

Illinois hospitals are experiencing severe financial hardship as a result of the Balanced Budget Act of 1977 (P.L. 105-33). The cuts mandated by the BBA were supposed to simply slow the growth in the Medicare program. However, the Act "overcorrected" the growth in Medicare spending and severely reduced Medicare reimbursements to hospitals and health service providers for five years beginning in 1997. In Illinois alone, it is estimated that hospitals will lose \$2.8 billion in Medicare payments over a five year period. The financial burden of the BBA cuts is particularly acute for the teaching hospitals in my state. Because Illinois ranks fifth in the nation in the number of teaching hospitals, and these facilities are expected to lose more than \$1.6 billion over the five-year period, of the BBA's life. These cuts have a devastating effect on the communities that they serve.

I opposed the Balanced Budget Act when it was debated by the House of Representatives in 1997. I believed that it was bad policy then, and believe that it is bad policy now.

In order to provide relief for the teaching hospitals and other health service providers that were so adversely impacted by the BBA, I introduced legislation, Health Care Preservation and Accessibility Act of 1999, H.R. 3145, to restore some of the Medicare reimbursements that the BBA reduced. The legislation was intended to accomplish this in a number of ways:

(1) H.R. 3415 would freeze the cuts in indirect medical payments (IME) to teaching hospitals at 1999 levels. It also freezes cuts in the disproportionate share payments (DSH payments) at 2% and provides payments directly to those serving a large share of low-income patients;

(2) directs the Secretary of Health and Human Services to make payments for Graduate Medical Education (GME) to children's hospitals for the Medicare FY 2000 and 2001 cost reporting periods for the direct and indirect expenses associated with operating approved medical residency training programs;

(3) sets a floor on outpatient hospital payments so that rural hospitals do not fall below 1999 levels and establishes a new payment system for rural health centers;

(4) revises the payment system for community health centers so that it more adequately reimburses for the costs of care and allows safety net providers that provide health coverage to low-income Americans to be directly compensated for their services;

(5) eliminates the \$1,500 per beneficiary cap imposed by the BBA and replaces it with a payment system that is based on the severity of illness;

(6) revises the BBA's new prospective payment system for skilled nursing facilities by increasing reimbursements for patients needing a high level of services to more accurately reflect the cost of their care;

(7) delays a scheduled 15% reduction in the home health interim payment system if the Secretary of Health and Human Services misses the deadline for instituting the new prospective system. H.R. 3415 also allows for interest free recoupment of overpayments due to HCFA's underestimation of the interim payment rates for certain agencies. Finally, H.R. 3415 provides additional protections for seniors citizens and persons with disabilities and strengthens protections and sanctions for Medicare fraud and abuse.

Mr. Speaker, I introduced the Health Care Preservation and Accessibility Act of 1999 when it looked as if we could not reach agreement on even the minimal BBA relief that the legislation before us provides to Illinois hospitals, and hospitals across the nation. I am reluctantly supporting the legislation before us today, because it is the only option that has been presented to us. But it is my hope that we will have the courage to revisit this issue in the next session, and complete the job that we have only begun with H.R. 3075.

CONFERENCE REPORT ON S. 900,  
GRAMM-LEACH-BLILEY ACT

SPEECH OF

**HON. JERRY F. COSTELLO**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, November 4, 1999*

Mr. COSTELLO. Madam Speaker, I rise today in strong opposition to the Financial Services Modernization Act. This bill was brokered by the Republican leadership, in a partnership with the large financial services lobbyists, to the benefit of enormous corporations at the ultimate expense of the American consumer.

This bill will expedite the creation of megabucks malls—the one-stop shopping of the financial world. This will hurt consumers because as financial services providers consolidate, competition will decline and consolidate decision-making and services among fewer service providers. Should one of these enormous institutions suffer a financial decline, we could see calls for a bailout that will recall the savings and loan debacle of the 1980's, with taxpayers footing the bill.

I am also concerned of the effects that the Community Reinvestment Act provision may have on certain banks in my district. By reviewing small banks which provide service in underserved communities only once every 4 or 5 years, there is no guarantee that these banks will maintain their lending standards to these communities. A two-year review enforced this. Underserved communities need to be ensured of financial assistance, and this bill does not provide that guarantee.

Most frightening, however, is the effect the privacy provisions will have. Under this bill, financial institutions have access to and distribute our personal information, including our bank and brokerage account or insurance record information, to all the institution's divisions and affiliates, without the customer's permission. In addition, banks will share our consumer information with third parties unless the consumer explicitly tells the financial institution not to. The walls protecting our financial privacy and other personal information are slowly being eroded.

While the Financial Services Modernization Act may modernize the financial world, it does so at the expense of the consumers. I cannot support this legislation.

