. Both parties will continue to fight over available healthcare dollars. Worse yet, as the population ages and the number of Medicare beneficiaries grows—leading to a subsequent decline in Medicare tax revenues per beneficiary—the battle for government healthcare funding will increase.

Most health care groups and analysts believe Congress will allocate some additional money to Medicare fixes this year. The large budget surpluses, the greater-than-expected savings from 1997 Medicare cuts, and the data supporting providers' and managed cares' claims of financial pain make it difficult for lawmakers to ignore the problems. "I think the surplus makes it easier to make corrections and to make a larger amount of corrections," said Rick Pollack, executive vice president for the American Hospital Association. Bob Blendon, a health policy and political analysis professor at Harvard University, however, states that members of Congress "... may be concerned about paying for tax cuts and a Medicare prescription drug benefit, as well as ensuring that Medicare cuts won't have to be reinstated if the surplus disappears." Despite the cautious optimism among providers, in a highly charged political environment like a presidential election year, the issue remains undecided and unresolved, and the deterioration in service continues apace.

Aetna U.S. Healthcare: 23 counties in 14 states, 355,000 lives.

Humana: 45 counties in 6 states, 84,000 lives.

Foundation Health Systems: 18 markets in 6 states, 19,000.

Oxford Health Plan: 6 Louisiana parishes, 5,900.

Gulf South Health Plans: 5 Louisiana parishes, 4,000.

United Healthcare: Bristol County, R.I., 1,700.

Additional Pullouts pending:

Cigna Corporation, Philadelphia Pennsylvania, announced last month that it is leav-

ing 13 of its 15 Medicare HMO markets, affecting about 104,000 members, effective January 1, 2001. Cigna cites Medicare payment reductions mandated by the BBA have made it difficult for MCOs generally to offer benefits cost effectively. (Healthcare Financial Management, July 2000, "Cigna Drops Most Medicare HMOs").

Carefirst Blue Cross and Blue Shield reports its intent to close Maryland's largest Medicare HMO by year-end, displacing 32,000 members. Carefirst blames the government's skimpy reimbursement rates, which it says aren't keeping pace with medical cost increases.

Pacificare's Secure Horizon plan will uproot 20,300 lives when it exits 15 markets in Arizona, Colorado, Texas and Washington. The company has been changing its benefit offerings and boosting members' premiums and copayments in an effort to offset reduced government payments. "For us to remain viable in the long term, congressional action is needed. We've been urging Congress for over two years to increase funding for the Medicare+Choice program," says Robert O'Leary, CEO Pacificare. (Modern Healthcare, July 10, 2000, "More Plans dropping Medicare HMOs").

#### IN HONOR OF COMMANDER CHRISTOPHER JENKINS OF THE NEW YORK COUNTY AMERICAN LEGION

#### HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 31, 2000*

Mrs. MALONEY of New York. Mr. Speaker, I rise today to pay tribute to the late Christopher Jenkins, the former American Legion New York County Commander, who passed away this past summer. Mr. Jenkins, the first African-American ever to become the Commander of the New York County American Legion, was an outstanding veterans' activist and leader in the Harlem community.

A member of "the Greatest Generation," Mr. Jenkins served in the U.S. Navy during World War II. Originally from Savannah, GA, Mr. Jenkins moved to Harlem after his military discharge and began a career with the New York City Department of Sanitation. He became a Legionnaire at Harlem's Colonel Charles Young Post No. 398 in the late 1940's. He was elected the Post Commander in 1958 and was later reelected to this office more than 15 times. He was then elected New York County Commander in 1975 and served until 1976. From 1992 to 1993 he served as the First District Commander, Department of the New York American Legion. In 1995, he was elected Vice Commander of the Department of the New York American Legion, remaining in this office until his retirement from the Legion in 1996.

Aside from his work with the local American Legion post, Mr. Jenkins was an extremely well-liked leader in his Harlem neighborhood. He was the founder of the Jackie Robinson Senior Citizen Center's Chorale Group and active in numerous community and religious organizations.

