

who depend on the airline industry. Anyone who closely examines the bill will find that the Republican House leadership has chosen to protect airline industry "fat cats" and ignore the voice of the American people.

Rewarding the same private screening companies that have continuously failed to protect the American public is outrageous. The Republican leadership can not pretend to have the interests of the American people in mind when airport baggage companies are poised to make millions of dollars through new contracts. The GOP bill does not mirror the language in the Oberstar amendment which federalizes airport screeners and transfers their day to day oversight from the Transportation Department to the Justice Department. The Democratic alternative takes a stand the Republican leadership refuses to take; we provide strong oversight and place the responsibility for the safety of the American people firmly in the hands of the federal government.

#### MEDICARE OUTPATIENT COPAYMENT REDUCTION ACT OF 2001

### HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, November 13, 2001*

Mr. STARK. Mr. Speaker, today, I am introducing legislation to reduce the coinsurance amounts that Medicare beneficiaries are required to pay for hospital outpatient services. For most Medicare services, beneficiaries are required to pay 20 percent of the allowed payment amount, and Medicare pays 80 percent. However, for hospital outpatient services, Medicare beneficiaries are required to pay much higher copayments—up to 90 percent for some services.

These higher coinsurance levels are based on an historical artifact of the Medicare method of paying for hospital outpatient services. Prior to implementation of the hospital outpatient prospective payment system (HO-PPS) just last year, Medicare paid for hospital outpatient services based on a hospital's "costs" for those services. However, coinsurance amounts were based on 20 percent of the hospital's "charges" for those services, which were much higher than its "costs". Therefore, over time, coinsurance levels for hospital outpatient services grew until they now average almost 50 percent, and are more than 90 percent for some services.

The Balanced Budget Act (BBA) of 1997, which mandated the implementation of the hospital outpatient prospective payment system, would have reduced coinsurance levels to 20 percent over time; however, the Medicare Payment Advisory Commission (MedPAC) estimated that this reduction would have occurred over 30 to 40 years for most services, and up to 60 years for some services. The Balanced Budget Refinement Act (BBRA) limited the highest coinsurance levels to the dollar amount of the hospital inpatient deductible in any year (\$792 in 2001); this limit affected coinsurance amounts for about 20 services.

The Beneficiary Improvement and Protection Act (BIPA) of 2000 accelerated the reduction in beneficiary coinsurance levels by reducing coinsurance in increments of 5 percent each year until it reaches 40 percent in 2006.

MedPAC estimates that without further legislation, it would take an additional 23 years after 2006 to reduce beneficiary coinsurance levels to 20 percent for all hospital outpatient services. In its March 2001 report to Congress, MedPAC recommended that the Congress continue to reduce beneficiary coinsurance in increments of 5 percent each year to achieve a coinsurance level of 20 percent in 2010.

Mr. Speaker, my bill would implement the MedPAC recommendation. It would reduce beneficiary coinsurance rates in increments of 5 percent each year beginning in 2007 until the coinsurance rate for all hospital outpatient services is 20 percent in 2010.

Mr. Speaker, high coinsurance rates are particularly devastating for Medicare beneficiaries who have no supplemental insurance. MedPAC estimates that in 1998, 14.4 percent of Medicare beneficiaries had no supplemental insurance. Most of those individuals were "near poor"—with incomes too high to qualify for Medicaid or the Qualified Medicare Beneficiary (QMB) program, but with incomes too low to be able to afford supplemental insurance. Thus, almost 6 million Medicare beneficiaries have no supplemental insurance and must pay cost sharing amounts out-of-pocket. MedPAC reports that the number and percentage of Medicare beneficiaries without supplemental insurance grows each year as premiums for such insurance increases, and a recent report by the American Academy of Actuaries estimated that one-fourth of recent increases in Medigap premiums are due to the costs of outpatient coinsurance.

MedPAC also reports that coinsurance amounts are much higher for certain services than others. Those with the highest coinsurance are the "high tech" services, such as radiology services and cancer chemotherapy services. Thus, high coinsurance greatly limits access to these services for "near poor" Medicare beneficiaries, and MedPAC analyses confirm that use of these services is much lower for "near poor" beneficiaries than for beneficiaries with supplemental insurance.

Mr. Speaker, it is wrong to limit Medicare services to the "near poor" simply because they are not poor enough to qualify for Medicaid, nor wealthy enough to be able to purchase supplemental insurance. I urge the Congress to accept the MedPAC recommendation and enact legislation to reduce coinsurance for hospital outpatient services to 20 percent by 2010.

#### MILWAUKEE KIWANIANS CELEBRATE 85 YEARS OF SERVICE

### HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, November 13, 2001*

Mr. KLECZKA. Mr. Speaker, on Wednesday, November 14, 2001, the Kiwanis Club of Milwaukee will commemorate 85 years of dedicated and altruistic service provided to the people of our community.

Chartered in November, 1916 as the 73rd club under Kiwanis International, the Kiwanis Club of Milwaukee began as a service organization of 158 businessmen. Since its humble beginnings, the Milwaukee branch has established itself firmly within Southeastern Wisconsin while providing untethered leadership and generosity for those in need.

Committed to eliminating the devastating effects of iodine deficiency disorders (IDD), Kiwanis International launched its first Worldwide Service Project in 1994 pledging to raise \$75 million in partnership with UNICEF to eradicate this very debilitating but preventable condition. The Milwaukee Club's commitment to raise over \$60,000 for the Worldwide Service Project insured that 1.5 million individuals will not suffer from disorders including stillbirths and cretinism. This gift will also allow future generations to grow up healthy and confident that their children will reach their full physical and mental potential free of IDD.

The Kiwanis Club of Milwaukee also actively reaches out a hand to help its fellow neighbors. By working with Milwaukee Public Schools and YMCA Holton Youth Center, the Milwaukee Club has made an commitment to improve the lives of numerous youth by volunteering their time to tutor in an inner city Milwaukee school and by providing mentors, organizing book drives, and donating computers to Holton Youth Center's library to help the young participants to continually achieve success in their own lives.

Dedicated to expanding the horizons of all citizens, the Kiwanis Club of Milwaukee, along with Curative Care Network of Milwaukee, worked to form the fifth Aktion Club in the world. This innovative program gives developmentally handicapped adults the opportunity to actively provide community service throughout their neighborhood. This year the Milwaukee Kiwanis Club and Aktion Club are joining together in the annual Milwaukee River Cleanup and the holiday season's bell-ringing campaign.

Through their contributions and service projects, the Kiwanis Club of Milwaukee has established itself as an important resource for thousands of individuals. It is with great pleasure that I extend my heartfelt congratulations to the Kiwanis Club of Milwaukee as they commemorate this milestone, and extend best wishes for continued success in their next 85 years.

#### A TRIBUTE TO LETITIA HOADLEY WHITE

### HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, November 13, 2001*

Mr. LEWIS of California. Mr. Speaker, I would like today to pay tribute to Letitia Hoadley White, a congressional staff member who has spent two decades representing the highest values we in Congress want to provide to our constituents: courtesy, commitment and a dedication to public service.

Letitia Hoadley joined my staff on November 9, 1981, as a receptionist. She quickly showed a sensitivity toward constituents, and an eagerness to help them solve their problems. It wasn't long before people began calling our office looking specifically for "that young lady who was so nice on the phone."

Her intelligence and willingness to go the extra mile led to her promotion to executive secretary after just a month, and to legislative correspondent in less than a year. Letitia wasn't sure she wanted the second promotion—it paid more and had more responsibility, but she worried she would miss the