guardian or legal representative of such patient) with respect to—

(i) the patient's health status, medical care, or legal treatment options;

(ii) any utilization review requirements that may affect treatment options for the patient; or

(iii) any financial incentives that may affect the treatment of the patient.

(B) MISREPRESENTATION.—The term ''medical communication'' does not include a communication by a health care provider with a patient of the health care provider (or the guardian or legal representative of such patient) if the communication involves a knowing or willful misrepresentation by such provider.

(5) SECRETARY.—The term ''Secretary'' means the Secretary of Health and Human Services.

SEC. 4. EFFECTIVE DATE.

This Act shall take effect on the date of enactment of this Act, except that section 2(a)(3) shall take effect 180 days after such date of enactment.

Mr. KENNEDY. Mr. President, I am pleased to join Senator WYDEN in introducing this gag rule legislation and I commend him for his leadership. Last year, a majority of the Senate voted for similar legislation but it was defeated on a procedural technicality.

Gag rules have no place in American medicine. Americans deserve straight talk from their physicians. Physicians deserve protection against insurance companies that abuse their economic power and compel doctors to pay more attention to the health of the company's bottom line than to the health of their patients.

I am pleased that this legislation has strong support from both the American Medical Association and Consumer's Union—because it is a cause that unites the interests of patients and doctors.

One of the most dramatic changes in the American health care system in recent years has been the growth of health maintenance organizations, preferred provider organizations, point of service plans, and other types of managed care. Today, 75 percent of all privately insured Americans are in managed care. Even conventional fee-for-service plans have increasingly adopted features of managed care, such as ongoing medical review and case management.

In many ways, this is a positive development. Managed care offers the opportunity to extend the best medical practice to all medical practice. It emphasizes helping people to stay healthy, rather than simply caring for them when they become sick. It helps provide more coordinated care and more effective care for people with multiple medical needs. It offers a needed antidote to incentives to provide unnecessary care—incentives that have contributed a great deal to the high cost of care in recent years.

At its best, managed care fulfills these goals and improves the quality of care. Numerous studies have found that managed care compares favorably to fee for-service medicine on a variety of quality measures, including use of preventive care, early diagnosis of some conditions, and patient satisfaction. Many HMOs have made vigorous efforts to improve the quality of care, gather and use systematic data to improve clinical decision-making, and assure an appropriate mix of primary and specialty care.

But the same financial incentives that enable HMOs and other managed care providers to practice more cost-effective medicine also can lead to under treatment or inappropriate restrictions on care, especially when expensive treatments or new treatments are involved.

Too often, insurance companies have placed their bottom line ahead of their patient's well-being and have pressured physicians in their plans to do the same. These abuses include failure to inform patients of particular treatment options; barriers to reduce referrals to specialists for evaluation and treatment; unwillingness to order appropriate diagnostic tests; and reluctance to pay for potentially life-saving treatment. It is hard to talk to a physician these days without hearing a story about insurance company behavior that raises questions about quality of care. In some cases, insurance company behavior has had tragic consequences.

In the long run, the most effective means of assuring quality care in HMOs is for the industry itself to make sure that quality is always a top priority. I am encouraged by the industry's development of ethical principles for its members, by the growing trend toward accreditation, and by the increasingly widespread use of standardized quality assessment measures. But I also believe that basic Federal regulations are necessary to assure that every plan meets at least minimum standards.

Medicare has already implemented such a prohibition. All Americans are entitled to this same protection.

A gag rule provision is also included in a more comprehensive managed care bill that I introduced earlier this session. That bill addresses a number of other issues as well. This prohibition of gag rules is such a simple need and cries out for immediate relief.

This legislation targets the most abusive type of gag rule—the type that forbids physicians from discussing all treatment options with patients and makes the best possible professional recommendation, even if the recommendation is for a non-covered service or could be construed to disparage the plan for not covering it.

This bill specifically forbids plans from prohibiting or restricting a provider from any medical communication with his or her patient.

This is a basic rule which everyone endorses in theory, even though it has been violated in practice. The standards of the Joint Commission on Accreditation of Health Care Organizations require that ''Physicians cannot be restricted from sharing treatment options with their patients, whether or not the options are covered by the plan.''

