half to a 1 percent increase in their operating payments to account for the need to update information systems and medical devices to be Y2K compliant, year 2000 compliant. Perhaps more than any other industry, hospitals have had to spend significant amounts of money to update their systems because of the wide variety of devices and systems that they deal with.

I have talked with hospitals in my district that have had to replace entire systems and devices ahead of schedule to ensure that they will continue to operate after the clock strikes midnight at the close of this year. The requirements range from simple devices such as IV pumps to costly systems such as a monitoring system in the intensive care unit. It is important to note that the ICU monitoring system was only 8 years old when it was replaced, but the Y2K computer glitch possibility made replacement necessary.

The Y2K problem is not something that hospitals could have planned in their operating capital budgets a few years ago, but it is something they cannot afford to ignore.

The American Hospital Association survey of their membership shows that member hospitals will spend $8.2 billion to become Y2K compliant. We should follow MEDPAC’s recommendation to increase reimbursements to hospitals to reflect these additional costs.

Finally, immediate attention must be paid to the needs of our great teaching hospitals. These institutions have been particularly hard hit because they are affected by essentially all of the Balanced Budget Act changes, while most institutions are only affected by a few provisions. They deny care to a large number of uninsured, have more acutely ill patients, because they serve as regional referral centers. They must train the specialists of the future and maintain cutting-edge technology. And they must use National Institutes of Health grants which require a 25 percent match from the institution to do the clinical research that we so deeply depend upon.

Madam Speaker, we must look at the way that all the payment changes adopted under the Balanced Budget Act affect these hospitals and provide relief in this Congress.

Lastly, let us turn to home health agencies. In this sector, we projected that the Balanced Budget Act would save $16 billion. We have now realized savings of $48.8 billion, more than any other area. The Balanced Budget Act imposed significant changes on the home health industry, and we achieved the greatest savings in this area. I believe the high savings reflect the useful work of the President’s Task Force on Home Health, but through talking to my providers, I know a lot of nonpayment lingers behind that $18.8 billion figure, and good agencies are on the brink of closure from both administrative actions by the government and the balanced Budget Act’s effect.

First, having saved more than double the intended goal in home health services, we need to eliminate the threat of the 15 percent further additional reduction that will take place on October 1 in the year 2000.

While we put the 15 percent reduction in the system to ensure that there would be sufficient savings, we should remove the 15 percent, because the necessary savings have been achieved, completely eliminating the 15 percent reduction. If we are to assure our sickest seniors that home health services will continue to be available, will be expensive, about $7 billion over 5 years. But we should be able to accomplish this out of the savings that we have already achieved generally by making the surplus larger than expected.

We must also increase slightly the per-patient reimbursement limit, and the administration must stop the waste of revenues, the scandalous equalization formula that is taking place as a result of the high review rate in these agencies. It is a technical problem. It is administrative, but it is taking nurses away from care. It is raising administrative costs at an unprecedented rate, and HCFA must address this terrible problem of the high rate of post-payment reviews.

Lastly, we must raise the $1,500 cap on rehabilitative therapy services for both home health care providers and nursing homes. The Balanced Budget Amendment implemented two caps on outpatient rehabilitative therapy services, a $1,500 cap for occupational and physical therapy, and a $1,500 cap for speech therapy. This is an arbitrary cap, by the University of Kentucky. I quote, “We continue to be concerned about these limits, and are troubled by anecdotal reports about the adverse impact of these limits. Limits on these services of $1,500 may not be sufficient to cover necessary care for all beneficiaries.”

HCFA has directed the Inspector General to study the cap to assess whether any adjustments to the cap should be made. MEDPAC has also expressed concern in this area. We need to get relief to the patients most in need, and not let them slip through the cracks.

This has been a long and sometimes technical Special Order; however, its message is simple. There are real, serious problems in today’s Medicare program that are affecting care for seniors and threatening the future of some of our most beloved community hospitals, nursing homes, doctors’ practices, and visiting nurses associations. We need to address these problems now, not next year, through targeted, immediate relief and through strong action.

Congress must act now. The administration must act now. At stake, I believe, is quality care for our seniors and indirectly for all of us who rely on our community hospital and community providers.

Mr. Speaker, I ask my colleagues to please join me in this crusade for action.

