

not give patients barely a coin-flip's chance whether they receive evidence-based, scientifically accepted care in appropriate situations.

Mr. Speaker, I rise today to introduce legislation because our health care system is not the best in the world. Our health care system produces great medicine but it produces great medicine unevenly and with massive inefficiencies and frequent mistakes. We can do better.

There's a saying: "Every system is perfectly designed to produce the results it gets." We need to redesign the health care system to produce better outcomes at a better value. We need nothing short of a transformation so that delivering the highest quality health care becomes not only the overriding goal of the professionals within the system, but of the system itself.

How do we get there? Today, I am introducing a bill called the Josie King Act to put in place three pillars of a transformed system: A fully electronic, integrated, paperless healthcare system; a new emphasis on improving the science of better care, from the evidence base underlying medical treatments to the creation of a new cadre of health quality experts; and new methods of measuring the quality of care and new payment practices so that providers are compensated for the quality of care they provide, not just the quantity.

We're in the information age, and nowhere is information more important than in health care. Yet we ask doctors to practice medicine in the dark.

Our healthcare system is made up of thousands upon thousands of independent providers, each with its own records and no way to communicate with each other. Patients see multiple doctors, very rarely with anybody other than the patient as the traffic cop.

Since the right hand doesn't know what the left hand is doing, it's no wonder that 54 percent of serious chronic disease patients say they have been sent for duplicate tests or procedures within the last year.

In fact, it is estimated that 20 percent of labs and x-rays are ordered because the previous results can't be found. One in seven hospitalizations occurs as a precaution because patient information is unavailable.

Handwriting errors and other human mistakes cause deaths and injuries. The chances of being administered the wrong drug or the wrong dose in the hospital is around seven percent. Adherence to evidence-based medicine is shockingly low—barely 50 percent.

Why? It's not because the doctors and nurses and other health care personnel aren't skilled or committed or careful. It's because we practice 21st century medicine on a 20th century platform. Right now, less than five percent of doctors' offices use electronic medical records there's no way for even those doctors to easily share information.

The information revolution has transformed financial services, manufacturing, retail. Even hide-bound politicians are adapting campaigns and elections to the new tools. We need I.T. to transform medicine as well.

Making our health care system fully electronic, with networks to share all information that patients choose to share, will create new tools for doctors and nurses to let them use their skills more effectively.

Each provider would have a complete record for the patient, so there would be no more duplication of tests and procedures.

Computerized decision support systems would catch possible errors and help remind health professionals of new advances in evidence-based practice guidelines.

Patients would have access to important health information in a way that can allow them to be active participants in their own care.

A national health information infrastructure will also be a critical public health tool, helping the CDC and other public health agencies quickly pick up on and respond to outbreaks and acts of bioterrorism.

As we build these health information networks, security and privacy must be paramount. In fact, we can and should make a new information infrastructure safer than the status quo, with paper records that can be read by anybody and are easily accessible.

Not only could creation of this health information infrastructure dramatically improve patient care, it could save us billions of dollars—dollars our health care system can scarcely afford to waste. The independent Center for Information Technology Leadership prepared a report for the Department of Health and Human Services estimating the savings at \$87 billion per year as we eliminate duplicate tests, unnecessary hospitalizations, and the many errors that plague our system today.

If electronic health systems are so terrific, you would think we'd have them by now. But here's the trouble. Most providers, especially physicians in small practices, have little financial incentive or wherewithal to make substantial I.T. investments.

In order to fix that, we need to recognize that putting in the information technology we need is a community-wide, infrastructure challenge. The benefits of achieving a widespread health information network for the community as a whole are tremendous, easily providing enough return on investment for all to gain.

But to get there, all of the health care stakeholders will have to work together to figure out how they're going to divide up the costs and the savings of putting electronic systems in every provider's office and of establishing the network. It needs to be a community-wide approach.

The model is being built in Rhode Island. Work is underway to pilot the development of a comprehensive health information network, and when it is in place, Rhode Island will be showing the future to the rest of the nation.

Building on this model, the Josie King Act lays out a phased process that will provide seed money and leadership to get the process rolling across the country and help every state and region build its infrastructure. With this proposal, we can get virtually the entire healthcare system networked in a decade.

When we have an electronic health information system, all kinds of other possibilities for transformation become possible. The Josie King Act not only would put I.T. in place, but would help establish new systems to take advantage of it.

Information systems create new opportunities for developing and using the evidence base. The Josie King Act would promote research into the comparative effectiveness and value of drugs, treatments, and technologies so doctors will have more and better information.

But as we expand our understanding about what constitutes good medicine in a given situation, we need to improve how that knowl-

edge is used. How would we react, Mr. Speaker, if the airline lost half of our bags? Or if every other computer in our offices had to be returned to the manufacturer due to defects?

