

sanitary or phytosanitary measures against any pest to protect the environment or human, animal, or plant life or health.

(3) ARTICLE XX ("TECHNICAL ASSISTANCE").—The United States understands that the provisions of Article XX entail no binding obligation to appropriate funds for technical assistance.

(b) DECLARATION.—The advice and consent of the Senate is subject to the following declaration:

TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the State Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(c) PROVISOS.—The advice and consent of the Senate is subject to the following:

(1) REPORT TO CONGRESS.—One year after the date the amended Convention enters into force for the United States, and annually thereafter for five years, the Secretary of Agriculture, in consultation with the Secretary of State, shall provide a report on Convention implementation to the Committee on Foreign Relations of the Senate setting forth at least the following:

(A) a discussion of the sanitary or phytosanitary standard-setting activities of the IPPC during the previous year;

(B) a discussion of the sanitary or phytosanitary standards under consideration or planned for consideration by the IPPC in the coming year;

(C) information about the budget of the IPPC in the previous fiscal year; and

(D) a list of countries which have ratified or accepted the amended Convention, including dates and related particulars.

(2) SUPREMACY OF THE CONSTITUTION.—Nothing in the amended Convention requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

#### INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. HATCH:

S. 3161. A bill to amend title XVIII of the Social Security Act to require the Medicare Payment Advisory Commission to conduct a study on certain hospital costs; to the Committee on Finance.

By Mr. HATCH:

S. 3162. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to make grants to improve security at schools, including the placement and use of metal detectors; to the Committee on the Judiciary.

By Mr. HATCH:

S. 3163. A bill to designate the calendar decade beginning on January 1, 2001, as the "Decade of Pain Control and Research"; to the Committee on the Judiciary.

By Mr. BAYH (for himself, Mr. GRAMS, Mr. LEAHY, and Mr. CLELAND):

S. 3164. A bill to protect seniors from fraud; to the Committee on the Judiciary.

By Mr. ROTH (for himself, Mr. MOYNIHAN, Mr. JEFFORDS, Mr. MURKOWSKI, Mr. HATCH, and Mr. KERREY):

S. 3165. A bill to amend the Social Security Act to make corrections and refinements in the Medicare, Medicaid, and SCHIP health insurance programs, as revised by the Balanced Budget Act of 1997 and the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999, and for other purposes; read the first time.

By Mr. BINGAMAN:

S. 3166. A bill to amend the Clinger-Cohen Act of 1996 to provide individual federal agencies and the executive branch as a whole with increased incentives to use the share-in-savings program under that Act, to ease the use of such program, and for other purposes; to the Committee on Governmental Affairs.

By Mr. DOMENICI (for himself and Mr. BINGAMAN):

S. 3167. A bill to establish a physician recruitment and retention demonstration project under the Medicare program under title XVIII of the Social Security Act; to the Committee on Finance.

By Mr. TORRICELLI:

S. 3168. A bill to eliminate any limitation on indictment for sexual offenses and make awards to States to reduce their DNA case-work backlogs; to the Committee on the Judiciary.

By Mr. SESSIONS (for himself, Mr. BINGAMAN, Mr. ALLARD, Mr. JOHNSON, Mr. CRAPO, and Mrs. LINCOLN):

S. 3169. A bill to amend the Federal Food, Drug, and Cosmetic Act and the International Revenue Code of 1986 with respect to drugs for minor animal species, and for other purposes; to the Committee on Finance.

By Mr. DODD (for himself, Ms. COLLINS, and Mr. KENNEDY):

S. 3170. A bill to amend the Higher Education Act of 1965 to assist institutions of higher education to help at-risk students to stay in school and complete their 4-year postsecondary academic programs by helping those institutions to provide summer programs and grant aid for such students, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. MURKOWSKI (for himself, Mr. BREAUX, and Mr. STEVENS):

S. 3171. A bill to amend the Internal Revenue Code of 1986 to extend the section 29 credit for producing fuel from a non-conventional source; to the Committee on Finance.

