

This past spring, the Association spruced up Second Avenue by planting trees and filling the avenue's tree boxes with flowers.

The Turtle Bay Association also works closely with the local police precinct on neighborhood security concerns; with the sanitation department on matters of cleanliness of the streets; and with the United Nations to limit disruptions caused by demonstrations.

One of the Association's earliest and most famous members is the renowned actress Katharine Hepburn. In 1957, Ms. Hepburn fought vigorously with other Association members to halt the destruction of trees and prevent the city's plans to widen Turtle Bay streets by cutting back sidewalks. In 1987, she lent her name to the successful campaign to re-zone Turtle Bay's mid-blocks for low-rise construction limitations.

Mr. Speaker, I ask that my colleague rise with me in this tribute to the Turtle Bay Association as they celebrate 40 years of commitment to their community. This dedicated group does a tremendous job in creating a small town feel in such a large city like Manhattan. Thank you.

MEDICARE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1998

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, December 24, 1997 into the Congressional Record.

NEW CHOICES IN MEDICARE

Hoosiers will be hearing a lot about the reform of the Medicare system in the days ahead. Increasing costs and forecasts of a significant growth in the number of baby boomer retirees will require fundamental reform of the program. Medicare now serves over 38 million older and disabled Americans, while consuming nearly \$1 out of every \$9 in the federal budget. Medicare is a \$200 billion program and it will undoubtedly get much bigger as the pool of retirees swells early in the next century.

In 1997 Congress made the most significant reforms to the program since its creation over 30 years ago. Until now the Medicare program has been largely insulated from the shift in American health care from fee-for-service toward managed care. Medicare beneficiaries have traditionally selected their own doctors, visited them as often as they wanted, and had the government pay much of the bill. The new reforms will give beneficiaries more options, while pushing the system toward a managed care approach which aims to save money and improve overall efficiency.

MEDICARE+CHOICE

The new Medicare+Choice program is the centerpiece of the 1997 reforms. Starting late next year, Medicare beneficiaries will have the opportunity to decide each year whether to stay in the traditional fee-for-service government plan or switch to one of five private plans. Where the beneficiary selects the private option, Medicare will make a fixed payment to the chosen plan. Enrollees will receive the basic bundle of Medicare benefits, including access to emergency care, though the delivery and cost of these services would vary with each plan. Up until 2002 enrollees have the option of switching between plans at any time, but after that date the opportunities to switch plans will be more limited.

Medicare+Choice aims to contain costs in Medicare by injecting private competition into the system and encouraging more beneficiaries to enroll in managed care plans. These plans, while limiting the choice of doctors, tend to offer a wider array of benefits, including prescription drug benefits. One option under the Medicare+Choice program, for example, is the popular HMO plan. Already nearly 15% of beneficiaries use the HMO plan, which allows patients to choose from a network of doctors and receive approved benefits, usually at lower cost. Two other options involve a more limited managed care approach, and a fourth option provides for a private fee-for-service plan, under which doctors can charge up to 15% more than the insurer's fee schedule.

The fifth option is the medical savings account (MSA) plan, which combines features of a savings account and private health insurance. Medicare will pay into the account the difference between the Medicare monthly payment and the monthly premium for a high deductible plan. Contributions to the account as well as any earned interest will be exempt from taxes. The beneficiary will be able to make tax exempt withdrawals from the account as long as the money is used to pay for unreimbursed medical expenses, long-term insurance, and related expenses. The MSA is a pilot program which will be limited in 390,000 enrollees, starting in 1999.

UNANSWERED QUESTIONS

My guess is that most beneficiaries will, at least initially, elect to stay in the traditional fee-for-service Medicare plan. They like the unlimited choice of doctors and ability to pay no more than the government prescribed fee. Over time, however, the other options, which may offer more benefits at a lower cost, will probably attract many people. The key question is what these changes will mean to the overall quality of care for older Americans.

Medicare has been a program offering equal access to health care for older and disabled persons, rich and poor alike. Some have suggested that the new program will create a multi-tiered system of health care for older Americans, where wealthy beneficiaries opt for fee-for-service, healthy individuals shift into managed care plans, and sicker and more expensive beneficiaries stay in the traditional fee-for-service plan. If that happens, the private providers could end up making money, while the Medicare program saves very little or even loses money. There is also concern that creating a multi-tiered system of delivery will eventually undermine public support for the program.

Other questions have been raised about the new program. Some, for example, wonder how doctors will respond to Medicare+Choice. Many physicians have expressed concerns about the fee limits in the current program, and may opt to target their practices at patients who pay the higher fees. Still others ask whether the quality of care will be the same under all the options and whether some options, particularly the managed care options, will impose undue limits on when and where people can receive care. Finally, there are questions about whether older Americans will have enough information to make informed choices. In November 1998 the federal government will send all beneficiaries an informational pamphlet describing their new Medicare+Choice options. This pamphlet will outline the new health plans that are available in and around the beneficiary's community.

CONCLUSION

All of these changes carry high stakes for Hoosiers. Under current projections, the part of the Medicare Trust Fund which funds in-

surance for hospital care is expected to become insolvent in 2010, as baby boomers retire and enroll in the program. The 1997 law, therefore, is an interim strategy. It will save \$115 billion over the next five years, but it does not address the long-term challenges to the program. Congress has established a National Bipartisan Commission on the Future of Medicare to recommend further changes to Medicare.

Medicare is one of the great success stories of this country. It has provided essential health services for millions of our elderly and disabled citizens, and improved the overall quality of life in this country. If, however, future generations are also to benefit from Medicare, the program must undergo reform. I believe that Americans, in large part, realize this. They want to improve Medicare.

Medicare+Choice is one step toward achieving that goal. The ability to shop for insurance plans could encourage greater efficiency and restrain ever-increasing costs for health care. Health care in America has been largely transformed by the HMO-based managed care plan, and Medicare is likely to move in that direction as well. The challenge in Medicare is to make these changes without diminishing access to quality and affordable health care.

TRIBUTE TO SUSAN WINDSOR

HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1998

Mr. SHERMAN. Mr. Speaker, I rise today to pay tribute to Susan Windsor, who has served as the Chairperson of the Board of the Calabasas Chamber of Commerce for the past year.

Henry David Thoreau wrote, "I have learned this at least by my experiment: that if one advances confidently in the direction of his dreams, and endeavors to live the life which he has imagined, he will meet with a success unexpected in the common hours."

Susan has worked hard to achieve her dreams. Her dedication and perseverance is inspiring. As one of the earliest minority students to attend Florida A&M, she overcame adversity to pursue her interest in horticulture.

While working full-time to support herself, she attended the University of LaVerne, College of Law. After graduating from law school, she practiced civil litigation and was an active member of the San Fernando Valley Neighborhood Legal Services, a legal aid clinic. Only four years after graduating from law school, Susan started her own practice, focusing on probate law, trust administration, estate planning and probate and trust litigation.

Susan's determination and strength of character were again tested when the 1994 Northridge Earthquake destroyed her offices. She relocated her practice to Calabasas and became actively involved in community and business affairs, including the Calabasas Chamber of Commerce, where she has served on the Board of Directors since 1995. In 1997, Susan was elected as Chairperson of the Board, and in this capacity she worked closely with the directors to implement a current Policy and Procedures Manual and revised by-laws.

Susan has worked hard to realize many of her dreams. While she continues to practice