

The Medicare Payment Advisory Commission recently examined the potential impact of the coverage limits and found that some patients were more likely to exceed the dollar limits than others. The Commission found that hip fracture patients had the highest median payments and stroke patients incurred the next highest payments. While Medicare spent, on average, about \$700 per outpatient rehabilitation patient in 1996, half of all stroke patients exceeded the \$1,500 physical and speech therapy limit. In contrast, less than 20 percent of patients with back disorders exceeded the physical and speech therapy limit. In 1996 about one-third of patients treated in non-hospital settings (rehabilitation agencies and CORFs) incurred payments in excess of \$1,500 for outpatient physical and speech therapy or \$1,500 for occupational therapy. Half of the patients affected by the limits exceeded them by \$1,000 or more.

The Medicare Rehabilitation Benefit Equity Act will minimize the inequity and disruption of the BBA limits without affecting the program savings. It requires the Department of Health and Human Services to develop and implement an alternative coverage policy of outpatient physical therapy services and outpatient occupational therapy services. Instead of uniform, but arbitrary, dollar limitations, the alternative policy would be based on classification of individuals by diagnostic category and prior use of services, in both inpatient and outpatient settings.

The Medicare Rehabilitation Benefit Equity Act also requires that the revised coverage policy of setting durational limits on outpatient physical therapy and occupational therapy services by diagnostic category be implemented in a budget-neutral manner. The payment methodology will be designed so as to result in neither an increase nor decrease in fiscal year expenditures for these services. Current law provisions to adjust the annual coverage limits on outpatient rehabilitation therapy services by the medical economic index (MEI), beginning in 2002, are retained.

The Medicare Rehabilitation Benefit Equity Act recognizes that the Department of Health and Human Services' Health Care Financing Administration currently lacks the data necessary to implement a coverage policy based on a patient classification system on January 1, 1999. It further recognizes that assuring services for Medicare beneficiaries in the year 2000 is HCFA's number one priority. For these reasons, a phased transition to a patient classification coverage policy is necessary.

I urge my fellow Members of Congress to join me in support of the Medicare Rehabilitation Benefit Act of 1998. Together we can ensure that implementation of the BBA dollar limits on outpatient rehabilitation services will not disproportionately affect our most vulnerable Medicare beneficiaries.

TRIBUTE TO JAMES O. WRIGHT,  
CHAIRMAN OF GOODWILL INDUSTRIES OF SOUTHEASTERN WISCONSIN, INC.

**HON. GERALD D. KLECZKA**

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 9, 1998*

Mr. KLECZKA. Mr. Speaker, I rise today to honor James O. Wright, chairman of Goodwill

Industries of Southeastern Wisconsin, Incorporated, who is marking 50 years of service with the organization.

Words are a poor measure of Mr. Wright's devotion and commitment to the Goodwill movement and his generous contributions to the community at large. His record is replete with accomplishments that underscore his belief in the power of work and the American Dream.

In 1948, Mr. Wright joined the board of directors of Goodwill Industries of Southeastern Wisconsin at the age 27. As a result of his unflinching dedication to helping others, he was named chairman of the organization in 1959.

Under Mr. Wright's stewardship, Goodwill Industries of Southeastern Wisconsin has expanded its mission by administering Employment Solutions of Milwaukee, Inc, a Wisconsin Works (W-2) welfare program that places welfare recipients into jobs. As a component part of W-2 Goodwill also administers the Team Parenting pilot program that supports and strengthens the emotional and financial ties of families.

In 1994, goodwill Industries of Southeastern Wisconsin placed 2,222 individuals in the workforce. This achievement earned the organization the 1994 Goodwill Industries International Outstanding Job Placement Services Award.

A Milwaukee native and WWII veteran who served on three navy vessels, Mr. Wright holds that individuals achieve the American Dream by empowering themselves through work, which reveals the individual's potential. In keeping with this creed, Goodwill of Southeastern Wisconsin established the James O. Wright Award to recognize employers, volunteers, and organizations who assist the disabled in seeking their right to work.

Mr. Wright's benevolence also extends beyond his good works for Goodwill and his position as chairman of Badger Meter Inc., one of Milwaukee's top industries. He has championed Urban Day School, a small independent school in Milwaukee's central city. Struck by the school's innovations in educating disadvantaged youth, Mr. Wright led a fund drive to raise \$1.5 million for school scholarships, repairs and teacher salaries. When the fund drive faced a \$5,400 shortfall, Mr. Wright tapped the foundation at Badger Meter to make up the difference. The school has now established the (W)right Stuff program which brings Mr. Wright together with 9- to 12-year-old African Americans for tours of his company and discussions centering on jobs and the professional world.

Notwithstanding these notable accomplishments, Mr. Wright also has generously contributed his time to the community by serving on the Mequon-Thiensville School Board for 18 years.

Mr. Speaker, it is with a great sense of honor that I bring before you a commendation for Mr. James O. Wright, who marks with Goodwill a half century of leadership, commitment and service.