By Mr. KENNEDY:

S. 3172. A bill to provide access to affordable health care for all Americans; to the Committee on Finance.

By Mr. SMITH of New Hampshire (for himself, Mr. WARNER, Mr. INHOFE, Mr. THOMAS, Mr. BOND, Mr. VOINOVICH, Mr. CRAPO, Mr. L. CHAFEE, Mr. BAUCUS, Mr. MOYNIHAN, and Mr. GRAHAM):

S. 3173. A bill to improve the implementation of the environmental streamlining provisions of the Transportation Equity Act for the 21st Century; read the first time.

By Mr. ABRAHAM:

S. 3174. A bill to amend the Internal Revenue Code of 1986 to allow a long-term capital gains deduction for individuals; to the Committee on Finance.

By Mr. CRAIG (for himself, Mr. CONRAD, Mr. BAUCUS, Mr. BINGAMAN, Mr. BREAUX, Mr. BURNS, Mr. CRAPO, Mr. DASCHLE, Mr. ENZI, Mr. GORTON, Mr. GRAMM, Mr. GRAMS, Mr. GREGG, Mr. HARKIN, Mrs. HUTCHISON, Mr. JEFFORDS, Mr. JOHNSON, Mr. KENNEDY, Mr. KERREY, Mr. LEAHY, Mr. LUGAR, Ms. MIKULSKI, Mrs. MURRAY,

Mr. REED, Mr. SARBANES, Mr. SMITH of New Hampshire, Mr. THOMAS, and Mr. WELLSTONE):

S. 3175. A bill to amend the Consolidated Farm and Rural Development Act to authorize the National Rural Development Partnership, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

#### SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MACK:

S. Res. 367. A resolution urging the Government of Egypt to provide a timely and open appeal for Shaiboub William Arsel and to complete an independent investigation of police brutality in Al-Kosheh; to the Committee on Foreign Relations.

By Mr. BROWNBACK (for himself and Mr. TORRICELLI):

S. Con. Res. 142. A concurrent resolution relating to the reestablishment of representative government in Afghanistan; to the Committee on Foreign Relations.

By Mr. MURKOWSKI (for himself and Mr. BINGAMAN):

S. Con. Res. 143. A concurrent resolution to make technical corrections in the enrollment of the bill H.R. 3676; considered and agreed to.

By Mr. LOTT (for himself and Mr. DASCHLE):

S. Con. Res. 144. A concurrent resolution commemorating the 200th anniversary of the first meeting of Congress in Washington, DC; considered and agreed to.

#### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

Mr. BAYH (for himself, Mr. GRAMS, Mr. LEAHY, and Mr. CLELAND):

S. 3164. A bill to protect seniors from fraud; to the Committee on the Judiciary.

##### PROTECTING SENIORS FROM FRAUD ACT

Mr. BAYH. Mr. President, today I rise as the author of the Protecting Seniors From Fraud Act, a bipartisan bill to prevent fraud against seniors.

The Protecting Seniors From Fraud Act is extremely important because seniors are disproportionately victims of telemarketing and sweepstakes fraud. Even though Americans over the age of 50 account for approximately 27% of the United States population, they comprise 56% of the "mooch lists" used by fraudulent telemarketers. Unfortunately, fraudulent telemarketers prey upon the trusting nature of seniors and as a result seniors lose approximately \$14.8 billion each year.

This can be prevented if seniors are educated about their consumer rights and are informed about methods that are available to them to confirm the legitimacy of an investment or product. According to a national survey, 70% of older fraud victims say it is difficult to identify when fraud is happening and 40% of older Americans cannot distinguish between a legitimate

and a fraudulent telemarketing sales call. There is a need to educate seniors about the dangers of fraud and how to avoid becoming a victim of fraud. As a first step to educate seniors in my state of Indiana about fraud prevention, I held a Special Committee on Aging field hearing on protecting seniors from fraud.