Mr. Speaker, I salute the laudable accomplishments and community activities of Christopher Jenkins. A proud, loyal, and dedicated leader, Mr. Jenkins' gracious and friendly personality, his involvement in the American Le-

gion, and his leadership in the Harlem community, will be sorely missed.

#### PERSONAL EXPLANATION

#### HON. NEIL ABERCROMBIE

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 31, 2000*

Mr. ABERCROMBIE. Mr. Speaker, on Sunday, October 29, 2000, I was unavoidably detained and I was unable to vote on three rollcall votes. Had I been present, I would have voted as follows: Rollcall 574—Approval of the Journal—"yes"; rollcall 575—One Day Continuing Resolution—"yes"; and rollcall 576—Pallone Motion to Instruct Labor-HHS Appropriations Conferees—"yes."

On Monday, October 30, I was unavoidably detained and I was unable to vote on the seven rollcall votes taken. Had I been present, I would have voted as follows: Rollcall 583—Technical Corrections to Minimum Wage Legislation/St. Croix Island—"yes"; rollcall 582—Previous Question—"no"; rollcall 581—Rule to Allow Additional Continuing Resolutions—"yes"; rollcall 580—Previous Question—"no"; rollcall 579—Hour of Meeting October 31 at 6:00 p.m.—"no"; rollcall 578—Passage One Day Continuing Resolution—"yes"; and rollcall 577—Approval of the Journal—"yes."

#### IN HONOR OF THE NATIONAL ASSOCIATION OF CUBAN-AMERICAN WOMEN

#### HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 31, 2000*

Mr. MENENDEZ. Mr. Speaker, I rise today to honor the National Association of Cuban-American Women (NACAW) for promoting excellence and achievement for minority women.

NACAW's philosophy and focus has helped create the support that is essential for building a strong community. With an understanding that the individual is the building block for the success of every community, NACAW has provided excellent support and guidance for Cuban-American women, and for the community as a whole.

In pursuit of its goals, NACAW has developed a comprehensive agenda:

- to work with other women's organizations to develop a strong national platform in response to common concerns;

- to serve as a forum for Cuban-American women and other minority women to ensure their participation and representation in national organizations;

- to increase awareness of education and career opportunities for Cuban-American women and other minority women;

- to promote participation of Cuban-American women in Hispanic community service activities;

- and to accurately portray the characteristics, values, and concerns of Cuban-American women.

Since its founding, NACAW has sponsored a variety of important programs:

NACAW's Educational opportunities Center disseminates information about post-secondary programs, scholarships, and financial aid sources.

NACAW sponsors an annual awards ceremony that honors outstanding Cuban-American leaders, as well as leaders outside of the community, who have contributed to the advancement of Hispanics.

In order to maintain the tradition of "Dia de los Reyes Magos" ("Feast of the Epiphany"), NACAW has sponsored a number of toy-collection campaigns for disadvantaged children.

I ask my colleagues to join me in honoring the National Association of Cuban-American Women for their contributions to the Cuban-American community and to the lives of minority women.

#### PERSONAL STATEMENT

### HON. FRANK MASCARA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 31, 2000*

Mr. MASCARA. Mr. Speaker, on October 30, 2000 I was unavoidably absent and missed rollcall votes Nos. 580–583. For the record, I would have voted "aye" on the rollcall Nos. 580, 581, and 583.

For the record, I would have voted "no" on rollcall vote No. 582, the Rule on S. 2485.

#### PERSONAL EXPLANATION

### HON. MIKE MCINTYRE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 31, 2000*

Mr. MCINTYRE. Mr. Speaker, on October 28 through October 30, 2000, I was in North Carolina and was unavoidably absent for rollcall votes 570 through 581. Had I been present I would have voted "yes" on rollcall votes 570 through 578, "no" on rollcall vote 579, and "yes" on rollcall votes 580 and 581.

