

Mr. Speaker, through all of that evidence that we saw, nine of us, four Democrats and five Republicans, nine decent people voted unanimously, nine to zero that America's security was harmed because of technology that was transferred to China.

Now, the administration would have us believe it was stolen. Wen Ho Lee, the poor man, just got released after 9 months. They said it was stolen. It was not stolen.

□ 1800

It was not stolen. It was a wholesale auctioning off of America's technology.

What did they get in return? They got campaign dollars. The same man going around the country championing campaign finance reform obtained millions of dollars, hundreds of millions of dollars for his campaign committee.

This is not the Republican gentleman from Pennsylvania (Mr. WELDON) talking, Mr. Speaker. I would offer to my colleagues a letter that Louis Freeh, one of the people in this administration with integrity, the head of the FBI, hand picked by Bill Clinton and Janet Reno, Louis Freeh wrote a 90-page memorandum based on a factual investigation by his investigator, Charles Labella.

That 90-page memorandum went to Janet Reno. It is now available. I will give it to anybody that wants it, and they can read it for themselves, in Louis Freeh's own words. What did it say? It said: "As the FBI Director of America, I have reason to believe that further investigation is warranted because four people may have committed felonies in campaign contributions being received with technology being left out of our country to go to a foreign nation."

And Louis Freeh named the four people. Who were they? In Louis Freeh's own words: Bill Clinton, Hillary Clinton, AL GORE, and Harold Ickes, who is running Hillary's campaign in New York State.

The scandal of this administration was not Monica Lewinsky. The scandal of this administration was the wholesale auctioning off of America's technology so that Clinton and GORE could get reelected.

And now we have the President giving a speech at Georgetown about how he is making the right decision for us on protecting our people.

The White House should be ashamed. America should be ashamed. And all of us had better look to the facts as opposed to the wink and the nod and the smile.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. VITTER). The Chair would remind Members that remarks in debate should not include charges against the President or Vice President.

PRINTING IN THE RECORD FOR THE WEEK OF SEPTEMBER 18, 2000

Mr. SHIMKUS. Mr. Speaker, I ask unanimous consent that the schedule for the week of September 18 be inserted in the RECORD immediately after the end of legislative business.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

BALANCED BUDGET ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. SHIMKUS) is recognized for 5 minutes.

Mr. SHIMKUS. Mr. Speaker, I would like for my 5 minutes to be joined by my colleague, the gentleman from Illinois (Mr. DAVIS), to talk about one of the real health care crises that we have.

We are going to hear a lot about health care in the next 8 weeks, issues that we hope to address, the Patients' Bill of Rights, prescription drug coverage. But there is really a more pressing issue out there, and that is the effect of the Balanced Budget Act of 1997 on health care providers.

My colleague, the gentleman from Chicago, Illinois (Mr. DAVIS), and I had a hearing in Chicago on August 28 in which we had providers come testify about the impact of the Balanced Budget Act. And they are serious and they are important.

They are so important that we have come down to the floor to just start the drumbeat of noise so that before we end this legislative session we have some assistance and aid to our health care providers who are really working in the field to address some of the funding shortfalls.

The Balanced Budget Act was passed in order to reduce the deficit and balance our Nation's budget and control health care entitlement spending. I am proud to say that that goal was accomplished but with some unintended consequences, as so happens in legislation.

According to the Congressional Budget Office, the actual reductions brought about by the Balanced Budget Act, including the adjustment in the Balanced Budget Reconciliation Act that we passed last year, 1999, are \$124 billion, that is "billion" with a "b," more than Congress voted for when we passed the Balanced Budget Act.

We heard a lot of testimony. I would like to quote Allan Gaffner of Utlaut Memorial Hospital in my Congressional district: "The Balanced Budget Act will cause Utlaut Extended Care Unit to lose revenue totaling \$185,000 in 2000. Last year the unit lost an average of \$190,000. From 1999 through 2003, the Extended Care Unit is projected to operate with \$1 million less revenue than before the Balanced Budget Act was instituted. The total Medicare operating

margin of Utlaut last year was a negative 10.8 percent."

Let me rephrase that.

The total Medicare operating margin, that is our promise to our seniors, we paid our providers 10.8 percent below the cost of providing that service.

I do not see how they survive.

Mr. Speaker, I yield to my colleague, the gentleman from Chicago, Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Speaker, I want to thank the gentleman for yielding. Mr. Speaker, I am pleased to be here to share in this Special Order with my colleague from Illinois.