RESPONDING TO GLOBALIZATION

**HON. LEE H. HAMILTON**

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 9, 1998*

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday,

September 9, 1998 into the CONGRESSIONAL RECORD.

RESPONDING TO GLOBALIZATION

Globalization is the way that the economies of various countries around the world are becoming increasingly linked through improved telecommunications and transportation networks. Over the past decade, world trade has grown twice as fast as the world economy. Numerous companies around the globe are spending several trillion dollars annually on factories and other facilities in countries other than their own. And financial market reforms combined with new information technologies enable traders around the world to exchange hundreds of billions of dollars worth of stocks, bonds, and currencies every day.

The increased trade and foreign investment from globalization can enrich America by increasing our economic efficiency, increasing returns on investments, and creating higher paying export jobs. However, while globalization holds the promise of many benefits for American workers, it is also a disruptive force as U.S. workers in various industries face tough competition from countries where pay and labor standards are much lower. Policy changes will be needed to soften the negative impact of globalization on communities and individuals.

RESPONDING TO THESE CHANGES

Although some of the reactions to globalization may overstate the threat, there are some very valid concerns about its impact. These are some of the concerns and possible ways to respond:

*Equity*

One concern about globalization is equity. The benefits of globalization are often derived from increased specialization in an economy. In advanced industrial economies such as ours, this means that lower-skill jobs may be lost to imports from developing countries while higher-skilled sectors prosper. Although globalization should have an overall positive effect on our economy, it will tend to drive down the wages of lower skilled workers in the U.S.

Response: We can and should strengthen and improve the social safety nets that have served American society well for decades. These include worker protections such as unemployment insurance, job retraining programs for workers who lose their jobs due to trade, and support for education and training programs that will build a smarter, more productive workforce.

*Environmental and Labor Standards*

In developing countries, globalization can lead to worsening labor and environmental standards, at least in the short term. The increased mobility of investment makes it easier for industries to move to poorer countries, where they may take advantage of lax worker protections or environmental regulation.

Response: Over time, globalization actually helps address these problems on its own. By generating wealth and raising employment in those countries, more affluent citizens become more willing and able to demand higher labor and environmental protections. But we should also continue to implement and enforce international labor and environmental agreements, such as the labor standards promoted by the International Labor Organization and the Kyoto Convention on greenhouse gases.

*Volatility*

The current Asian economic crisis has its roots in globalization. Over the last thirty years, investment has poured into developing countries. This led to spectacular growth in

East Asia. Now the world has learned that capital that flows in quickly can flow out just as quickly. Global economic instability of this nature affects the U.S. economy too, hurting our exports and damaging investments.

Response: Many economists have proposed restrictions on short-term investment to address this problem, such as a very small tax on international financial transactions, which would make investors more reluctant to move their money from place to place quickly. Overall, we need to take steps to manage the global economy more carefully. This can be done, though not easily, through institutions such as the International Monetary Fund and new cooperative agreements on regulating global economic activity.

#### *Revenue concerns*

When money can be moved easily across borders, it becomes very tempting for corporations to place their assets in "tax havens," that is, countries with very low corporate tax rates. This in turn can lead governments to compete to reduce corporate taxes, which means they must rely more heavily on income taxes on individuals. And, with lower tax revenue, this reduces the ability of countries to respond to the other disruptions of globalization.

Response: New international agreements and standards on tax policies and regulating investment can help minimize this effect. Eventually, governments are likely to find that agreements on harmonizing financial regulations will make it easier to eliminate tax evaders.

#### AN INEXORABLE PROCESS

There is a parallel between the economic forces which shook the United States early this century and those we are confronting today. For most of the 19th century, the economies of our various states were isolated and independent. However, rapid technology changes, driven by railroads and telegraphs, resulted in a nationalization of the economy. Suddenly, workers became concerned about conditions and competition from neighboring states. Unregulated capital went streaming into frontier ventures, leading to a series of banking panics. The answer, clearly, was not that the railroads could be torn up or that telegraph lines be pulled down. Instead, Americans found new ways to regulate production and manage the national economy. And the result was the creation of the most efficient wealth-producing economy the world has ever seen.

The challenge today is to find new ways of cooperating in the global economy. That includes reinvigorating and improving the tools of international cooperation that have served as well over the last 50 years. Instruments such as the International Monetary Fund, the World Trade Organization, and new international environmental and labor agreements will have to be strengthened to cushion us from the inevitable shocks.

#### CONCLUSION

Our number one concern in this increasingly globalized economy is jobs—good and secure jobs for Americans. We must pursue policies that continue to promote economic growth and improve living standards. Just as Americans in the last century successfully found ways to master the economic forces of that day, so Americans now must find ways to master, and not resist, the forces of today's global economy.

