July 30, 1999

I ask my colleagues to join me in saluting Mike Riley, whose sense of compassion, commitment to economic justice and devotion to his family is an inspiration to us all. I am proud to be his friend.

TIME TO INCREASE THE MINIMUM WAGE: THERE IS A HIGH COST FOR LOW WAGES

HON. TOM LANTOS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. LANTOS. Mr. Speaker, with 126 of our distinguished colleagues, I am a cosponsor of the bill, H.R. 325, which was introduced by our distinguished colleagues, I am a cosponsor of to be his friend.

Barbara Ehrenreich, the author of over a dozen books on politics and society, authored a particularly good essay on the consequences of the low wages and the implications of increasing the minimum wage—“The High Cost of Low Wages”—which appeared in the AFL-CIO publication America @ Work. Mr. Speaker, her article is particularly insightful. I urge my colleagues to read Ms. Ehrenreich’s article, and I urge them to support the adoption of H.R. 325.

The High Cost of Low Wages

Last summer, I had an unusual journalistic experiment: I set out to see whether it is possible to live on the kind of wages available to low-skilled workers. I structured my experiment around a few rules: I had to find the cheapest apartment and best-paying job I could, and I had to do my best to hold it—no sneaking off to read novels in the ladies room or taking naps.

So, in early June, I moved out of my home near Key West and into a $500 efficiency apartment about a 45-minute drive from town. I found the trailer park right on the edge of town, but they wanted over $600 a month for a one-person trailer.

Finding a job turned out to be a little harder than I’d expected, given all the help-wanted signs in town. Finally at one of the big corporate discount hotels where I’d applied for a housekeeping job, I was told they needed a waitress in the associated “family restaurant.”

The pay was only $2.43 an hour, but I figured with tips, I would do far better than I would have at the supermarket which was offering $6 an hour and change.

I was wrong. Business was slow, and tips averaged 10% or less, even for the more experienced “girls.” I was curious as to how my fellow workers managed to pay their rent. The immigrant dishwashers (from Haiti and the Czech Republic) mostly lived in dormitory-type situations or severely overcrowded apartments. As for the servers, some were fortunate. They just didn’t think of themselves that way because they had cars or vans to sleep in. I was shocked to find that a few were sharing a motel room. I was rootless, not having any connections at all, and I’m talking about middle-aged women, not kids. When I naively suggested to one co-worker that she could save a lot of money by getting an apartment, she pointed out that the initial expense—a month’s rent in advance and security deposit—was way out of her reach.

Meanwhile, my own financial situation was declining perilously. The money I saved on rent was being burned up as gas for my commuting. I was spending too much on fast food. I began to realize it’s actually more expensive to be poor than middle class: You spend more for food, especially in convenience stores, you pay to get checks cashed; and you pay more for food, especially in convenience stores, you pay to get checks cashed; and you end up paying ridiculous prices for shelter.

I decided to redouble my efforts to survive. First, I got a waitressing job at a higher-volume restaurant where my pay averaged about $7.50 an hour. Then I moved out of my apartment and into the trailer park, calculating that, without the commute, I’d be able to handle an additional job. For a total of three days altogether, I did work two jobs—including a hotel housekeeping job I finally landed.

At the end of the month, I had to admit defeat. I had earned less than I spent, and the only things I spent money on were food, gas and rent. If I had had children and had to come up with the monthly food, gas and rent, if I had had children to care for and support—like many of the women now coming off welfare—I wouldn’t have lasted a week.

But my experiment did succeed in showing that, even in an economy celebrating unequaled prosperity, a person can work hard, full-time or even more, and not make enough to live on, at least if she intends to live indoors. I left thinking that if this were my real life, I would become an agitator in no time at all, or at least a serious nuisance.

INTRODUCTION OF THE MEDICARE PHYSICIAN SELF-REFERRAL IMPROVEMENT ACT OF 1999

HON. FORTNEY PETE STARK
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. STARK. Mr. Speaker, the physician self-referral law has successfully prevented billions of dollars worth of business deals that would have abused patients through overtesting and provision of unnecessary services and wasted Medicare funds. That’s why the legislation that is sponsored by Representative BILL THOMAS—which effectively guts the statute by eliminating the Federal Government’s authority to regulate providers’ compensation relationships—should be summarily rejected.

Instead, I hope that my colleagues will take a careful look at the legislation that I am introducing, which makes certain responsible changes in the law to streamline and simplify it.

The principal provision in the Medicare Physician Self-Referral Improvement Act of 1999 creates a fair market value exception, or safe harbor, for providers who enter into compensation relationships with entities to which they refer Medicare and Medicaid beneficiaries for health services. All that is required under the fair-market value exception is that providers set down the terms of their arrangement in writing, that it is for a specified period of time and is signed by all parties; that it is not based on the volume or value of referrals; and that rates paid are commercially reasonable.

What honest doctor can’t meet those standards? The bill that I am introducing also makes changes in the “direct supervision” requirement that governs the in-office ancillary services safe harbor; substantially narrows financial relationship reporting requirements for providers, who would only have to produce accounts of their financial relationships and those of immediate family members upon audit; modifies the law’s “direct supervision” requirement for in-office ancillary services; expands the prepared plan exception to include Medicare and Medicaid coordinated capitated plans; creates an exception for areas in which the HHS Secretary finds there are no alternative providers; exempts ambulatory surgical centers and hospices; alters the definition of a group practice; and requires HCFA to issue advisory opinions within 60 days of receiving a request.

If enacted, these changes would improve the law without undermining it—as the Thom bill clearly would. Policymakers know that