HCFA INTERPRETATION OF THE BALANCED BUDGET ACT AND ITS EFFECTS ON THE HEALTH CARE INDUSTRY

The SPEAKER pro tempore (Mrs. Biggert). Under a previous order of the House, the gentlewoman from Connecticut (Mrs. Johnson), and I certainly concur with the things that she said.

I am getting ready to catch my flight back to Kentucky, actually, just in probably about an hour.

Madam Speaker, I just got a call from one of the nursing home companies back in Kentucky, and I have visited multiple of these nursing home units in Kentucky, as well as our rural hospitals and our teaching hospital at the University of Kentucky.

I think as we look at what interpretation HCFA has taken of the Balanced Budget Act of 1997. I think we have some critical problems that are facing our Nation, especially in the care of our elderly. We see that our rural hospitals are having trouble; several of them are looking at the possibility of closing their doors. We have nursing homes that are going bankrupt; even nursing homes that are run by faith-based organizations, church groups where they really have contributions in addition to what they receive from reimbursements from Medicare and Medicaid.

Yet we found that, with the very Draconian interpretation of the Balanced Budget Act of 1997, we have such a reduction that even these operations that have operated very efficiently, not trying to defraud in any way, have been unable to really provide the services or to continue to provide the services that are needed for our senior citizens.

So I think it is incumbent upon us in Congress and to call upon HCFA and the President to make sure that they
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relook at the Balanced Budget Act of 1997 and HCFA's interpretation of that. I would also like to work with the Congress and make sure that we address this very critical problem, that we address the needs of our senior citizens.

As I talked to this one business owner who was very distraught, they have worked very hard at a family business to provide the kind of care that is needed for our senior citizens; and yet, when I see what a misinterpretation of the balanced budget has done in their capability of providing a business, they provide over 1,900 jobs in a business that has grown over several years to provide excellent health care in the long-term care business.

And I see that what the interpretation has done is caused the possibility of driving that company into bankruptcy, affecting the care of a number of people, especially in my district, in the 6th district of Kentucky, and it has certainly affected their ability to provide the jobs and to provide the care that is needed.

Madam Speaker, I just wanted to take this opportunity to share my concerns that I certainly share with the gentlewoman from Connecticut that have been stated here previously.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders hereinfor stated, was granted to:

(The following Members at the request of Mr. Filner) to revise and extend their remarks and include extra-material:

Mr. FALZONE, for 5 minutes, today.

Mr. TANNER, for 5 minutes, today.

Mr. FILNER, for 5 minutes, today.

Ms. HOOLEY of Oregon, for 5 minutes, today.

Mrs. CLAYTON, for 5 minutes, today.

Mr. TURNER, for 5 minutes, today.

(The following Members at the request of Mr. Fosserella) to revise and extend their remarks and include extra-material:

Mr. KASICH, for 5 minutes, today.

Mr. FLETCHER, Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 43 minutes p.m.), under the previous order, the House adjourned until Monday, August 2, 1999, at 12:30 p.m. for morning hour debates.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

275. A letter from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting the Department's final rule—Tart Cherries Grown in the States of Michigan, et al.; Additional Option for Handler Diversion and Receipt of Diversion Credits (Docket No. FV99–930–1 FIR) received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1); to the Committee on Agriculture.

276. A letter from the Assistant Secretary, Pension and Welfare Benefits Administration, Department of Labor, transmitting the Department's final rule—Payroll Deduction Programs for Individual Retirement Accounts (RIN: 1210–AA40) received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1); to the Committee on Education and the Workforce.

277. A letter from the Acting Director, Professional Responsibility Advisory Office, Department of Justice, transmitting the Department's final rule—Ethical Standards for Attorneys for the Government (AG Order No. 2134–99) received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1); to the Committee on the Judiciary.

278. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 777 Series Airplanes (Docket No. 99–NM–115–AD; Amendment 39–11236; AD 99–15–10) (RIN: 2120–AA64) received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1); to the Committee on Transportation and Infrastructure.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders hereinfor stated, was granted to:

(The following Members at the request of Mr. Filner) to revise and extend their remarks and include extra-material:

Mr. FALLONE, for 5 minutes, today.

Mr. TANNER, for 5 minutes, today.

Mr. FILNER, for 5 minutes, today.

Ms. HOOLEY of Oregon, for 5 minutes, today.

Mrs. CLAYTON, for 5 minutes, today.

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