

the Houston Ship Channel in my district, OXY produces many of the building blocks our economy needs to thrive and grow, including chemicals for paper, housing, and automotive manufacturing; petroleum products; packaging; textiles; detergents; and food processing. The success of the Occidental Chemical Corp. Houston chemical complex, and companies like it, have helped the United States become the world leader in petrochemical exports.

The Occidental Chemical Corp. Houston chemical complex employees 900 full-time and contract workers from Deer Park and the Greater Houston area. Its employees are an integral part of our community, contributing to our schools through Junior Achievement, local mentoring programs, and science fairs, and to area charities such as the United Way, Boys & Girls Harbor, Little League, and holiday food and toy drives. They also serve on local community advisory councils, local emergency planning committees, and school boards. Through their commitment, the people of OXY have shown that they understand that our schools and our neighborhoods are made better when we take the time to get involved.

Dedication to worker safety and environmental performance has been a hallmark of the Occidental Chemical Corp. Houston chemical complex. Earlier this year, OXY was approved as a Star Work Site, the highest rating conferred by the Occupational Safety and Health Administration, for its outstanding worker safety record. In addition, OXY has been a long-time participant in the Chemical Manufacturers Association's Responsible Care program. The program mission is to continually improve safety, health, and environmental protection by the chemical industry, a goal OXY has fulfilled. OXY's efforts have helped set an example of how worker safety, environmental protection, and business growth can go hand-in-hand.

Mr. Speaker, I congratulate the Occidental Chemical Corp. Houston chemical complex for their work in expanding business and job opportunities, establishing safer conditions for our workers and environment, and building a better future for our community.

TO SAVE HEALTH CARE REQUIRES MALPRACTICE REFORM

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 21, 1997

Mr. THOMAS. Mr. Speaker, why do we need malpractice reform? Without it, the health care industry as a whole faces greater inflation and increases in costs, costs which Americans can not afford. With reform, however, both the consumer and medical practitioner alike benefit, both fiscally and physically.

Medical malpractice costs have risen 49 percent since 1990. At present, the estimated cost of such malpractice insurance is more than \$9 billion annually, and the costs continue to mount. Add to this number the billions of dollars for defensive medicine, and tort litigation becomes a major contributor to the financial woes of the health care industry. In reforming the tort system, we will free up funds and lower the costs of overall health care.

A recent study performed by Stanford University professors David Kessler and Mark

McClellan provides compelling evidence of the numerous cost-effective benefits of tort reform. By examining nearly almost 2 million cases of coronary illness among the elderly, over a time period spanning approximately 6 years, these analysts concluded that the Federal Government would have saved \$600 million a year in Medicare expenditures on heart disease alone. In fact, the annual overall savings projected by the study totaled \$10 billion to Medicare, an important reason why tort reform should be part of any effective strategy to save Medicare from bankruptcy. Even more phenomenal, however, are the figures projecting overall savings for the health care industry. By implementing tort reform, Kessler and McClellan estimate an astounding \$50 billion in savings to the health care industry as a whole.

Defensive medicine significantly forces up medical costs. Defensive medicine is the practice of ordering extra tests on patients in order to protect the health care provider from the risk of being sued. Tort reform that directly limits the liability of health care providers, according to Kessler and McClellan, could reduce hospital expenditures by 5 to 9 percent within 3 years of adoption. This would be done primarily by eliminating unnecessary testing associated with defensive medicine alone. An excellent example of an illness subject to such practices is coronary artery disease. Over the 7-year period examined in the Stanford study, States with serious tort reform saw real costs rise about 9 percent, as compared to those States which lacked reform which experienced an inflationary rate more than 10 percent higher, at 19. Given the often uncertain diagnosis of this ailment, many doctors order up batteries of tests and procedures. As with heart attacks, researchers found these tests to be mostly defensive measures, which proved unnecessary. In fact, readmission and mortality rates remained constant throughout the United States. These extra tests are just one example of defensive medicine driving up the costs of effective and safe health care.

Yet these savings in no way harm either private citizens or the health care industry. The health care liability system actually tends to stymie efforts to make health care safer and more accessible. Rising insurance premiums have long charted the rising cost of jury awards and out-of-court malpractice settlements. By issuing a cap on pain and suffering damages, by eliminating collateral source payments, and by placing limits on plaintiff attorney contingency fees, we will be able to not only lower health care costs, but also allow more than the mere 43 cents received for every dollar, at present, to reach injured patients.

In 1975, California, my home State, introduced a number of tort reforms applying to medical malpractice. The Medical Injury Compensation Act [MICRA] embodies a package of reforms, including a \$250,000 cap on non-economic damages, which set a precedent which national reform should be modeled after.

I propose that Congress take the following necessary measures in implementing tort reform. First and foremost, we must follow California's lead and adopt a \$250,000 cap on pain and suffering awards. This cap will in no way limit the amount of money that an injured plaintiff could receive to cover his or her hospital costs, doctor bills, lost wages, or other

medical expenses. Second, I would advise an elimination of collateral source payments. Plaintiffs, and their attorneys, often receive payments totaling two or more times the actual amount of damage ensued, simply by being paid by multiple insurers or defendants. As a third measure, I believe that we must place a limit on attorney contingency fees. In so doing, we will provide more money to the deserving injured patient. Finally, effective tort reform must allow for both periodic payments, and a fair statute of limitations.

In 1995 the House of Representatives passed the product liability bill and the Balanced Budget Act, in 1996 the Health Insurance Portability and Accountability Act, and in 1997 the Balanced Budget Act. Each of these important pieces of legislation included measures to instate medical malpractice reform, and each has received my support. Four times the House has passed tort reform legislation, and four times the Senate has removed such measures from the legislation. We cannot allow this pattern to continue.

By taking the bold steps necessary to reform the tort system, both the House and Senate would be bettering the lives of every individual. The health care system of this country plays an important role in all of our lives. It is the responsibility of the leaders of this Nation to maintain it in such a way as to provide the safest, most cost-effective, and highest quality medicine possible. Without medical malpractice reform we fall dangerously short of this goal.

FORTIETH ANNIVERSARY CELEBRATION FOR THE ENGLEWOOD BLOCK CLUB

HON. BOBBY L. RUSH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 21, 1997

Mr. RUSH. Mr. Speaker, I rise today to honor an extraordinary group of people from the 1st Congressional District of Illinois. They are part of the Englewood Community Block Club located at 61st and Sangamon Drive in Chicago, and they have dedicated their lives to community service. Block clubs have a rich history within the city of Chicago, and the Englewood Community Block Club has made a significant contribution to that history. Many of the founding members remain as an integral part of the organization, and many others have served for the past 30 years or more.

I was honored to have the opportunity this past weekend, to take part in their 40th anniversary celebration. I would like to recognize several individuals who received awards during the celebration banquet for their outstanding work over the years.

Mr. Horace C. Broy, Sr., received the Superior Presidential Award for his work as president in the block club. Mr. Broy is one of the original founding members of the Englewood Block Club and implemented a number of community service programs during his tenure.

Dr. Horace and Betty Broy received the award for Superior Achievement by a Husband and Wife in Education. The couple has been married for the past 27 years.

Mr. Henry Sanders received the Outstanding Treasury Service Award, for his role as treasurer for the past 25 years.