

the year just ended, it is estimated that WVHCS-Hospital provided uncompensated care valued at over \$6,000,000. In addition, there were almost 18,000 patient encounters within our family practice residency program, the majority of which were to Medical Assistance or other uninsured/underinsured patients who otherwise would have ended up in emergency rooms.

Under the current rules, Medicare applies the wage index to about 71% of the average hospital's non-capital cost pool. Based upon our calculations, the portion of our costs to which that index should be applied is estimated to be far less, approximately 58%. The result is that areas like ours, where the wage index is less than 1.00, are paid less than cost for a portion of their supply expenses.

For the 2002 fiscal year, we have experienced registered nurse (RN) staffing turnover approximating 15% of our total RN pool. This is driven by the fact that the average wage rate which we can afford to offer for a registered nurse is \$20.28, well below other contiguous metropolitan statistical areas. In addition, the current vacancy rate for certified registered nurse anesthetists is 25%. Despite the fact we operate one of the largest and most successful schools of nurse anesthetists in the nation, surrounding areas are paying \$5 to \$6/per hour more than our region.

Registered nurses are not the only area of need with which we are faced. For example, radiology/imaging technologists are earning (an average hourly rate of \$14.88, again, well below other nearby metropolitan statistical areas). The result is that for the first half of 2002, we have experienced almost 20% turnover in imaging technicians, particularly in the areas of nuclear medicine, CT scanning, magnetic resonance imaging (MRI) and general radiology services.

Without additional relief, we are losing staff to surrounding communities!

In addition to these labor related pressures, we are faced with other issues affecting costs including the malpractice insurance crisis, bioterrorism preparedness, as well as, added regulatory requirements under the Health Insurance Portability and Accountability Act (HIPAA). While it is not our intention to redirect wage-related reimbursements to those areas, the fact remains that the amount of funds which we will have available to address our staffing needs will be even further limited.

Once again, we would like to thank you, Representative Sherwood, Representative Kanjorski, Senator Santorum and each of your respective staffs for all of the efforts which you have put into this important cause. In particular, we would like to thank you and Representative Sherwood for spending time with representatives from area hospitals on Monday, July 1, 2002.

We look forward to hearing from you as to when the conference committee hearings will be scheduled as we would like to be present to represent our community and this critical issue.

Sincerely,

WILLIAM R. HOST,
President and Chief
Executive Officer.
MICHAEL D. SCHERNECK,
Senior Vice President
and Chief Financial
Officer.

THE BLOOMSBURG HOSPITAL,
Bloomsburg, PA, July 3, 2002.

Memo to: Andrew M. Wallace, Executive Director, Northeast Region.

From: Robert J. Spinelli, CEO, The Bloomsburg Hospital, Bloomsburg, PA.

The Medicare Reimbursement issue currently debated is extremely important for

The Bloomsburg Hospital. As a community hospital located in Northeast Pennsylvania, the current wage index rates have contributed to three years of deficit income, which has resulted in the inability to recruit qualified staff. In addition, our hospital has had to furlough individuals and not fill positions as vacancies become available.

Your help in this wage index change is greatly appreciated. Thank you.

I will be available to attend the Conference Committee meeting. Please contact me.

WAYNE MEMORIAL HOSPITAL,
Honesdale, PA, July 3, 2002.

Senator ARLEN SPECTER,
Scranton, PA.

DEAR SENATOR SPECTER: Thank you for holding the briefing on the Medicare reimbursement issues and the Wage Index issue in particular. We truly appreciate all your efforts on our behalf to assure that Medicare Reimbursements to providers of services are adequate.

I am summarizing a few of the issues facing us in our fiscal 2003, which began on Monday, July 1, 2002, the same day as your briefing.

We are anticipating an increase in our Medicare payment rate of approximately 3% effective with the beginning of the next federal fiscal year on 10-1-02. The increase is based on a Market Basket increase less .55%, as I recall has been the reduction factor over the last several years. Medicare is saying that, inflation is running 3.55% and we'll give you a 3.00% increase in rates. This makes it extremely difficult to keep net revenues above expenses when by definition, expenses are increasing faster than revenue or rates. Capital costs are included in this same methodology. Wayne Memorial is currently in a planning process that may well identify the need to spend capital dollars. Medicare reimbursement will not change as a result of this capital project and the proposed increase for fiscal 2003 will make it difficult to cover additional debt service on any new debt that may be required.

We have also recently absorbed an 80% increase in our annual General and Professional liability (malpractice) insurance premium that must be paid from this 3% increase from Medicare. We are facing serious physician recruitment issues related to the malpractice crisis here in Pennsylvania, as well. The increase in our malpractice premium will total over \$725,000 on an annual basis. The increase in Medicare payments that would result from this change in MSA to Newburg, New York would mean approximately \$450,000 of additional Medicare reimbursement for Wayne Memorial.

I want to thank you again for your hard work on these serious issues facing healthcare providers in Pennsylvania and hope that all of our efforts, together, can move us toward a Medicare payment system that is more adequate.

Sincerely,

MICHAEL J. CLIFFORD,
Director of Finance.

Mr. SPECTER. In the absence of any other Senator seeking recognition, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, are we in a period of morning business?

The PRESIDING OFFICER. We are not.

MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that we now proceed to a period for morning business with Senators allowed to speak therein for a period not to exceed 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOURTH OF JULY DEDICATION OF THE LOVELL VETERANS MEMORIAL CENTER

Mr. ENZI. Mr. President, all of us are just returning from the Fourth of July recess. It is a grand time, I am sure, across the United States. It was particularly a grand time in Wyoming. I get to go to a lot of parades and fairs and rodeos. It is really our only time outdoors to get a little bit of suntan that, unfortunately, goes from the wrist to the tip of the fingers, and the neck up. But it is a grand time. I want to share with my colleagues one of the adventures of this Fourth of July recess.

I got to be in a place called Lovell, WY. It is in the northern part of Wyoming. They had a dedication of a veterans memorial center that features a huge mural that includes pictures from all of the wars in which we have participated. The mural goes down into a rocky beach that contains rocks from different wars that we have been in as well. They had a dedication of this veterans memorial center.

The dedication was also attended by Commander Lovell, whose town is now his namesake. That is the Lovell of Apollo 13 fame and ingenuity.

Of course, it reminded me of that time in 1957 when the United States realized that we were behind in all of the scientific races. It challenged many of us to improve education in the United States. I think that continues today. The United States met that challenge. I remember when Sputnik went up I was appalled and I immediately became one of those rocket boys, one who was anxious to learn as much about science and space as possible.

I am pleased to say the Explorer Post that I was in launched a rocket with electronic ignition the second time we did it. We also learned on the first one that you have to clear that with the FAA so you don't shoot down airplanes. There have been a lot changes in that.

I got to go to this parade and dedication of the mural. It was very patriotic. At the beginning, as they unfurled this new flag on a huge new pole, we did say the Pledge of Allegiance. There was a reaction to the previous Wednesday's Ninth Circuit announcement because when the words, "under God" were said, they were louder than the whole rest of the pledge, just as an affirmation that the people of Wyoming were upset with the decision that had