I heard testimony from two victims of investment scams in which both lost a large sum of their retirement. Mrs. Georgeanne MaCurdy lost close to \$150,000 and Mr. Owen Saltzgaver lost close to \$50,000. Mr. Saltzgaver said "It was a scam from the beginning, I wish I knew," and Mrs. Georgeanne MaCurdy stated "It is the first thing I think of when I get up in the morning and the last thing I think of when I go to sleep. I thought I could trust him."

At this hearing I highlighted the Protecting Seniors From Fraud Act. This bill would provide necessary resources to local programs part of the National Association of TRIADs, a community-policing program that partners law enforcement agencies with senior volunteers to reduce crime and fraud against the elderly. There are 725 counties with TRIADs nationwide. They help more than 16 million seniors. During the field hearing, Captain Ed Friend, the leader of the TRIAD program in South Bend, Indiana, testified about the importance of combating fraud and how the South Bend TRIAD program has been providing seminars to Seniors on fraud prevention. He made clear that without federal funding TRIADs' nationwide efforts would have to cease. The authorization for Federal funding provided in this bill should ensure the continuation of TRIADs' efforts. In order to assist TRIAD with those efforts, this bill also requires the Health and Human Services Department to disseminate information to seniors on fraud prevention through the Area Agencies on Aging and other existing senior-focused programs.

In addition to educating seniors, this bill contains provisions which would include seniors in the crime victimization survey and would require the United States Attorney General to conduct a study of crimes committed against seniors. I thank Senator LEAHY for his leadership on this issue. These provisions would allow Congress to gather more information on crimes against seniors in order to react with appropriate legislative action.

Education is one of many steps that needs to be taken to prevent fraud. I also introduced the "Combating Fraud Against Seniors Act" this year to increase enforcement measures and toughen penalties against those promoting fraudulent schemes through mass-marketing. Education and tougher penalties will hopefully protect seniors from fraud.

Protecting seniors from fraud is of growing importance as our population

ages and more seniors save more money for their retirement. Our seniors deserve to be informed and their investments deserve to be secure. I urge the Senate to consider this bipartisan legislation and pass it prior to adjournment.

Mr. LEAHY. Mr. President, I join today with Senators BAYH, GRAMS, and CLELAND in introducing the "Protecting Seniors from Fraud Act of 2000." I have been concerned for some time that even as the general crime rate has been declining steadily over the past eight years, the rate of crime against the elderly has remained unchanged. That is why I introduced the Seniors Safety Act, S. 751, with Senators DASCHLE, KENNEDY, and TORRICELLI over a year ago.

The Protecting Seniors from Fraud Act includes one of the titles from the Seniors Safety Act. This title does two things. First, it instructs the Attorney General to conduct a study relating to crimes against seniors, so that we can develop a coherent strategy to prevent and properly punish such crimes. Second, it mandates the inclusion of seniors in the National Crime Victimization Study. Both of these are important steps, and they should be made law.

The Protecting Seniors from Fraud Act also includes important proposals for addressing the problem of crimes against the elderly, especially fraud crimes. In addition to the provisions described above, the bill authorizes the Secretary of Health and Human Services to make grants to establish local programs to prevent fraud against seniors and educate them about the risk of fraud, as well as to provide information about telemarketing and sweepstakes fraud to seniors, both directly and through State Attorneys General. These are two common-sense provisions that will help seniors protect themselves against crime.

I hope that we can also take the time to consider the rest of the Seniors Safety Act, and enact even more comprehensive protections for our seniors. The Seniors Safety Act offers a comprehensive approach that would increase law enforcement's ability to battle telemarketing, pension, and health care fraud, as well as to police nursing homes with a record of mistreating their residents. The Justice Department has said that the Seniors Safety Act would "be of assistance in a number of ways." I asked Senator HATCH to hold Judiciary Committee hearings on the bill as long ago as October 1999, and again this past February, but my requests have thus far not been granted. I ask again today for hearings on this important and comprehensive proposal.