## SALUTE TO 10 BAY AREA ENVIRONMENTAL LEADERS

### HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 9, 1998*

Mr. MILLER of California. Mr. Speaker, I rise to pay tribute to ten outstanding environmental leaders in the San Francisco Bay Area who recently were rightly named by the Contra Costa Times as "Ten Natural Treasures."

These men and women—some of them my constituents, some activists with whom I have had the honor to work—have fought tenaciously to protect and preserve not only the resources and the environment of the Bay Area, but also the health and safety of the millions of people who call this very special region our home. Their vision and their dedication establish how determined individuals can change our society for the better, and preserve its treasures for generations to come.

I would like to submit the August 31, 1998 editorial from the Contra Costa Times, and ask all my colleagues to join in recognizing these outstanding environmental leaders.

#### TEN NATURAL TREASURES

Last week Times staff writer James Bruggers profiled 10 Bay Area environmentalists—citizen activists—who have left an indelible mark on this glorious area. They are residents who made a tremendous difference in the landscape—literally and figuratively.

Their efforts have changed how we think about open space, clean water and the ecology of our home.

Some of them—such as David Brower—are national stars of the movement. Others have made just as significant contributions but at a more local level.

For the record, they are:

David Brower, 86. He's considered the patriarch of the American environmental movement. Once a leader of the Sierra Club, he parted ways with the group in 1969 and formed Friends of the Earth and Earth Island Institute.

Margaret Tracy, 75. She cofounded the Preserve Area Ridgelines Committee, envisioning a network of trails connecting East Bay open spaces.

Dwight Steele, 84. He was a successful lawyer who chucked it all to devote his legal mind to environmental laws through pro-bono work. He fought to keep San Francisco Bay waters open and Lake Tahoe free of pollution.

Silvia McLaughlin, 81. She helped found the Save San Francisco Bay Association, essentially protecting it from infill and development.

Robert Stebbins, 83. His scientific work was the basis for the California Desert Protection Act, passed Congress in 1994.

Mary Bowerman, 90ish. A co-founder of Save Mount Diablo, she is a botanist who worked to expand the Mt. Diablo State Park's lands.

Will and Jean Siri, late 70s. They fought for environmental justice in poor East Bay communities. The Siris helped give residents living near refineries a political voice.

Manfred Lindner, 78. He pressed for Morgan Territory and Las Trampas regional parks.

Edgar Wayburn, 91. He tenaciously pushed for establishing Point Reyes National Seashore in Marin County and the Golden Gate National Recreation Area in Marin and San Francisco.

These 10 individuals left their footprints on the West. They fought, argued, lobbied and

persuaded residents and their legislators that the Bay Area is full of natural treasures worth preserving.

It was our responsibility—and to our benefit—to treat them and their deeds with respect.

They saw where disregard of the environment would lead. They grabbed the wheel and insisted we change course. They resolved to preserve the integrity of the Bay Area so that it would still be noted for its uniqueness and its beauty for generations.

We thank these people, these visionaries, for their efforts. Indeed their sweat equity has paid off.

Yet despite their youthful energy, these trailblazers won't be leading the charge much longer. Their ages attest to that. Looking beyond the next few years, we wonder whether the next generation is up to the task. Will leaders come forward to carry the banner into the next millennium?

The answer, of course, must be yes. Otherwise, all of the work of these environmental pioneers will have been in vain.

Environmental issues of tomorrow include safe and sufficient water supply, suburban sprawl, the competing needs of endangered species and private property rights, old growth forests, our oceans, and the biggie, overpopulation.

The challenges are plenty and the opportunities grand for those with the courage, tenacity, devotion and vision to accept them.

We salute these men and women and suggest that they are in and of themselves, treasures.

## CENTERS OF EXCELLENCE: A WAY TO SAVE LIVES AND DOLLARS

### HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 9, 1998*

Mr. STARK. Mr. Speaker, Congress should enact legislation to allow Medicare to concentrate certain difficult surgical procedures in hospitals of special excellence in those procedures. If we did this, we would certainly save lives because the data is overwhelming that some hospitals do difficult procedures better than other hospitals. Better patient outcomes also means savings to Medicare by the avoidance of complications and repeat surgery. It also offers the chance for Medicare to negotiate a bundled, lower payment: Medicare will guarantee a higher volume of patients in exchange for volume price discounts.

I've introduced legislation to establish a Centers of Excellence program, HR 2726, which I hope can be enacted in the next Congress.

The Annals of Surgery's July 1998 issue contains an article which proves, once again, what a life-saver this type of program can be. Following is the abstract of the article, describing using centers of excellence for pancreaticoduodenectomy—a "complex, high-risk general surgical procedure usually performed for malignancies of the pancreas" and duodenum area:

STATEWIDE REGIONALIZATION OF PANCREATODUODENECTOMY AND ITS EFFECT ON IN-HOSPITAL MORTALITY OBJECTIVE

This study examined a statewide trend in Maryland toward regionalization of pancreaticoduodenectomy over a 12-year period and its effect on statewide in-hospital mortality rates for this procedure.