We need to act on this legislation promptly. The Senate has the opportunity to protect patients across the country from these abusive gag rules. Action on this legislation is truly a test of the Senate's commitment to the rights of patients and physicians across the country.●

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nomination on the Executive Calendar:

Calendar No. 42, the nomination of Keith Hall, to be Assistant Secretary of the Air Force.

I further ask unanimous consent that the nomination be confirmed, the motion to reconsider be laid upon the table, that any statements relating to the nomination appear at this point in the RECORD, that the President be immediately notified of the Senate's action, and that the Senate then return to legislative session.

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

The nomination considered and confirmed is as follows:

DEPARTMENT OF DEFENSE

Keith R. Hall, of Maryland, to be an Assistant Secretary of the Air Force, vice Jeffrey K. Harris, resigned.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now return to legislative session.

Mr. LOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

ORDERS FOR WEDNESDAY, MARCH 19, 1997

Mr. LOTT. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 10:30 a.m. on Wednesday, March 19. I further ask unanimous consent that on Wednesday, immediately following the prayer, the routine requests through the morning hour be granted and the Senate then resume consideration of Senate Joint Resolution 22, the independent counsel resolution. I further ask consent that the time from 10:30 a.m. until 11:30 a.m. be equally divided

between Senators BENNETT and LEAHY, with Senator BYRD in control of 10 minutes of the Leahy time. I finally ask consent that at 11:30, Senate Joint Resolution 22 be read a third time and the Senate proceed to a vote on passage of that resolution and immediately following that vote the Leahy resolution be read a third time, and the Senate then proceed to a vote on or in relation to Senate Joint Resolution 23, the Leahy resolution. I also ask unanimous consent that there be 2 minutes of debate equally divided in the usual form between those two votes.

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

PROGRAM

Mr. LOTT. For the information of all Senators, on Wednesday, following the hour of closing remarks, the Senate will vote on Senate Joint Resolution 22, the independent counsel resolution. Following that vote the Senate will vote on or in relation to Senate Joint Resolution 23, Senator LEAHY's resolution. Therefore, Senators can expect two consecutive rollcall votes beginning at 11:30 a.m. tomorrow. It is also possible that on Wednesday the Senate will consider a resolution relating to disapproving the decertification, or certification, of Mexico. Additional votes are, therefore, possible following the stacked votes that occur at 11:30. We are also still working to get a time agreement with regard to the nomination of Merrick Garland for the District Court of Appeals. That could come on Wednesday or Thursday of this week. And, of course, the Senate may also consider any other legislative or executive items that can be cleared.

ORDER FOR ADJOURNMENT

Mr. LOTT. If there is no further business to come before the Senate, I now ask the Senate stand in adjournment under the previous order, following the remarks of the distinguished Democratic leader, Senator DASCHLE.

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

Mr. LOTT. I yield the floor.

The PRESIDING OFFICER. The Democratic leader.

THE NOMINATION OF ANTHONY LAKE

Mr. DASCHLE. Mr. President, I ask unanimous consent that the letter submitted by Anthony Lake to the President involving his nomination to be Director of Central Intelligence be printed in the CONGRESSIONAL RECORD at this time.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, March 17, 1997.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: I am writing to ask that you withdraw my nomination to be Director of Central Intelligence.

I do so not because of concern that the nomination would be defeated if it ever came to a vote. In fact, there are sufficient votes for confirmation—in both the Select Committee and the Senate.

And not because of concern about further personal attacks. That gauntlet has been run. Every question has been answered.

I do so because I have regretfully concluded that it is the right thing to do.

While we have made great progress in the nomination process over the past month and during last week's hearings. I have learned over the weekend that the process is once again faced by endless delay. It is a political football in a game with constantly moving goal posts.

After more than three months, I have finally lost patience, and the endless delays are hurting the CIA and NSC staff in ways I can no longer tolerate.

I am told that the Chairman of the committee, having now reviewed the positive FBI materials underlying the report on my background investigation, may want other members of the committee to read them. I had doubts about the precedent we have already set in allowing him and the Vice Chairman such access. To bend principle further would even more discourage future nominees to this or other senior positions from entering public service.