First, the Seniors Safety Act provides additional protections to nursing home residents. Nursing homes provide an important service for our seniors—

indeed, more than 40 percent of Americans turning 65 this year will need nursing home care at some point in their lives. Many nursing homes do a wonderful job with a very difficult task—this legislation simply looks to protect seniors and their families by isolating the bad providers in operation. It does this by giving federal law enforcement the authority to investigate and prosecute operators of those nursing homes that engage in a pattern of health and safety violations. This authority is all the more important given the study prepared by the Department of Health and Human Services and reported this summer in the New York Times showing that 54 percent of American nursing homes fail to meet the Department's "proposed minimum standard" for patient care. The study also showed that 92 percent of nursing homes have less staff than necessary to provide optimal care.

Second, the Seniors Safety Act helps protect seniors from telemarketing fraud, which costs billions of dollars every year. My bill would give the Attorney General the authority to block or terminate telephone service where that service is being used to defraud seniors. If someone takes your money at gunpoint, the law says we can take away their gun. If someone uses their phone to take away your money, the law should allow us to protect other victims by taking their phone away. In addition, my proposal would establish a Better Business Bureau-style clearinghouse that would keep track of complaints made about telemarketing companies. With a simple phone call, seniors could fine out whether the company trying to sell to them over the phone or over the Internet has been the subject of complaints or been convinced of fraud. Senator BAYH has recently introduced another bill, S. 3025, the Combating Fraud Against Seniors Act, which includes the part of the Seniors Safety Act that establishes the clearinghouse for telemarketing fraud information.

Third, the Seniors Safety Act punishes pension fraud. Seniors who have worked hard for years should not have to worry that their hard-earned retirement savings will not be there when they need them. The bill would create new criminal and civil penalties for those who defraud pension plans, and increase the penalties for bribery and graft in connection with employee benefit plans.

Fourth and finally, the Seniors Safety Act strengthens law enforcement's ability to fight health care fraud. A recent study by the National Institute for Justice reports that many health care fraud schemes "deliberately target vulnerable populations, such as the elderly or Alzheimer's patients, who are less willing or able to complain or alert law enforcement." This legislation gives law enforcement the additional investigatory tools it needs to

uncover, investigate, and prosecute health care offenses in both criminal and civil proceedings. It also protects whistle-blowers who alert law enforcement officers to examples of health care fraud.

In conclusion, I would like to commend Senators BAYH and CLELAND for working to take steps to improve the safety and security of America's seniors. I call upon my colleagues to pass this bipartisan legislation and begin the fight to lower the crime rate against seniors. I also urge them to consider and pass the Seniors Safety Act. Taken together, these two bills would provide a comprehensive approach toward giving law enforcement and older Americans the tools they need to prevent crime.

By Mr. ROTH (for himself, Mr. MOYNIHAN, Mr. JEFFORDS, Mr. MURKOWSKI, Mr. HATCH, and Mr. KERREY):

S. 3165. A bill to amend the Social Security Act to make corrections and refinements in the Medicare, Medicaid, and SCHIP health insurance programs, as revised by the Balanced Budget Act of 1997 and the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999, and for other purposes; read the first time.

MEDICARE, MEDICAID AND SCHIP IMPROVEMENTS  
ACT OF 2000

Mr. ROTH. Mr. President, I am very pleased today to join Senator MOYNIHAN and my other colleagues on the Senate Finance Committee in introducing the Medicare, Medicaid and SCHIP Improvements Act of 2000. This is important, bipartisan legislation intended to address needed health care funding and other improvements in these programs that are so important to millions of Americans. Every year on the Finance Committee we maintain watchful oversight of these critical programs to make sure that beneficiary access to services is maintained, and that payments and benefits are adjusted to meet beneficiaries' needs. This bill would add about \$28 billion in funds to these programs over the next five years. Following are some of the highlights of this legislation.

(1) Medicare beneficiary assistance provisions would reduce coinsurance liability for hospital outpatient services; improve access to Medigap coverage; permit Medicare+Choice plans to give beneficiaries cash rebates of Part B premiums; protect access to immunosuppressive, cancer, hemophilia and other drugs, and extend Part B premium assistance for lower-income beneficiaries.