TRIBUTE TO THE HONORABLE LEO  
T. MCCARTHY

**HON. ANNA G. ESHOO**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, November 8, 1999*

Ms. ESHOO. Mr. Speaker, I rise today to honor a distinguished American, a revered Californian, and a dear friend, Leo T. McCarthy, on the occasion of his induction into the San Francisco Law School Hall of Fame.

Born in Auckland, New Zealand, Leo immigrated with his family to the United States at the age of three. He earned his undergraduate degree from the University of San Francisco and his law degree from San Francisco Law School. Admitted to the practice of law in both the Federal and State courts of California on January 15, 1963, Leo McCarthy was also elected to the San Francisco Board of Supervisors in 1963.

In 1968, Leo McCarthy was elected to the California State Legislature where he served with great distinction until 1982. Chosen Speaker of the California State Assembly in 1974, he focused his considerable talents and energy upon creating State policy in areas ranging from education to health. He has given important service as a member of the World Trade Commission, the University of California Board of Regents, and the California State University Board of Trustees where both his passion for excellence and civic spirit were always evident.

On January 3, 1983, Leo McCarthy became the Lieutenant Governor of the State of California, a position he retained until his retirement from elective office in 1994. Once again, his commitment to serving both his nation and the people of California was clearly manifested by his dedication to his office. He nurtured businesses from formation to long term growth as the Chair of the California Commission for Economic Development. He focused particular attention upon working to improve the involvement of businesses in international trading and investment, particularly in Pacific Rim markets, an area of lifelong interest.

In 1992, while still in office, Leo McCarthy aided over 100 women and minority business investors by publishing an award-winning guide titled, *Starting and Succeeding in Business: A Special Publication for Small, Minority- and Women-Owned Businesses*. At the same time, he helped California implement the Greater Avenues for Independence (GAIN) program which helps welfare recipients move into private sector jobs. In 1992, Leo McCarthy sponsored both the Mammography Quality Assurance Act that created new standards governing both mammography facilities and technology, and Senate Joint Resolution 32, which declared that breast cancer was an epidemic in California, requesting that the President and the Congress dedicate greater funds to find the causes of and a cure for the disease.

Upon his retirement from public office in 1994, instead of indulging in a well-deserved rest, Leo McCarthy joined the board of the Linear Technology Corporation, a high tech firm which manufactures analog integrated circuits and in 1998, produced \$460 million in sales. He also became a board member of two mutual funds, the Parnassus Fund, a socially responsible fund that invests a \$400 million investment portfolio in domestic stocks

and bonds, and Forward Funds, Inc., which focuses on investing in domestic and foreign equities and bonds with a \$230 million investment portfolio.

Leo McCarthy is also the Vice Chair on the Board of Open Data Systems, a private firm which creates software aimed at facilitating the accurate recording and processing of building permits and other development documents used by local governments. All of these private sector businesses have subsequently benefited from his active and enthusiastic involvement as a board member. In 1995, Leo McCarthy became President of the Daniel Group, a law partnership which focuses on international trade and market investment.

With all these responsibilities, Leo McCarthy has continued his public service. Appointed to the National Gambling Impact Study Commission by the U.S. Senate Democratic Leadership, the Commission has undertaken a two year study of the impact of all forms of legal gambling in the United States at the order of the President and the Congress.

Leo McCarthy and his wife Jacqueline have been married for over 40 years. They have four exceptionally talented children, Sharon, a fifth grade teacher, Conna, an attorney, Adam, an import-export businessman, and Niall, an attorney, and they are the proud grandparents of eight.

Leo McCarthy's life of leadership is instructive to us all. His dedication to the ideals of both democracy and public service stand tall. I am especially blessed to have him as a mentor, a colleague, and a friend. It is fitting that the San Francisco Law School has chosen to induct him into its Hall of Fame and I ask my colleagues, Mr. Speaker, to join me in honoring a great and good man. We are indeed a better country and a better people because of him.

DOROTHY'S PLACE HOSPITALITY  
CENTER

**HON. SAM FARR**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, November 8, 1999*

Mr. FARR of California. Mr. Speaker, I rise today to commemorate the millionth meal served by Dorothy's Place Hospitality Center. Founded in 1982 by Robert Smith and operated by the Franciscan Workers of Junipero Serra, Dorothy's Place is a local soup kitchen in Salinas that has provided food and support daily to the hungry and the homeless.

Dorothy's Place Hospitality Center has for more than seventeen years provided meals as well as support to the less fortunate members of Salinas County during times of need and hardship. The staff and volunteers have graciously extended themselves through commitment and generosity to our local poor. Dorothy's Place is a great community resource deserving of praise and thanks for the humanitarian spirit and service that it has provided for so many years.