#### PERSONAL EXPLANATION

### HON. LUIS V. GUTIERREZ

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 31, 2000*

Mr. GUTIERREZ. Mr. Speaker, I was unavoidably absent from this chamber on Tuesday, October 24, 2000 when rollcall vote No. 543 was cast and on Wednesday, October 25, 2000 when rollcall vote No. 551 was cast. I want the record to show that had I been present in this chamber at the time these votes were cast, I would have voted "no" on each of these rollcall votes.

#### REAL CULPRIT IN AIR INDIA BOMBING IS INDIAN GOVERNMENT

### HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 31, 2000*

Mr. TOWNS. Mr. Speaker, we are all pleased that the Canadian government has maintained an active investigation of the Air India bombing in 1985 that killed 329 people.

Terrorism is always unacceptable, and all decent people condemn it.

Thus, I read with interest this past weekend that Canada had arrested two Sikhs, Ripudaman Singh Malik and Ajaib Singh Bagri, for this bombing. Unfortunately, I believe that these two individuals are being scapegoated. The book *Soft Target*, written by journalists Brian McAndrew of the Toronto Star and Zuhair Kashmeri of the Toronto Globe and Mail, shows that the Indian government itself carried out this atrocity.

According to McAndrew and Kashmeri, the Indian Consul General in Toronto, Mr. Surinder Malik, pulled his wife and daughter off the flight shortly before it took off. A friend of the Consul General who was a car dealer in Toronto also cancelled his reservation. An Indian government official named Siddhartha Singh was also scheduled on the doomed flight and cancelled. Surinder Malik called the Canadian authorities about the crime before it was reported publicly that it had occurred to try to point them to a Sikh he claimed was on the passenger list. The pilot of the flight was a Sikh.

It looks like the Royal Canadian Mounted Police, who made the two arrests this weekend, were not open to the evidence that the Indian government was responsible, even though Canada's other investigate agency, the Canadian State Investigative Service, tried to warn them. *Soft Target* quotes a CSIS agent as saying, "If you really want to clear the incident quickly, take vans down to the Indian High Commission and the consulates in Toronto and Vancouver, load up everybody and take them down for questioning. We know it and they knew it that they are involved."

Clearly, the objective was to damage the Sikh freedom movement and raise the spectre of "Sikh terrorism" to justify another of India's campaigns of violence against the Sikhs.

Mr. Speaker, this is unfortunately not the only case of Indian state terrorism. The repression of Christians, which has taken the form of burning churches, murdering priests, raping nuns, burning a missionary and his two young sons to death, and other atrocities, is well known. In November 1994, the Indian newspaper *The Hitavada* reported that the late Governor of Punjab, Surendra Nath, was paid over \$1.5 billion by the Indian government to foment state terrorism in Punjab and Kashmir. In March, during President Clinton's visit to India, the government murdered 35 Sikhs in the village of Chithi Singhpora, Kashmir. Two independent investigations and an Amnesty International report have confirmed the government's responsibility.

Between 1993 and 1994, 50,000 Sikhs were made to disappear by Indian forces. More than 250,000 Sikhs have been murdered since 1984. Over 200,000 Christians have been killed since 1947 and over 70,000 Kashmiri Muslims have been killed since 1988, as well as tens of thousands of Dalit "untouchables," Assamese, Manipuris, Tamils, and others. As you know, Mr. Speaker, 21 of us wrote a letter in June calling for India to be declared a terrorist state. These are some reasons why we said that.

Mr. Speaker, India should be declared a terrorist nation and subjected to the penalties that status brings. We should cut off our aid to India until it respects human rights. And Mr. Speaker, the only way that Sikhs, Christians, Muslims, and other minorities will ever escape

Indian tyranny is through the democratic right of self-determination. We should go on record in support of an internationally-supervised plebiscite in Punjab, Khalistan, in Nagalim, in Kashmir, and wherever people in South Asia are seeking their freedom from this terrorist government, to resolve their status the democratic way, by the vote. Democratic states don't practice repression and genocide, they decide issues by voting. Is India a democracy or not?

The Council of Khalistan has issued a press release on these arrests. I would like to insert it into the RECORD for the information of the American people.