(2) Preventive health benefits would expand existing or add new coverage for pap smears, colorectal cancer screening, and nutrition therapy, and request further work on effective preventive benefits for later consideration in Medicare.

(3) Rural health care improvements address service capacity and access to services through increased payments for critical access, sole-community and Medicare-dependent hospitals. The package also includes provisions for rural health clinics, ambulance services, and telemedicine. Rural hospitals, skilled nursing facilities and home health agencies also benefit from general financing improvements detailed in other sections.

(4) Medicare+Choice provisions stabilize and improve funding for beneficiaries electing to enroll in privately-offered Medicare+Choice plans, with special attention to rural communities; restore funding for beneficiary education campaigns; and provide additional assistance for frail, disabled and rural beneficiaries.

(5) Hospital funding improvements increase annual payment updates; improve disproportionate share hospital (DSH) payments under Medicare and Medicaid for providing uncompensated care to uninsured patients; reform Medicare's DSH program to reduce disparities in the treatment of rural and urban hospitals; add funding for rehabilitation hospitals; and protect payments for teaching hospitals.

(6) Skilled nursing facility (SNF) provisions improve funding, maintain access to therapy services, and reduce regulatory burdens by delaying implementation of consolidated billing.

(7) Home health and hospice provisions protect funding for home health services by delaying a scheduled 15% cut in payments; increasing funding for high-cost outlier cases, and making special temporary payments to rural agencies. Hospice provisions improve funding, require research on issues related to eligibility for the benefit and establish a hospice demonstration program.

(8) Dialysis and durable medical equipment (DME) provisions improve payments for DME for all Medicare beneficiaries, and for services received by individuals with end-stage renal disease, as well as enhancing their opportunities to participate in the Medicare+Choice program.

(9) Additional provisions address physician, laboratory, ambulatory surgery center and other medical services. The package also creates a Joint Committee on Health Care Financing to provide professional support to the Congress in addressing the burgeoning cost and legislative complexity of the Medicare, Medicaid and State Children's Health Insurance programs and monitoring the viability of safety net providers.

(10) Medicaid and SCHIP provisions improve the financing of and access to services provided by federally qualified health centers and rural health clinics; establish policies for the retention and redistribution of unspent SCHIP funds; increase authorization for the Mater-

nal and Child Health Block Grant; and add funding for special diabetes programs for children and Native Americans.

I would like to accomplish even more this year, especially in the Medicare program. For instance, I remain committed to securing comprehensive drug benefits for the aged and disabled beneficiaries in Medicare. I will continue to work towards that goal. However, I am pleased that we were able to achieve bipartisan support for these improvements and I will continue my efforts to build the bipartisan consensus needed to proceed on larger Medicare reforms in the near future.

Mr. MOYNIHAN. Mr. President, I am pleased to join with Senator ROTH, distinguished chairman of the Finance Committee, in sponsoring the Medicare, Medicaid, and SCHIP Improvement Act of 2000.

As part of the effort to balance the Federal Budget, the Balanced Budget Act of 1997 (BBA) provided for reduction in Medicare payments for medical services. At the time of enactment, the Congressional Budget Office (CBO) estimated that these provisions would reduce Medicare outlays by \$112 billion over 5 years. We now know that these BBA cuts have been much larger than originally anticipated—some argue twice as large, although it's difficult to determine this with any precision.

Hospital industry representatives and other providers of health care services have asserted that the magnitude of the reductions are having unintended consequences which are seriously impacting the quantity and quality of health care services available to our citizens.

Last year, the Congress addressed some of those unintended consequences, by enacting the Balanced Budget Refinement Act (BBRA), which added back \$16 billion over 5 years in payments to various Medicare providers, including: Teaching Hospitals; Hospital Outpatient Departments; Medicare HMOs (Health Maintenance Organizations); Skilled Nursing Facilities; Rural Health Providers; and Home Health Agencies.

