

Another proposal I introduced in the last Congress addresses a provision in current tax law that limits the deduction for a gift of appreciated property to 30 percent of adjusted gross income. Under current law, the limit for gifts of cash is 50 percent of adjusted gross income. This provision would raise the cap for qualified gifts of conservation land and easements from 30 percent to 50 percent. Under the bill, any amount that cannot be deducted in the year in which the gift is made can be carried over to subsequent tax years until the deduction has been exhausted. Current law gives the donor 5 years in which to use up the deduction.

Conservation easements are a partial interest in property transferred to an appropriate nonprofit or governmental entity. These easements restrict the development, management, or use of the land in order to keep the land in a natural state or to protect historic or scenic values. Easements are widely used by land trusts, conservation groups, and developers to protect valuable land.

The 30-percent limit in current law actually works to the disadvantage of taxpayers who may be land rich but cash poor.

Our former colleague from New Jersey [Mr. ZIMMER] introduced two proposals in the last Congress related to the donation of land or easements. One would encourage heirs to donate undeveloped land to the Federal Government. If the inherited land is desired by a Federal agency for conservation, the heirs would be allowed to transfer the land to the Government and take a credit for the fair market value. The other would provide for more equitable taxation of the gains from selling land or an easement at below market value to a government entity or a nonprofit organization. I intend to introduce these measures, with a few modifications, in the new Congress.

Mr. Speaker, to save our Nation's green spaces, we must save our cities as well. There is no single, simple solution, but we here in Congress must do what we can to help our communities. I am looking forward to working with my colleagues to address these challenges in the coming weeks and months.

THE MEDICAL EDUCATION TRUST FUND ACT OF 1997, THE HONORABLE KENNETH E. BENTSEN, JR. OF TEXAS, BEFORE THE U.S. HOUSE OF REPRESENTATIVES, TUESDAY, JANUARY 7, 1997

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 7, 1997

Mr. BENTSEN. Mr. Speaker, I rise to introduce legislation, the Medical Education Trust Fund Act of 1997, to ensure that our nation continues to invest in medical research through the training of medical professionals in a time of declining federal expenditures and as our health care system makes its transition to the increased use of managed care.

This legislation establishes a new Trust Fund for medical education that would be financed primarily by Medicare including managed care plans. This trust fund would provide a guaranteed source of funding for graduate medical education at our nation's teaching hospitals and help ensure that we continue to train a sufficient number of physicians and

other health care providers particularly in the advent of managed care. Without such a guarantee, I am deeply concerned that the availability and quality of medical care in our country could be at risk.

Teaching hospitals have a different mission and caseload than other medical institutions. These hospitals are teaching centers where reimbursements for treating patients must pay for the cost not only of patient care, but also for medical education including research. In the past, teaching hospitals were able to subsidize the cost of medical education through higher reimbursements from private and public health insurance programs. With the introduction of managed care, these subsidies are being reduced and eliminated.

As the representative for the Texas Medical Center, home of two medical schools, Baylor College of Medicine and University of Texas Health Science Center at Houston, I have seen firsthand the invaluable role of medical education in our health care system and the stresses being placed on it today. Baylor College of Medicine offers medical training in 21 medical specialties and currently teaches 668 medical students, 341 graduate students, and 1325 residents. Baylor College of Medicine also employs 1,470 full-time faculty and 3,007 full-time staff. The University of Texas Medical School at Houston has 833 medical students, 799 accredited residents and fellows, and 1,532 faculty.

Under current law, the Medicare program provides payments to teaching hospitals for medical education. These reimbursements are paid through the Direct Medical Education (DME) and Indirect Medical Education (IME) programs. DME and IME payments are based upon a formula set by Congress.

Last year, the Republican budget resolution adopted by the House proposed cutting DME and IME payments by \$8.6 billion over 7 years. I strongly opposed these efforts and will continue to fight any cuts of this magnitude to these payments. Such cuts would be detrimental enough in a stable health care market. But they are especially harmful given the impact of our changing health care market on medical education.

As more Medicare beneficiaries enroll in managed care plans, payments for medical education are reduced in two ways. First, many managed care patients no longer seek services from teaching hospitals because their plans do not allow it. Second, direct DME and IME payments are cut because the formula for these payments is based on the number of traditional, fee-for-service Medicare patients served at these hospitals. Managed care does not pay for medical education.

My legislation would provide new funding for graduate medical education by recapturing a portion of the Adjusted Average Per Capita Cost (AAPCC) payment given to Medicare managed care plans. The AAPCC is the Medicare reimbursement paid to insurance companies to provide health coverage for Medicare beneficiaries under a managed care model. These recaptured funds would be deposited into a Trust Fund. I believe managed care plans should contribute toward the cost of medical education and my legislation would ensure this. This is a matter of fairness. All health care consumers, including those in managed care, benefit from this training and should contribute equally towards this goal.

These funds would be deposited into a trust fund at the U.S. Department of the Treasury.

All funds would be eligible to earn interest and grow. The Secretary of Health and Human Services would be authorized to transfer funds from the trust fund to teaching hospitals throughout the nation. The formula for distribution of funds would be determined by a new National Advisory Council on Post-Graduate Medical Education that would be established by this legislation. This legislation would also allow Congress to supplement the Trust Fund with appropriated funds which the Secretary of Health and Human Services (HHS) would distribute. All of this funding would be in addition to the current federal programs of direct and indirect medical education. This supplemental funding is necessary to enable medical schools to maintain sufficient enrollment and keep tuition payments reasonable for students.

My legislation would also take an additional portion of the AAPCC payment given to managed care plans and return it to the Secretary of Health and Human Services to spend on the disproportionate share program. Disproportionate share payments are given to those hospitals which serve a large number of uncompensated or charity care patients. Many of our nation's teaching hospitals are also disproportionate share hospitals. Thus, my legislation would create two new and necessary funding sources for teaching hospitals.

This legislation would also create a National Advisory Council on Post-Graduate Medical Education. This Advisory Council would advise Congress and the Secretary of Health and Human Service about the future of post-graduate medical education. The Council would consist of a variety of health care professionals, including consumer health groups, physicians working at medical schools, and representatives from other advanced medical education programs. The Council would also advise Congress on how to allocate these new dedicated funds for medical education. This Council will provide Congress with needed information about the current state of medical education and any changes which should be made to improve our medical education system.

Our nation's medical education program are the best in the world. Maintaining this excellence requires continued investment by the federal government. Our teaching hospitals need and deserve the resources to meet the challenge of our aging population and our changing health care marketplace. This legislation would ensure that our nation continues to have the health care professionals we need to provide quality health care services to them in the future.

I urge my colleagues to support this effort to provide guaranteed funding for medical education.

THE HOMELESS HOUSING PROGRAMS CONSOLIDATION AND FLEXIBILITY ACT OF 1997

HON. RICK LAZIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 7, 1997

Mr. LAZIO of New York. Mr. Speaker, today I am introducing the Homeless Housing Programs Consolidation and Flexibility Act of 1997, a bill designed to help one of this Nation's most vulnerable populations, the homeless.