I am also told that his committee staff will again insist that NSC staff meet with the committee on terms that White House Counsel will find unacceptable, leading to a further stalemate on that issue as well.

In addition, the story today about the activities of Mr. Roger Tamraz is likely to lead to further delay as an investigation proceeds.

All of this means a nomination process that has no end in sight. We have been proceeding on the assumption that there would be a vote this week. It now seems certain the committee deliberations will extend past the recess until after Easter, and probably longer. In addition, even after the nomination receives a vote in committee, whenever that might be, there is no prospect for a near-term vote on the floor and every chance it will be extended as long as your political opponents can do so.

I have gone through the past three months and more with patience and, I hope, dignity. But I have lost the former and could lose the latter as this political circus continues indefinitely. As Senator Richard Lugar, perhaps the most respected member of the Senate, has said with regard to my nomination and its treatment, ''The whole confirmation process has become more and more outrageous.'' It is nasty and brutish without being short.

If this were a game, I would persist until we won. My colleagues tell me to stay the course, lest I be perceived the loser or scared of a further fight. I'm not.

But this is not a game. And this process is not primarily about me. It is about the future of the Central Intelligence Agency. The Agency, once again, is becoming politicized. The longer this goes on, the worse the damage. The controversy and its effects could linger on after my confirmation. The men and women of the CIA deserve better than this.

The process is also impugning, through a new form of guilt by association, the names of NSC staff members who have done nothing wrong. So long as my nomination is mired in partisan politics their reputations will be, as well. It is ironic that the staff, which in every case took the right positions in keeping national security decisions and domestic politics separate, as I had encouraged them to do, is now the staff bearing the brunt of criticism because it didn't go beyond its own responsibilities to manage others' business as well. This is a staff that was doing its job properly. There was never any disguise of wrong-doing; they were consistently doing right in the advice they offered, while concentrating on the large daily agenda of important national security issues before us. I am very proud of our work on these issues and very proud of our staff members.

In unprecedented fashion the nomination is also politicizing the Senate committee.

And I have noticed that, in numerous ways, it is poisoning the attitude of members of the Agency towards the committee.

Most of all, the way this process has been conducted would make it difficult for me to work with the committee in the ways that a Director of Central Intelligence must do—and as I had hoped to do.

I am deeply grateful to you for your strong support, for your encouragement over these difficult months, and—most of all—for the opportunity to serve over the past four years. I am very proud of your foreign policy record and of whatever contributions I made to it.

I have greatly appreciated the support of Senators McCain, Lugar, Lieberman, Kerrey, Kerry, Kennedy and many others, like John Deutch. I have been moved by the principled position of a large number of Republicans like John McCain, Warren Rudman, Richard Lugar, Robert Gates and Peter King. And I am especially grateful to the volunteers from the NSC who have put so much into this, as well as officials of the CIA. I am sorry that their efforts were not better rewarded.

I have believed all my life in public service. I still do. But Washington has gone haywire.

I hope that, sooner rather than later, people of all political views beyond our city limits will demand that Washington give priority to policy over partisanship, to governing over ''gotcha.'' It is time that senior officials have more time to concentrate on dealing with very real foreign challenges rather than with the domestic wounds that Washington is inflicting on itself.

This is a very difficult decision. I was excited about this new opportunity to serve. I had developed firm ideas on how to bring further reform to the Agency and had no doubt about my capacity to implement them. I was ready to devote four years to a tough new challenge. I truly regret that I will not have the opportunity to seize it.

Sincerely,

ANTHONY LAKE.

Mr. DASCHLE. Mr. President, I do so simply to comment on the very unfortunate set of circumstances that led to the decision by Mr. Lake to submit this letter.

I have had the opportunity to work with Tony Lake now for some time; first, as a Senator; and, second, as leader. I must say that I do not know that I have ever met anybody more decent, more committed, more dedicated to public service than is Tony Lake. Our Nation owes him a big debt of gratitude for his contributions, and a great level of appreciation for the many ways in which he has already served his country. I only hope that he will continue to choose to do so in spite of these extraordinary circumstances.