However, Members of Congress are continuing to hear from providers who argue that the 1997 reductions are still having serious unanticipated consequences.

To respond to these continuing problems, the President last June proposed additional BBA relief in the amount of \$21 billion over the next 5 years. On September 20, Senator Daschle and I, along with 32 of our Democratic colleagues, introduced a similar, but more substantial, BBA relief package that would provide about \$40 billion over 5 years in relief to health care providers and beneficiaries. Today, along with Senator ROTH, I am pleased to be co-sponsoring a bipartisan BBA relief bill to provider about \$28 billion in relief over 5 years.

I want, in particular, to highlight that this legislation would—for fiscal years 2001 and 2002—prevent further reductions in the special Medicare payments to our Nation's teaching hospitals. A little background is in order.

Medicare provides support to our Nation's teaching hospitals by adjusting its payments upward to reflect Medicare's share of costs associated with care provided by medical residents. This is accomplished under two mechanisms: direct graduate medical education (direct GME) payments; and indirect medical education (IME) adjustments. Direct GME costs include items such as salaries of residents, interns, and faculty and overhead costs for classroom training. The separate IME adjustment was established in 1983 and pertains to residency training costs that are not directly attributable to medical education expenses, but are nevertheless associated with teaching activities and the teaching hospital's research mission—for example, extra demands placed on hospital staff, additional tests ordered by residents, and increased use of diagnostic testing and advanced technology. Prior to the BBA, the IME adjustment increased Medicare's hospital payments by approximately 7.7 percent for each 10 percent increase in a hospital's ratio of interns and residents to hospital beds.

The BBA included a reduction in the IME adjustment from the previous 7.7 percent to 7.0 percent in FY 1998; to 6.5 percent in FY 1999; to 6.0 percent in FY 2000; and to 5.5 percent in FY 2001 and subsequent years. In my judgment, these cuts would have seriously impaired the cutting edge research conducted by teaching hospitals, as well as impaired their ability to train doctors and to serve so many of our nation's indigent.

Last year, in the BBRA, we mitigated the scheduled reduction in FY 2000—freezing the IME adjustment at 6.5 percent; and the IME adjustment was set at 6.25 percent for FY 2001, and 5.5 percent thereafter. The package we are introducing today, would restore \$600 million in funds for FY 2001 and FY 2002 by setting the IME adjustment at 6.5 percent in both years. The IME adjustment would then fall to 5.5 percent thereafter—a reduction which I had hoped to cancel this year, and sincerely hope the congress will cancel in future legislation.

I have stood before my colleagues on countless occasions to bring attention to the financial plight of medical schools and teaching hospitals. Yet, I regret that the fate of the 144 accredited medical schools and 1416 graduate medical education teaching institutions still remains uncertain. The proposals in this bill will provide critically needed financing—at least in the short-run.

In the long-run, however, we need to restructure the financing of graduate

medical education along the lines I have proposed in the Graduate Medical Education Trust fund Act (S. 210). What is needed is explicit and dedicated funding for these institutions, which will ensure that the United States continues to lead the world in this era of medical discovery. The Graduate Medical Education Trust Fund Act would require that the public sector, through the Medicare and Medicaid programs, and the private sector through an assessment on health insurance premiums, provide broad-based financial support for graduate medical education. S. 210 would roughly double current funding levels for Graduate Medical Education and would establish a Medical Education Advisory Commission to make recommendations on the operation of the Medical Education Trust Fund, on alternative payment sources for funding graduate medical education and teaching hospitals, and on policies designed to maintain superior research and educational capacities.

In addition to restoring much needed funding to our Nation's teaching hospitals for the next two years, this bill would add back funding in many vital areas of health care. Key provisions of the bill we are introducing today would: provide full market basket (inflation) adjustments to hospitals for 2001 and 2002; target additional relief to rural hospitals; reduce cuts in payments to hospitals for handling large numbers of low-income patients (referred to as "disproportionate share (DSH) hospital payments"); delay the scheduled 15 percent cut in payments to home health agencies; improve funding for skilled nursing facilities; and assist beneficiaries through preventive benefits and smaller coinsurance payments.