CANADIAN GOVERNMENT ARRESTS INNOCENT SIKHS  
EVIDENCE SHOWS INDIAN GOVERNMENT PLANNED, EXECUTED BOMBING OF AIR INDIA FLIGHT 182—PUNISH THE REAL CULPRITS, NOT THE SCAPEGOATS

WASHINGTON, D.C., October 31, 2000—Despite strong evidence that the Indian government carried out the bombing of Air India Flight 182 in 1985, killing 329 people, the Royal Canadian Mounted Police (RCMP) arrested two Sikhs, Ripudaman Singh Malik and Ajaib Singh Bhagri, in the bombing. Flight 182 was piloted by a Sikh.

"The RCMP has never even considered the evidence that this bombing was an Indian government operation," said Dr. Gurmit Singh Aulakh, President of the Council of Khalistan, the government pro tempore of Khalistan, the Sikh homeland that declared its independence from India on October 7, 1987. He noted that the book *Soft Target*, written by two Canadian journalists, proves that the Indian government carried out the bombing. This finding is confirmed by Canadian Member of Parliament David Kilgour in his book *Betrayed: The Spy That Canada Forgot*. According to Kilgour, a Canadian-Polish double agent was recruited by terrorists working with the Indian government to help carry out a second bombing. The agent declined and reported what had happened.

According to *Soft Target*, the Canadian State Investigative Service (CSIS) was so convinced of the Indian government's involvement that at a meeting of the task force on the Air India bombing, one CSIS agent said, "If you really want to clear the incident quickly, take vans down to the Indian High Commission and the consulates in Toronto and Vancouver, load up everybody and take them down for questioning. We know it and they know it that they are involved."

According to *Soft Target*, Surinder Malik, the Indian Consul General in Toronto, pulled his wife and daughter off the flight suddenly, claiming that his daughter had to do some examinations for school. A Toronto car dealer who was a friend of the Consul General also canceled his reservation on Flight 182. Siddhartha Singh, head of North American affairs for external relations in New Delhi, who was visiting Indian officials in Canada, also suddenly cancelled his reservation. The book reports that Consul General Malik called the police about the bombing to alert them to an "L. Singh" who was allegedly on the passenger manifest even before the incident became public knowledge. Malik was one of several Indian diplomats Canada later asked to have removed from the country after CSIS unearthed evidence of an Indian spy network. CSIS agents believe that Vice Consul Davinder Singh Ahluwalia laid the groundwork for the bombing. He was transferred in 1985.

"India has practiced this kind of terrorism both inside and outside Punjab, Khalistan, for a long time," Dr. Aulakh said. He noted that in March, during President Clinton's visit to India, the Indian government murdered 35 Sikhs in the village of Chithi Singhpora, Kashmir. Two independent investigations and an Amnesty International report have confirmed the government's responsibility. In November 1994, the Indian newspaper Hitavada reported that the Indian government paid the late Governor of Punjab, Surendra Nath, about \$1.5 billion to organize and support covert state terrorism in Punjab, Khalistan and in Kashmir. The Indian

Supreme Court described the situation in Punjab as "worse than a genocide."

About 50,000 Sikhs languish in Indian prisons as political prisoners without charge or trial. Between 1993 and 1994, 50,000 Sikhs were made to disappear by Indian forces. More than 250,000 Sikhs have been murdered since 1984. Over 200,000 Christians have been killed since 1947 and over 70,000 Kashmiri Muslims have been killed since 1988, as well as tens of thousands of Dalit "untouchables," Assamese, Manipuris, Tamils, and others. "Democracies don't commit genocide," Dr. Aulakh said.

On June 21 Members of the U.S. Congress wrote to President Clinton urging him to declare India a terrorist state because of the repression against Christians, such as burning churches, murdering priests, raping nuns, and other atrocities. "We must not let the Indian government's terrorist apparatus repress the minorities and derail our just struggle for independence by labeling them terrorists," Dr. Aulakh said. "The time has come for the Sikh Nation to begin a Shantmai Morcha to liberate Khalistan."