Mr. Speaker, I was pleased on August 28 to cosponsor a statewide hearing on the impact of the Balanced Budget Act on hospitals in the State of Illinois. And they came from all over the State: from down state, central Illinois, from Chicago, the northern part of the State, the University of Illinois Hospital, Rush Presbyterian, St. Lukes Medical Center, Cook County Hospital, Northwestern University Hospital, Bethany Hospital, the Illinois Home Health Association, the Illinois Nursing Home Association, Community Health Centers, the University of Chicago, Home Health Agencies, the National Hospice Association.

All of them saying essentially the same thing and that is, while they recognize and appreciate the fact that we need to reduce waste and fraud and abuse in the Medicare program, in all of our health programs, in the Medicaid program, the one thing that they also understood is that we have gone too far with the Balanced Budget Act and we have actually cut services in institutions that we cannot afford to cut. We have thrown out in many instances the baby with the bath water.

And so I join with the gentleman from Illinois (Mr. SHIMKUS) and others in calling for another look at the impact of the Balanced Budget Act. We must find a way to save these institutions which are teetering.

I am pleased to join with the gentleman tonight.

Mr. SHIMKUS. Mr. Speaker, reclaiming my time, I would also like to highlight another issue that was raised, which was the intergovernmental transfer issue, which HCFA is going to oppose on States.

HCFA has approved the Illinois program 22 times over the years without any indication there was a problem. Now they are going to promulgate a rule, and it is going to take an additional, and this is an additional more than what has been affected in the Balanced Budget Act, \$500 million from the health care delivery system in the State of Illinois.

Ann Patla, who testified before our hearing, said this would be catastrophic and it is a critical issue we need to be concerned of.

I would like to thank my colleague for coming down to the floor. Time is

running shy. But we will be back to talk about real health care problems in America, and that is the Balanced Budget Act's impact on health care and also the intergovernmental transfer issue.

The Balanced Budget Act was passed in order to reduce the deficit and balance our nation's budget.

I am proud to say that our goal was accomplished and we are now working with a budget surplus.

However, the BBA resulted in unintended consequences, cutting much more funding out of the Medicare system than was originally intended.

According to the Congressional Budget Office (CBO), the actual reductions brought about by the BBA—including the adjustment in the BBRA of 1999—are \$124 billion more than Congress voted for when passing the 1997 BBA.

Dean Harrison from the Northwestern Memorial Hospital:

Approximately 30 percent of the Northwestern Memorial Hospital's patient volume are Medicare beneficiaries, and they account for 37 percent of its patient days due to their longer length of stay. As a result, the BBA cuts in Medicare reimbursement will mean a total loss to NMH of an estimated \$65 million over the course of the five-year schedule of reductions. . . . The total negative Medicare margin will double from 1999 to negative 11.6 percent for the year 2000."

John Buckley, Jr. from Southern Illinois Healthcare:

[The] outpatient reimbursement situation isn't much brighter. Since the BBA was implemented three years ago, the reimbursement has fallen steadily, from 97% of costs in FY 1997 to 89% of costs in FY 2000. . . . Without additional BBA relief, out-patient losses will exceed \$1 million.

BBA spending reductions are forcing hospitals to lay off staff, cancel much-needed upgrades of facilities and equipment, and shut down critical services like home health care and other needed programs that cannot be maintained without compromising quality.

Allan Gaffner of Edward Utlaut Memorial Hospital testified:

As a result of the Balanced Budget Act cuts, the Utlaut Rehabilitation Department, which provides therapy services to the Extended Care Unit patients, was reduced to 54 percent. The Utlaut Rehabilitation Department, which previously consisted of 13 staff members, now has only six staff members. The limit on therapy services as covered by the Medicare Skilled Nursing Facility rules is delaying a return to health and greater independence. Rather than receiving as many as two hours of physical occupational and speech therapy services per day, Medicare patients are limited to a maximum of 75 minutes a day.

John Buckley, Jr. from Southern Illinois Health Care:

Access to home health care is suffering in the communities Southern Illinois Healthcare serves. Because of the BBA spending cuts, we are serving 1,000 fewer patients and providing 86,000 fewer home health visits than we did three years ago. On top of that, we've had to lay off 150 staff members. Even with those dramatic cutbacks, we still lost nearly \$1.2 million on home health services in FY 2000.