Let me close by again complimenting Senator ROTH on developing this bill on a bipartisan basis and expressing my hope that the forthcoming information negotiations with committees of the House will be similarly conducted on a bipartisan basis.

By Mr. BINGAMAN:

S. 3166. A bill to amend the Clinger-Cohen Act of 1996 to provide individual federal agencies and the executive branch as a whole with increased incentives to use the share-in-savings program under that Act, to ease the use of such program, and for other purposes; to the Committee on Governmental Affairs.

INFORMATION TECHNOLOGY SHARE-IN-SAVINGS PROGRAM IMPROVEMENT ACT OF 2000

Mr. BINGAMAN. Mr. President, today I'm introducing a bill designed to lower the cost of the government's information technology systems and improve how those systems serve our citizens by encouraging greater use of a "share-in-savings" approach to contracting for information technology (IT).

Under a share-in-savings approach, the government contracts with a company to provide an improved, lower cost IT service and the company pays the up-front costs of the project, which is not the usual practice. In return, the contractor gets paid a portion of the money saved by the government under the new arrangement. Essentially, the contractor bears the capital costs needed for the government to save some money and has a strong incentive to decrease the government's costs because they get paid a portion of any savings.

Although this approach to IT contracting is authorized as a pilot program under the Clinger-Cohen Act, I understand the executive branch has not made much use of this approach to date. Hence, I believe there are opportunities for greater creativity in this area if we give the agencies greater incentives.

Basically, my bill does three things. First, and most importantly, it gives agencies an incentive to try a share-in-savings approach by letting them keep up to half the government's net savings to use for additional IT projects, rather than having all the net savings going back to the Treasury. It's just human nature that if you ask someone to do something risky—like a new IT system—but all the benefits go elsewhere, they're not going to be very inclined to do it. That is, unless they get to keep some of the benefits to improve their own operations—which is what this bill let's them do. The point here is that the more agency managers actually are willing to use this approach, the more money the taxpayer will save in the long run.

There's precedent for this with regard to certain Energy Savings Performance Contracts. Under a provision applicable to the Department of Defense, local base commanders can keep a portion of the savings from those contracts to purchase more energy saving equipment or even for morale and recreation purposes.

Second, my bill gives the executive branch as a whole an incentive to try share-in-savings contracting for IT by allowing the pilot program to graduate to a regular authority once a significant number of projects have been done, the approach has been found to be useful, and guidance on how to use the authority has been issued. This gives the top levels of the executive branch a goal to push toward.

Finally, my bill will ease implementation of share-in-savings contracting by allowing agency program managers to approve the projects, thereby giving them greater autonomy and streamlining the selection process. Currently, share-in-savings IT projects must be approved by the Administrator of Federal Procurement, a very high level in the executive branch.

In sum, my bill will encourage greater use of the share-in-savings approach

to IT contracting under the Clinger-Cohen Act by giving the agencies a portion of the savings to reinvest; the executive branch a goal; and the program managers more autonomy.

I had originally planned to introduce this as an amendment to the Treasury, Postal Appropriations bill. But, because it doesn't look like we'll have a chance to really debate that bill this year, I've decided to introduce this bill today to get my proposal before the Senate.

Now, to give some credit where credit is due, I got interested in this topic because of a piece I saw in Roll Call on E-Government by Patricia McGinnis of the Council for Excellence in Government. In it she mentioned the idea of letting agencies retain some of the IT savings they achieve in order to reinvest it in more IT.

I also understand that the Governmental Affairs Committee recently put up a web site to discuss potential e-government policies and legislation. And, I was glad to learn that the share-in-savings approach to IT is one of its topics.

So, I hope the Governmental Affairs committee will take a thorough look at the ideas in my bill. I look forward to working with them to find new ways to save the taxpayer money while improving the services they are provided.

Mr. President, I ask unanimous consent that the text of my bill and a letter from Ms. McGinnis in support of the amendment I'd planned be included in the RECORD at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 3166

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Information Technology Share-in-Savings Program Improvement Act of 2000".