Well that's what we have in medicine—a defect rate approaching 50 percent in many cases, according to research from the RAND Corporation. We need to challenge the culture and systems that we have, because they are simply not good enough.

Information technologies can be powerful tools to drive out errors and improve efficiencies, as we have seen throughout our economy. But they are the tools, the means not the end. We also need leaders committed to redesigning health care delivery. The Josie King Act would begin training this new cadre of health care leaders with scholarships for graduate study in health care quality and efficiency.

To improve quality and efficiency, we also must be able to accurately measure quality and efficiency. The Josie King Act will help standardize performance measurement and use the new electronic clinical data so that, for the first time, consumers and payers can have a single source for an apples-to-apples comparison of all providers' quality, efficiency, and patient satisfaction.

Over time, these performance measurements can help us redesign payment practices so that doctors and hospitals are rewarded, not penalized, for improving patient outcomes.

The status quo is just not a sustainable option. We deserve a health care system that is as good as the quality of the medicine it can provide. That means thinking critically and creatively about what kind of health care system we want and how we build it.

Mr. Speaker, I would be remiss if I did not take a moment to acknowledge the great leadership and commitment on this issue of the former Speaker of this House, Newt Gingrich. There is nobody thinking more critically and more creatively about health care delivery than he is. Speaker Gingrich has been a terrific teacher and partner to me in this effort, and it is the great fortune of this nation that he has turned his prodigious talents to fixing what ails our health care system.

We can transform the health care system. It's an ambitious goal, but our reimbursement rates are too low, our premiums are too high, and our health outcomes are too uneven for us not to meet this challenge. We owe it to Josie King and her family to make sure that our health care system follows the Hippocratic Oath: first do no harm.

I look forward to working with my colleagues on both sides of the aisle on the Josie King Act, and I hope that we can do the hard work to build a health care system that's every bit as good as the extraordinary medicine it can produce.

## STOCK OPTION ACCOUNTING REFORM ACT

SPEECH OF

**HON. JIM KOLBE**

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 20, 2004*

The House in Committee of the Whole House on the State of the Union had under

consideration the bill (H.R. 3574) to require the mandatory expensing of stock options granted to executive officers, and for other purposes:

Mr. KOLBE. Mr. Chairman, I rise in opposition to H.R. 3574, the Stock Option Accounting Reform Act. This is a highly complex issue with compelling arguments on each side. But after carefully weighing these views, I oppose H.R. 3574 because it is not good public policy nor is it good for investors.

H.R. 3574 interferes with the independence of the Financial Accounting Standards Board (FASB) and the financial accounting standard-setting process. Just 2 years ago this body overwhelmingly passed and the President signed into law the Sarbanes-Oxley Act of 2002, which recognized the importance of an independent standard-setting process free of political pressures. H.R. 3574 risks damaging the investor confidence in and the credibility of our capital markets that the Sarbanes-Oxley Act sought to restore. FASB—not Congress—has the expertise to set accounting standards through an independent deliberative process. In the wake of recent corporate scandals we have not interfered with FASB rulemaking; it is not prudent to begin doing it now.

FASB's rule will provide greater protections to investors and shareholders. Supporters of H.R. 3574 state that expensing stock options will hurt the economy; I believe the opposite is true. Allowing FASB to promulgate its rule to expense stock options will improve investor confidence and increase investment. It will institute a standardized approach that will help all investors evaluate the effects of stock options upon company earnings on a uniform basis. Even the shareholders of Intel Corporation, one of the companies leading the fight against stock options expensing, passed a resolution calling for employee stock options to be treated as an expense.

Apart from the issue of FASB independence, another key question is whether stock options should be accounted for as an expense or as dilution to equity. In the final analysis, I agree with Warren Buffett: since both employer and employee place a value on options granted in lieu of other compensation, they should be treated as an expense.

The FASB rule does not prevent companies from using broad-based stock option plans. A company can, and should, as good corporate policy, continue to grant ownership to its employees with stock options. Healthy companies that previously disclosed the intrinsic value of compensatory options in the footnotes of financial statements as currently required should not suffer from a fall in stock price solely as a result of FASB's new rule. Several studies have indicated that, provided there is full disclosure, company stock prices will not be affected by expensing compensatory stock options.

Absent from the Sarbanes-Oxley bill was any provision regarding the accounting treatment of stock options. Recognizing the need to address this issue, I was a cosponsor in the 107th Congress of H.R. 5147, the Stock Options Accountability Reform Act, to develop standards of financial accounting and reporting related to the treatment of stock options. The FASB rule accomplishes this objective, and I cannot support Congressional efforts to interfere.

