

do the classroom part of NFTE," he recalled. "But after I started the program, I found it interesting and realized I could actually set the T-shirts I designed," he said.

He is the founder of "East-Side Kutz," a mobile hair cutter. He exudes the savvy business style of a fortune 500 executive and extends a firm and confident hand. It's hard to believe he's only 16 years old.

"The business keeps my head straight and I have learned how to be financially stable," he said. He is already planning to further his business education at Babson College in Wellesley, Mass.

Other graduates continue to hone their business skills through NFTE's follow-up program in the participating schools, which sponsor an entrepreneurs club and a school store.

Students can also call NFTE for legal, accounting or other business advice.

The follow-up program has helped Regina Jackson, 13, find the best way to keep her costs low. The 13-year-old jewelry designer said she can double her profits by buying wholesale beads and materials for her original pieces.

Her grandmother, Mary Jackson, said NFTE taught her granddaughter independence and how to handle money. "She even helped her uncle write a business plan for his car wash," Mrs. Jackson said.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois [Mrs. COLLINS] is recognized for 5 minutes.

[Mrs. COLLINS of Illinois addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

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

[Mr. RIGGS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. LIPINSKI] is recognized for 5 minutes.

[Mr. LIPINSKI addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

#### FIXING MEDICARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. KNOLLENBERG] is recognized for 5 minutes.

Mr. KNOLLENBERG. Mr. Speaker, the American people are way ahead of Congress in knowing what is wrong and right with the Medicare system. I appreciate this opportunity to share with the body just one example of the disturbing waste that occurs in our Medicare bureaucracy. I first heard this story last week when it aired on WJBK-TV2 in Detroit during a segment called the "Hall of Shame."

Mrs. Jean English, while going through the mail of her recently deceased brother, found a bill for his last

hospital stay. Her brother, suffering from a terminal illness, died only a few days after being admitted.

The bill for the 4-day period came to \$368,511.09. All of it had been forwarded to Medicare for payment. Shocked by the outrageous expense, Mrs. English called the hospital for an explanation. What she got was a 14-page itemized statement. And the greatest expense? \$342,982.01 for emergency room supplies for a 7-hour stay in the ER.

Well, after much hemming and hawing, the hospital admitted that it had made a mistake.

Oops. Instead of \$347,982.01, the actual charge should have been \$61.30. That is right \$61.30. An overcharge of \$347,920.71! The problem was found.

End of story? Hardly. The errant bill had been sent to Medicare and paid by Medicare. That is right—they paid the bill. Now Jean found the mistake—a bill for \$350,000 seemed a little excessive to her. Didn't the people at Medicare notice that supplies for the ER had become a little expensive?

Well, in all fairness, Medicare's computer noticed the problem—sort of. The bill total seemed large so Medicare cut it by 70 percent paying the hospital \$67,000. But the actual cost of care was only \$25,000. Medicare found the problem and still overpaid by \$50,000. And Medicare claims this system works?

And when this was brought to the attention of the folks over at Medicare they said, and I quote, "This case shows . . . that the Medicare system worked as expected." If the system is expected to work like this no wonder it will be bankrupt in 7 years.

When Medicare determined the bill was in error why didn't they look at the items to find the mistake? After all, \$350,000 for supplies seemed unreasonable to Jean. Don't the people working for Medicare notice a charge of \$350,000 for supplies? Or is this happening all the time? "Close enough for government work" is an old adage that seems to be true here.

And why, Mr. Speaker, does Medicare arbitrarily cut 70 percent off if the bill seems in error? According to its own statement this is how the problem was fixed. "When the bill was received from the hospital, the system automatically reduced it by more than 70 percent." It may sound like a solution but the example here shows why this kind of logic is helping to bankrupt the Medicare system.

The actual charge for the supplies should have been \$61.30. That's only .0002 percent of what Medicare was charged. And Medicare paid 30 percent of the full charge—\$67,000—resulting in a huge overpayment. How hard is it to look at a bill that has already set off the alarms as being incorrect and find exactly what isn't right?

I am disturbed that Medicare seems to believe that just cutting the total amount paid addressed the problem. Now maybe I am too naive but I believe the system should fix its mistakes not just automatically cut a bill by 70 per-

cent. Shouldn't the details of the bill be looked at? Are all bills automatically cut by 70 percent?

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This system makes no sense. If we are to save Medicare from bankruptcy we must find the solutions to problems like this. I stand here today because I know this story is not unique. Jean English found the mistake and brought it to our attention. But how many errant bills go unnoticed? And at what cost to the system and our seniors.

Let us work together with the American people to stop waste in the system. Let us fix the problem and save Medicare before it gets too late.

#### THE ADARAND DECISION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas [Ms. JACKSON-LEE] is recognized for 5 minutes.

Ms. JACKSON-LEE. Mr. Speaker, I am responding, I believe, to what has been over the last 24 hours for many of us a deadening silence.

The good news is that let me welcome those who have come to the White House Council on Small Business, the first time since 1960, having the opportunity to interact with many of those delegates and seeing the enthusiasm they now express in terms of the many issues of small business in this Nation. They have come to emphasize the importance of their contribution to the economic life of this country. They have likewise made a very strong point of how diverse the small business community is, including women and Hispanics, African-Americans, Asians, and others who have found the American dream through small business.

Particularly the delegation from Texas cited their concern and their desire for a bipartisan effort in treating some of the many concerns that small businesses have, whether or not it has to do with a one-stop facility to engage or facilitate their access to Government agencies, which I support and welcome the first U.S. general store that will be sited in the city of Houston to be in the 18th Congressional District. Certainly they have talked about Government regulation.

But one of the things that caused the deadening silence and what also brought me a great deal of joy to hear a bipartisan approach from the small business owners, was the decision by the Supreme Court on Adarand that was rendered yesterday, on June 12, 1995. If one would take a look at the headlines of national newspapers across this Nation, it seemed that there was further joy from editors and writers to claim affirmative action dead. How positive it was, however, to her from these small business owners and to realize the energy that was fostered at their sessions today when they came together and resoundingly supported opportunity for all.