Dean Harrison from the Northwestern Memorial Hospital:

Continuation and expansion of cost control efforts and the elimination of some services have allowed NMH to endure the cutbacks in Medicare thus far. In recognition of the effect the BBA would have on NMH, the hospital's skilled nursing facility was closed in early 1998 due to losses the unit was already incurring and a negative prognosis for its survival under the BBA.

According to HCFA: 933,687 Medicare beneficiaries will lose health maintenance organization coverage in January. Many of these people are left with no other Medicare options.

INTERGOVERNMENTAL TRANSFERS (IGTS)

Illinois hospitals are also very concerned about a rule HCFA is threatening to issue that would restrict intergovernmental transfers by limiting the amount that can be paid to county hospitals and nursing homes under the Medicaid "upper limit" rule.

HCFA has approved the Illinois program 22 times over the years without any indication that there was a problem.

The first time state officials were notified that HCFA had concerns was when the agency indicated they were issuing a rule against IGTS.

If the rule is enacted as proposed it would slash up to \$500 million in health care funding for low income residents of Illinois. This makes no sense, especially as the number of uninsured Americans continues to skyrocket.

After talking to hospital leaders back home, I am convinced that the Administration should not proceed with a rule that threatens the already fragile health care safety net across the country.

Ann Patla, Director of the Illinois Department of Public Aid:

If this federal regulation is adopted, the loss of funding will devastate the largest health care system in Illinois, operated by Cook County, and will severely impair the State's ability to serve Medicaid participants in all other counties. The State may be forced to: (1) seek repeal of recent health care expansions for the elderly and disabled; (2) retreat from rate reforms that encourage access to preventive and lower cost health care; (3) reduce outreach programs to encourage the use of Medicaid and SCHIP; and (4) substantially cut rates to FQHCs, hospitals, physicians, and other providers who serve Medicaid and SCHIP participants, as well as almost two million uninsured Illinoisans.

If some states are abusing IGTS—by using them to pay for highway repairs or tax cuts, for example—then regulatory changes should be targeted at curbing those abuses.

HCFA's current proposal, however, penalizes states like Illinois which use IGTS to maintain a health care safety net for low income residents.

A rule change, if one is needed, should preserve the legitimate and appropriate use of IGTS to provide health care for low-income persons.

INPATIENT SERVICE REIMBURSEMENTS (H.R. 3580)

BBA reduces Medicare payments for hospital services. Medicare provides payment updates below the marketbasket index.

Over 1998, 1999, and 2000 hospital inflation rates rose 8.2 percent, while the payment updates totaled 1.6 percent.

Below inflation updates coupled with rising costs associated with wage increases, prices per prescription for new drugs, new blood screening techniques, and mandated changes for compliance with administrative simplification and privacy are additional costs for hospitals.

How do we expect hospitals to maintain quality services when their reimbursement rates are so low?

We should pass a reform package that includes legislation to repeal Medicare inpatient update reductions of 1.1 percent scheduled for FY 2001 and FY 2002. To this end, I have co-sponsored H.R. 3580, the "Hospital Preservation and Equity Act."

Northwestern Memorial Hospital testified:

[H.R. 3580] recognizes that Medicare reimbursement to hospitals does not keep pace with the costs of caring for patients and would repeal the BBA's payment to hospitals for Medicare inpatient services for FYs 2001 and 2002.

Illinois Hospital and HealthSystems Association testified:

Recently the Medicare Payment Assessment recommended that Congress address the inpatient PPS update. MedPAC is the independent body that advises Congress on Medicare payment rates. It's data analysis show that nearly 35% of the nation's hospitals are operating in the red.

HURRICANE FLOYD DISASTER

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from North Carolina is recognized for 60 minutes as the designee of the minority leader.

GENERAL LEAVE

Mr. ETHERIDGE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include therein extraneous material on the subject of my Special Order this evening.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. ETHERIDGE. Mr. Speaker, this evening for the first portion of my special order I want to take about 5 minutes to raise an issue.

On the eve of 1 year ago, on almost the same date, one of the most destructive storms ever to hit my State came upon the shores. On September 15, 1999, Hurricane Floyd made landfall at the mouth of the Cape Fear River in North Carolina.

Floyd moved into the interior of my State and over the next couple of days proceeded to dump anywhere from 10 to 20 inches of rain in towns and communities and farm areas in parts of eastern North Carolina. These rains came only 12 days after the region was hit with pounding rains by Hurricane Dennis.

To call the results devastating would be an understatement. Our citizens suffered a full-blown catastrophe of monumental proportions.