VIETNAM HUMAN RIGHTS ACT OF  
2004

SPEECH OF

**HON. SHEILA JACKSON-LEE**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 14, 2004*

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise to discuss current legislation H.R. 1587. I support this bill which would hold the government of Viet Nam responsible for any past and present abuses of human rights. This valuable piece of legislation, if passed, would prohibit non-humanitarian assistance to the government of Viet Nam unless the government in that country certified to the President of the United States that the government of Viet Nam has made significant advances toward freedom of political, religious, social, and cultural expression.

This bill would also mandate that the Secretary of State report annually on the state of affairs in Viet Nam and that the United States provide assistance through the appropriate nongovernmental organizations for the promotion of human rights and non-violent change in Viet Nam.

Such actions would help restore a level of peace that has long been absent from the country of Viet Nam. Right now Vietnamese citizens are living under a repressive regime. They are not afforded the basic human rights to worship however they choose, speak whatever they feel, write whatever they desire, and associate with whomever they wish. Many are being unfairly arrested and tried, and are being forced to serve lengthy prison sentences.

There is evidence of under-aged youths serving in the armed forces. There is also evidence that there is widespread torture, excommunication, and murder of those who choose to worship in non-state-approved religious organizations. Opposing political views also merit the same consequences. Mr. Chairman, Viet Nam is acting shamefully.

Father Thadeus Nguyen Van Ly knows the horror of the repressive Vietnamese government. On May 17, 2001, this 55-year-old priest was arrested at church for his non-violent political and religious views. Prior arrests, for similar reasons, date back to 1977 and attest to the government of Viet Nam's longstanding history as a violator of basic human rights. Having spent more than a decade imprisoned for standing up for his beliefs, Father Van Ly was named a prisoner of conscience by Amnesty International.

International attention is essential but not sufficient for restoring the people of Viet Nam their basic rights and liberties. There needs to be more humanitarian monitoring. To accomplish this there must be increased security in mainland and inland areas to allow for the safe journey of human aid and humanitarian workers. There is also a need for improved relations between Viet Nam and its neighbors. Requiring the Secretary of State to write an annual report would provide the United States and the international community with a greater understanding of the state of affairs in Viet Nam. Most importantly, Viet Nam must provide its citizens with basic human rights.

Mr. Speaker, for the reasons stated above I strongly support this bill and its potential to drastically improve the life expectations of

those living in Viet Nam. The lives of many like Father Van Ly hinge on the passage of the bill. Prohibiting the provision of non-humanitarian assistance to the government of Viet Nam will apply the right amount of pressure to the Government of Viet Nam and send a loud and clear message that the repression and abuse of human dignity must carry on no longer.

CONCERNING NEGOTIATIONS WITH  
LIBYA

**HON. ROBERT E. ANDREWS**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 21, 2004*

Mr. ANDREWS. Mr. Speaker, as the Administration continues to negotiate with the government of Libya regarding the U.S. sanctions that still remain in place, it is vitally important that the interests of the Pan Am 103 victims' families be kept in mind.

As all of my colleagues surely recall, Pan Am Flight 103 exploded over Lockerbie, Scotland on December 21, 1988, devastating numerous families throughout the country. For over 15 years, the families of the 270 victims, including 189 Americans, have waited for justice. Given that the Libyan government has admitted responsibility for this horrific attack, the sought-after justice must include a substantial penalty to be paid by this government. To this end, an agreement was reached whereby the Libyan government is to pay each family a substantial sum, in stages, as certain criteria are met.

In order for the next stage of compensatory damages to be released to the families, the United States must lift two executive orders, one which has frozen Libyan assets in the U.S., and another which prohibits Libyan airlifts to and from the U.S. A deadline has been set at the end of this month, and if these executive orders are not lifted by that date (and there is no extension of this deadline), then the families will not receive this portion of the compensation, and it will be returned to the Libyan Government.

Let me be clear, the families are not concerned with the money. Rather, they want to ensure that the Libyan government is fully punished for the attack that claimed the lives of their loved ones. I wish to also state that the families are not necessarily advocating for all of these sanctions to be removed. If the U.S. decides as a matter of policy that they want these sanctions to remain in place permanently, they will support this decision. What the families do not want to see happen, however, is for the deadline to pass, thereby denying the families their just compensation, only to have the sanctions lifted a short period later. The Pan Am 103 families have waited far too long to be left standing in the cold, and they should not be made to watch justice slip away.

The State Department and the Administration are to be commended for their efforts in these negotiations thus far, and I urge them to keep the Pan Am 103 victims and families in mind as they proceed towards further resolution.