

Mr. Speaker, I would like you and my colleagues from both sides of the aisle to join me in honoring Ms. Judith Marden for her invaluable service to the Institute for Community Living and the Brooklyn community.

REHABILITATION HOSPITALS

HON. JOHN S. TANNER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 20, 1998

Mr. TANNER. Mr. Speaker, I want to commend the gentleman from Massachusetts, Mr. NEAL, for taking the lead on an issue that affects rehabilitation hospitals and units. It is very important that we work with Mr. NEAL on this issue to correct some problems that were created by the passage of the Balanced Budget Act of 1997 (BBA).

Mr. NEAL's legislation restores incentive payments for PPS-exempt rehabilitation hospitals and units that were changed by the BBA. It also changes the provision in the BBA which imposed a 15% reduction in capital payments for PPS-exempt hospitals and units for FY1998-2002.

In our efforts to restore Medicare to financial stability last year, we may have approved cuts to rehabilitation hospitals and units that actually save Medicare dollars. I am afraid that these cuts may undermine patient care and force them to either stay in hospitals longer or to be discharged home prematurely, or worse, to a nursing home.

Studies confirm that early rehabilitation for stroke and traumatic brain injury leads to shorter overall hospitalizations, less mortality and fewer complications. This translates to both federal and state, as well as private dollars, saved. A few studies have shown that stroke patients who receive rehabilitation have better outcomes than those who do not.

These studies also indicate that stroke rehabilitation patients are more likely to be discharged to a home than to a nursing home. They confirm that comprehensive rehabilitation programs are effective in treating low back pain, and that pulmonary rehabilitation reduces expensive re-hospitalization and emergency room visits.

Rehabilitation also maximizes the restoration of functional capacity, and it helps people adapt to a more independent life. Rehabilitation can help older individuals avoid the services of a nurse or home health aide in many cases. All of this translates to savings to Medicare, Medicaid and the health care system.

While we obviously cannot move legislation this year, I am concerned about the impact that BBA is having on the payment for providing rehabilitation services to Medicare beneficiaries. I am afraid that, in our efforts to restore financial stability to the Medicare system, we may have implemented a policy which will actually increase Medicare spending.

While I am cautious about suggesting any legislation that may add additional costs to the Medicare system, I do not want us to be penny wise but pound foolish. I would hope that the Congress can examine this issue carefully in the future.

INTRODUCTION OF H.R. 4858—
UNITED STATES-PANAMA PART-
NERSHIP ACT OF 1998

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 20, 1998

Mr. GILMAN. Mr. Speaker, I have today introduced H.R. 4858, the United States-Panama Partnership Act of 1998.

The purpose of this legislation is to signal to the people of Panama the strong interest in the United States Congress in continuing into the next century the special relationship that has existed between our two peoples since 1903.

I am joined in sponsoring this measure by a very distinguished list of cosponsors, including CHARLIE RANGEL, Ranking Democratic Member of the Committee on Ways and Means; CHRIS COX, Chairman of the House Republican Policy Committee; DENNIS HASTERT, the Chief Deputy Majority Whip; BOB MENENDEZ, the Chief Deputy Democratic Whip; DAVID DREIER, the next Chairman of the Committee on Rules; FLOYD SPENCE, Chairman of the Committee on National Security; HENRY HYDE, Chairman of the Committee on the Judiciary; DAN BURTON, Chairman of the Committee on Government Reform and Oversight; and BILL MCCOLLUM, Chairman of the Subcommittee on Crime of the Committee on the Judiciary.

We are introducing this bill because Panama and the United States today stand at a crossroads in the special relationship between our two peoples that dates back to the beginning of this century. As this century draws to a close, our two nations must decide whether to end that relationship, or renew and reinvigorate it for the 21st century. We must decide, in other words, whether our nations should continue to drift apart, or draw closer together.

In the case of Canada and Mexico—the other two countries whose historical relationship with the United States most closely parallels Panama's—there has been a collective decision to draw our nations closer together. This decision, embodied in the North American Free Trade Agreement (NAFTA), was grounded in a recognition that, in today's world, our mutual interests are best served by increased cooperation and integration.

The legislation we are introducing today offers Panama the opportunity to join Canada and Mexico in forging a new, more mature, mutually beneficial relationship with the United States. In exchange, our legislation asks Panama to remain our partner in the war on drugs and other regional security matters by continuing to host a U.S. military presence after 1999. Under the Panama Canal Treaties of 1977, the U.S. presence in Panama is scheduled to terminate at the end of next year. Panama will assume full control of the Panama Canal, and all U.S. military forces will be withdrawn.

A 1977 protocol to the Treaties provides that the United States and Panama may agree to extend the U.S. military presence in Panama beyond 1999, and for the last two years U.S. and Panamanian negotiators have sought to reach just such an agreement. Four weeks ago, however, it was announced that these negotiations had failed and that the U.S. military would withdraw from Panama as scheduled.

This is a regrettable turn of events for both of our countries. The United States and Pan-

ama both benefit in many ways from the traditional U.S. military presence in Panama. For the United States, that presence provides a forward platform from which to combat narcotrafficking and interdict the flow of drugs, which threatens all countries in this hemisphere.

For Panama, the U.S. presence adds an estimated \$300 million per year to the local economy, fosters economic growth by contributing to a stable investment climate, and helps deter narcoterrorism from spilling over in Panama.

In retrospect, the Clinton Administration acted precipitously three years ago when it rejected Panama's offer to negotiate an extension of our traditional military presence in exchange for a package of benefits to be mutually agreed upon. In the wake of that decision, the effort to establish a Multinational Counter-narcotics Center failed to gain broad support across Panama's political spectrum because it was an unfamiliar concept to most Panamanians.

Our legislation returns to, and builds upon, the concept proposed by Panama three years ago of extending the traditional U.S. military presence in Panama beyond 1999 in exchange for a package of benefits. Our legislation includes three specific provisions of benefit to Panama.

First, and most importantly, our bill offers to bring Panama into the first rank of U.S. trade partners by giving Panama the same preferential access to the U.S. market that Canada and Mexico currently enjoy. The economic value of this benefit for Panama is difficult to quantify today, but over time it should lead to significantly increased investment and employment there, which would directly benefit all Panamanians.

Second, it offers a scholarship program for deserving Panamanian students to study in the United States.

Third, it offers assistance in preparing for the construction of a new bridge across the Panama Canal.

Taken together, these specific provisions give substance to the larger promise of this legislation, which is to renew and reinvigorate the special relationship between our two peoples as we enter the 21st century, provided the people of Panama decide they want to remain our partner.

Obviously it is too later for us to seek to enact the United States-Panama Partnership Act this year. And obviously no purpose would be served by enacting this legislation if it emerges that there is little interest in Panama in renewing our special relationship along the lines proposed in this bill.

Our purpose at this stage is limited to laying out our proposal so that the people of Panama may consider it. We will introduce this bill again next year, and if by that time there have been expressions of serious interest in this proposal within Panama, we will work to move the bill forward through the legislative process.

Under Article I, section 7 of the U.S. Constitution, this bill can only originate in the House of Representatives. We are confident, however, that the Senate would join us in approving this measure, provided that the people of Panama indicate that they too wish to strengthen relations between our two countries along the lines proposed in our bill.

It is our sincere hope that Panama will accept this invitation to reinvigorate the special