It is with great pleasure that I commend Dorothy's Place Hospitality Center for serving its millionth meal. For its exemplary record of service to the poor and hungry, I would like to extend best wishes for success in the future as this establishment continues to make invaluable contributions to our community.

JAPANESE "COMFORT WOMEN"

**HON. LANE EVANS**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Monday, November 8, 1999*

Mr. EVANS. Mr. Speaker, I rise today to speak about one of the great injustices, one of the most flagrant violations of human rights.

During World War Two, the Japanese military forced hundreds of thousands of women to serve as sexual slaves. Euphemistically known as "comfort women", they were predominantly Korean women and girls abducted from their homes and forced to serve Japanese soldiers. This government-sanctioned program created untold numbers of comfort stations or military brothels throughout Japanese-occupied territories in the Pacific Rim.

For decades after the war, the Japanese government denied the existence of "comfort women" and the comfort stations, but in 1994, their position changed. The Japanese government admitted that "the then Japanese military was directly or indirectly involved in the establishment and management of comfort stations and the transfer of "comfort women [and] that this was an act that severely injured the honour and dignity of many women".

In 1993, international jurists in Geneva, Switzerland ruled that women who were forced to be sexual slaves of the Japanese military deserve at least \$40,000 each from the state treasury as compensation for their extreme pain and suffering.

Mr. Speaker, the Japanese government has a legal as well as moral responsibility to face its history. To continue to indignantly brush away these women's claims adds insult to injury.

Stripped of their dignity, robbed of their honor, most of them were forced to live their lives carrying those horrific experiences with them covered under a veil of shame. I don't think they should do so any longer.

I believe the Japanese government must do whatever can be done to restore some dignity for these women.

The German government has formally apologized to the victims of the Holocaust as well as other war crimes victims and has gone to great lengths to provide for their needs and recovery, but the Japanese government has yet to do so.

That is why, in the strongest possible terms, I call upon Japan to formally issue a clear and unambiguous apology for the atrocious war crimes committed by the Japanese military during World War II and offer reparations no less than \$40,000 for each of the "comfort women". The surviving women are advanced in age, and time is of the essence. They have waited so long. They should wait no longer.

Critics may ask why we should even dredge up something that happened so long ago and halfway across the world?

Let me turn the critics' attention to the U.S. Constitution. It reads: "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their creator with certain unalienable rights . . ."

Mr. Speaker, this nation was an experiment. An experiment to form a new system of government. A government based on the then-radical concept that we all have certain God-given rights that should not be violated—each and every one of us in this world. It matters

not that injustices were committed against women and girls in East Asia over fifty years ago or fifty minutes ago. There is no statute of limitation on crimes against humanity. When human rights are violated, the international community must act because we have a moral responsibility to do so.

Even today, we sometimes turn a blind eye to human rights. We sometimes take them for granted. We sometimes stay silent. But we shouldn't.

Two hundred years ago, Thomas Jefferson wrote: "the laws of humanity make it a duty for nations, as well as individuals, to help those whom accident and distress have thrown upon them."

Mr. Speaker, I strongly believe we have a duty. We have a duty to help those who need our help. We have a duty to stand up for those who cannot stand up on their own. We have a duty to speak up for those who have no voices and to do what is just and what is right.

So, let us do what is just and what is right for the "comfort women" and other victims. Let us speak out for them. Let us stand up for them. Let us lend them our strength.

We must act and we must speak out, because in the end, people will remember not the words of their enemies, but the silence of their friends.

We must not remain silent.

MEDICARE, MEDICAID, AND SCHIP  
BALANCED BUDGET REFINE-  
MENT ACT OF 1999

SPEECH OF

**HON. JERROLD NADLER**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, November 5, 1999*

Mr. NADLER. Mr. Speaker, I rise today to explain my vote against H.R. 3075, the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act. This bill makes several important restorations of cuts that were made to the Medicare program in the Balanced Budget Act of 1997. However, this bill also includes a provision that would hurt New York City's teaching hospitals and render meaningless the other positive measures in this bill.

Mr. Speaker, America's hospitals are hurting and they need relief from the mammoth cuts made by the Balanced Act. I was one of the few lawmakers who voted against the Balanced Budget Act because I knew it would have these consequences. We should not be surprised that cutting over \$200 billion from Medicare would cause the quality of care to suffer in many hospitals. In New York State alone, it has been estimated that hospitals have lost over \$550 million so far and could face up to \$3 billion more in cuts over 5 years without new legislation. H.R. 3075 would make a small, but important, down payment toward restoring those cuts.

However, it is shameful that in the name of providing relief, this bill would create even more pain for New York. At the last minute, a provision was added to change the methodology by which Medicare reimburses teaching hospitals for their direct medical education costs from one based on actual cost to one based on national average costs. This would shift over \$45 million a year from New York