

S. 781

At the request of Mr. HATCH, the names of the Senator from Utah [Mr. BENNETT], the Senator from Virginia [Mr. WARNER], the Senator from Nebraska [Mr. HAGEL], and the Senator from Montana [Mr. BURNS] were added as cosponsors of S. 781, a bill to establish a uniform and more efficient Federal process for protecting property owners' rights guaranteed by the fifth amendment.

S. 829

At the request of Mrs. BOXER, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 829, a bill to amend the Internal Revenue Code of 1986 to encourage the production and use of clean-fuel vehicles, and for other purposes.

S. 852

At the request of Mr. LOTT, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 852, a bill to establish nationally uniform requirements regarding the titling and registration of salvage, nonrepairable, and rebuilt vehicles.

S. 866

At the request of Mrs. HUTCHISON, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 866, a bill to amend title 28, United States Code, to provide that certain voluntary disclosures of violations of Federal law made as a result of a voluntary environmental audit shall not be subject to discovery or admitted into evidence during a judicial or administrative proceeding, and for other purposes.

S. 873

At the request of Mr. ASHCROFT, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 873, a bill to amend the prohibition of title 18, United States Code, against financial transactions with state sponsors of international terrorism.

SENATE RESOLUTION 92

At the request of Mr. LAUTENBERG, the names of the Senator from Oklahoma [Mr. NICKLES], the Senator from Oregon [Mr. SMITH], the Senator from Virginia [Mr. WARNER], the Senator from Ohio [Mr. GLENN], the Senator from Alaska [Mr. STEVENS], the Senator from New Mexico [Mr. DOMENICI], the Senator from Connecticut [Mr. DODD], the Senator from Nebraska [Mr. HAGEL], the Senator from Louisiana [Ms. LANDRIEU], the Senator from North Carolina [Mr. HELMS], the Senator from Indiana [Mr. COATS], the Senator from Kentucky [Mr. FORD], the Senator from West Virginia [Mr. BYRD], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Kentucky [Mr. MCCONNELL], the Senator from Nebraska [Mr. KERREY], the Senator from Hawaii [Mr. AKAKA], the Senator from California [Mrs. BOXER], and the Senator from Oregon [Mr. WYDEN] were added as cosponsors of Senate Resolution 92, a resolution designating July 2, 1997, and July 2, 1998, as "National Literacy Day."

ADDITIONAL STATEMENTS

MEDICARE AND THE ADJUSTED AVERAGE PER CAPITA COST

• Mr. GRAMS. Mr. President, during the Budget Committee's debate on the fiscal year 1998 budget resolution, I joined with my colleague from Oregon, Senator WYDEN to introduce a Sense-of-the-Senate amendment regarding the Medicare reimbursement rate for health plans. In fact, most of my colleagues on the Budget Committee cosponsored this amendment, and I was pleased to see it incorporated into the final budget resolution passed by the Senate.

Reforming the way Medicare determines the reimbursement rate for managed care plans is critical to provide Medicare equity in States like my home State of Minnesota—especially for those citizens in rural communities in my State and throughout the country.

Mr. President, there are three points I would like to emphasize.

First, the Medicare reimbursement rate is unfair. While every American pays the same 2.9-percent payroll tax to the Medicare trust fund, Minnesotans find themselves with the second-lowest reimbursement rates in the Nation. Every single county in Minnesota falls below the national average in terms of Medicare reimbursement. In fact, Minnesota is not alone in this category. There are 16 States in which every county is below the national average—Iowa, Idaho, Maine, Minnesota, Montana, Nebraska, New Hampshire, New Mexico, North Dakota, Oregon, South Carolina, South Dakota, Vermont, Washington, Wisconsin, and Wyoming. Clearly, Mr. President, having this many States without a single county at the national average indicates something is wrong with the system.

Second, the Medicare reimbursement formula discourages quality health care. Minnesota has consistently been recognized throughout the Nation, and perhaps the world, as one of the most innovative, efficient, cost, and quality-conscious States in terms of health care. Yet, these same traits—which should be encouraged, not discouraged—have skewed the Medicare formula against our providers and beneficiaries. We are being penalized for our success, while those less efficient States benefit—and have no incentive to move in our direction.

Mr. President, I think it is clear to everyone that efficient health care markets have reduced overutilization, eliminated unneeded hospital beds, and aimed for the highest quality service at the lowest price. Urban areas that are efficient in delivering health care—like Minneapolis, MN—decrease overutilization in the fee-for-service category of Medicare. This reduces the adjusted average per capita cost [AAPCC] which makes it difficult for health plans to remain competitive due to the lower payment.

Third, the Medicare reimbursement formula discriminates against seniors who live in rural communities. These rural Americans already face fewer health care options than those living in urban centers. Because of the lower reimbursement rates health plans receive, there is no incentive for them to offer their services—let alone provide extra benefits many seniors in other States receive at no added cost. That means even fewer choices for the senior citizens living in rural Minnesota.

Mr. President, no one would suggest that we take away the extra benefits seniors receive in other States; indeed, we should encourage health plans to do what they can to provide these benefits, while at the same time focusing on the need to become more efficient and cost-effective. However, what we are saying is that senior citizens living in rural America should at the very least have the opportunity to make these same choices in their health care plan.

I'd like to conclude by offering an example of how the disparity in payment affects the benefits of two seniors living in different States.

A Medicare beneficiary living in Blue Earth County, MN, who would like to enroll in a health plan would have none offered at the reimbursement rate of \$302 a month. Not one health plan is willing to offer even basic Medicare coverage at this rate. He or she would have no choice but to enroll in the fee-for-service plan and incur higher out-of-pocket expenses.

However, this same beneficiary's brother, sister or cousin living in Los Angeles County, CA would have their choice of 15 health plans offering full Medicare coverage and in addition, receive a \$1,500 prescription drug benefit, \$150 credit for hearing aids, and dental coverage. Why do they have these choices? Because their health plans are reimbursed \$519 a month and can afford to offer the extra benefits. This disparity is not fair—and it must be fixed.

Mr. President, while I am pleased the Senate has gone on record in support of my sense-of-the-Senate amendment included in the budget resolution, we need to move forward in changing the system. As we begin consideration of the reconciliation bills, I ask all my colleagues to examine this issue carefully and restore some equity in this outdated formula.●

THE 100TH ANNIVERSARY OF CNA INSURANCE CO.

• Mr. DURBIN. Mr. President, I rise today to recognize the 100th anniversary of CNA Insurance Co., whose headquarters are located in the city of Chicago in my home State of Illinois.

CNA is one of the Nation's largest insurance companies. It employs over 20,000 people nationwide, 6,000 of whom live and work in Illinois. It has offices in more than 100 cities and is represented by nearly 80,000 independent insurance agents across the country.

CNA has always prided itself on being an innovator in the insurance industry.