

Prohibit mailings that suggest a connection to the federal government, or that contain false representations implying that federal government benefits or services will be affected by participation or nonparticipation in the contest;

Require that copies of checks sent in any mailing must include a statement on the check itself stating that it is nonnegotiable and has no cash value;

Require certain disclosures to be clearly and conspicuously displayed in certain parts of the sweepstakes and skill contest promotions;

Require sweepstakes companies to maintain individual do-not-mail lists;

Give the Postal Service additional environment tools to investigate and stop deceptive mailings, including the authority to impose civil penalties and subpoena authority;

Require that companies adopt reasonable practices and procedures to prevent the mailing of materials on sweepstakes or skills contests to individuals who have written to the companies requesting not to receive such mailings;

Establish a private right of action in state court for consumers who receive follow-up mailings despite having requested removal from a mailer's list; and

Establish a federal floor above which states could enact more restrictive requirements.

H.R. 170 adds two very important and critical provisions consumer protection provisions. First, we provided the Postal Service with subpoena authority to combat sweepstakes fraud. In addition, we have limited the scope of subpoena authority to only those provisions of law addressing deceptive mailings, and required the Postal Service to develop procedures for the issuance of subpoenas.

The second provision contains language authored by the ranking minority member, Congressman FATTAH which added a private right of action to sweepstakes legislation. This provision now a part of H.R. 170, would allow consumers to file suit in state court if a sweepstakes promoter continues to send mailings despite having requested removal from a mailer's list. This important enforcement tool, contained in section 8 of H.R. 170, is supported by the National Consumers League, the American Association of Retired Persons and the Direct Marketing Association.

The issue of consumer protection, whether it relates to telemarketing fraud or sweepstakes deception is finally receiving the attention it deserves and I am pleased we have provided additional consumer protection along this line.

I would be remiss if I did not thank my colleagues who have sponsored honesty in sweepstakes legislation in the House. Special recognition deserves to go to the authors of H.R. 170, Congressmen LOBIONDO and CONDIT. Their diligence has ensured a bipartisan bill. I would also like to acknowledge the support of Congressman BLAGOJEVICH, himself the sponsor of sweepstakes legislation, H.R. 2731, the Consumer Choice and Sweepstakes Control Act.

Special recognition goes to the State of New York, Office of the Attorney General, the National Association of Attorneys General, the Federal Trade Commission, National Consumers League, the American Association of Retired Persons, Direct Marketing Association,

the Postal Service Inspector General, and Courtney Cook, of the minority staff. Your hard work, input and support have been appreciated.

Mr. Speaker, I thank you for being gracious and working with us to achieve a bipartisan bill.

MEDICARE, MEDICAID, AND SCHIP
BALANCED BUDGET REFINEMENT
ACT OF 1999

SPEECH OF

HON. BOBBY L. RUSH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. RUSH. Mr. Speaker, I rise to express my opposition to the process by which we are considering some of the most important legislation that this House will debate during this session of Congress—the Medicare, Medicaid and Schip Balanced Budget Refinement Act of 1999. As a member of the Commerce Committee, I would have liked to have had the opportunity to fully debate the Medicare, Medicaid and SCHIP changes that this legislation makes. Particularly, in light of the impact the Balanced Budget Act has had on Illinois hospitals.

Illinois hospitals are experiencing severe financial hardship as a result of the Balanced Budget Act of 1977 (P.L. 105-33). The cuts mandated by the BBA were supposed to simply slow the growth in the Medicare program. However, the Act "overcorrected" the growth in Medicare spending and severely reduced Medicare reimbursements to hospitals and health service providers for five years beginning in 1997. In Illinois alone, it is estimated that hospitals will lose \$2.8 billion in Medicare payments over a five year period. The financial burden of the BBA cuts is particularly acute for the teaching hospitals in my state. Because Illinois ranks fifth in the nation in the number of teaching hospitals, and these facilities are expected to lose more than \$1.6 billion over the five-year period, of the BBA's life. These cuts have a devastating effect on the communities that they serve.

I opposed the Balanced Budget Act when it was debated by the House of Representatives in 1997. I believed that it was bad policy then, and believe that it is bad policy now.

In order to provide relief for the teaching hospitals and other health service providers that were so adversely impacted by the BBA, I introduced legislation, Health Care Preservation and Accessibility Act of 1999, H.R. 3145, to restore some of the Medicare reimbursements that the BBA reduced. The legislation was intended to accomplish this in a number of ways:

(1) H.R. 3415 would freeze the cuts in indirect medical payments (IME) to teaching hospitals at 1999 levels. It also freezes cuts in the disproportionate share payments (DSH payments) at 2% and provides payments directly to those serving a large share of low-income patients;

(2) directs the Secretary of Health and Human Services to make payments for Graduate Medical Education (GME) to children's

hospitals for the Medicare FY 2000 and 2001 cost reporting periods for the direct and indirect expenses associated with operating approved medical residency training programs;

(3) sets a floor on outpatient hospital payments so that rural hospitals do not fall below 1999 levels and establishes a new payment system for rural health centers;

(4) revises the payment system for community health centers so that it more adequately reimburses for the costs of care and allows safety net providers that provide health coverage to low-income Americans to be directly compensated for their services;

(5) eliminates the \$1,500 per beneficiary cap imposed by the BBA and replaces it with a payment system that is based on the severity of illness;

(6) revises the BBA's new prospective payment system for skilled nursing facilities by increasing reimbursements for patients needing a high level of services to more accurately reflect the cost of their care;

(7) delays a scheduled 15% reduction in the home health interim payment system if the Secretary of Health and Human Services misses the deadline for instituting the new prospective system. H.R. 3415 also allows for interest free recoupment of overpayments due to HCFA's underestimation of the interim payment rates for certain agencies. Finally, H.R. 3415 provides additional protections for seniors citizens and persons with disabilities and strengthens protections and sanctions for Medicare fraud and abuse.

Mr. Speaker, I introduced the Health Care Preservation and Accessibility Act of 1999 when it looked as if we could not reach agreement on even the minimal BBA relief that the legislation before us provides to Illinois hospitals, and hospitals across the nation. I am reluctantly supporting the legislation before us today, because it is the only option that has been presented to us. But it is my hope that we will have the courage to revisit this issue in the next session, and complete the job that we have only begun with H.R. 3075.

CONFERENCE REPORT ON S. 900,
GRAMM-LEACH-BLILEY ACT

SPEECH OF

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. COSTELLO. Madam Speaker, I rise today in strong opposition to the Financial Services Modernization Act. This bill was brokered by the Republican leadership, in a partnership with the large financial services lobbyists, to the benefit of enormous corporations at the ultimate expense of the American consumer.

This bill will expedite the creation of megabucks malls—the one-stop shopping of the financial world. This will hurt consumers because as financial services providers consolidate, competition will decline and consolidate decision-making and services among fewer service providers. Should one of these enormous institutions suffer a financial decline, we could see calls for a bailout that will recall the