**SEC. 2. PURPOSES.**

The purposes of this Act are to provide individual federal agencies and the executive branch as a whole with increased incentives to use the share-in-savings program under the Clinger-Cohen Act of 1996 and to ease the use of such program.

**SEC. 3. EXPANSION OF AUTHORITY.**

Section 5311 of the Clinger-Cohen Act of 1996 (divisions D and E of Public Law 104-106; 110 Stat. 692; 40 U.S.C. 1491) is amended—

(1) in subsection (a)—

(A) by striking "the heads of two executive agencies to carry out" and inserting "heads of executive agencies to carry out a total of five projects under";

(B) by striking "and" at the end of paragraph (1);

(C) by striking the period at the end of paragraph (2) and inserting "; and"; and

(D) by adding at the end the following:

"(3) encouraging the use of the contracting and sharing approach described in paragraphs (1) and (2) by allowing the head of the executive agency conducting a project under the pilot program—

"(A) to retain, out of the appropriation accounts of the executive agency in which savings computed under paragraph (2) are realized as a result of the project, up to the amount equal to half of the excess of—

"(i) the total amount of the savings, over

"(ii) the total amount of the portion of the savings paid to the private sector source for such project under paragraph (2); and

"(B) to use the retained amount to acquire additional information technology.";

(2) in subsection (b)—

(A) by inserting "a project under" after "authorized to carry out"; and

(B) by striking "carry out one project and"; and

(3) by striking subsection (c) and inserting the following:

"(c) EVOLUTION BEYOND PILOT PROGRAM.—

(1) The Administrator may provide general authority to the heads of executive agencies to use a share-in-savings contracting approach to the acquisition of information technology solutions for improving mission-related or administrative processes of the Federal Government if—

"(A) after reviewing the experience under the five projects carried out under the pilot program under subsection (a), the Administrator finds that the approach offers the Federal Government an opportunity to improve its use of information technology and to reduce costs; and

"(B) issues guidance for the exercise of that authority.

"(2) For the purposes of paragraph (1), a share-in-savings contracting approach provides for contracting as described in paragraph (1) of subsection (a) together with the sharing and retention of amounts saved as described in paragraphs (2) and (3) of that subsection.

"(3) In exercising the authority provided to the Administrator in paragraph (1), the Administrator shall consult with the Administrator for the Office of Information and Regulatory Affairs.

"(d) AVAILABILITY OF RETAINED SAVINGS.— Amounts retained by the head of an executive agency under subsection (a)(3) or subsection (c) shall, without further appropriation, be available for the executive agency for the acquisition of information technology and shall remain available until expended. Amounts so retained from any appropriation of the executive agency not otherwise available for the acquisition of information technology shall be transferred to any appropriation of the executive agency that is available for such purpose."

THE COUNCIL FOR EXCELLENCE

IN GOVERNMENT,

Washington, DC, August 10, 2000.

Sen. JEFF BINGAMAN,  
Hart Senate Office Building,  
Washington, DC.

DEAR SENATOR BINGAMAN: The Council for Excellence in Government applauds your interest in legislation to encourage federal agencies to conduct pilot "share-in-savings" partnerships under the Clinger-Cohen Act. We agree that making greater use of "share-in-savings" projects will lead to successful public-private joint ventures that can produce savings for the agencies and better results for the American people.

In particular, we think the approach to encouraging greater use of "share-in-savings" partnerships embodied in your planned amendment to this year's Treasury and General Government appropriations bill—allowing agencies to retain some of the savings, and the pilots to easily graduate to a regular

authority—deserves serious consideration by Congress.

As you move forward, you may also want to look at the work of the General Service Administration's (GSA) Federal Technology Center. Ken Buck, Director of Business Innovations, Office of the Commissioner at GSA, is very knowledgeable about the successful methods of contracting and procurement using this approach.

In fact, the Council is working with GSA to develop case studies of best practices using share-in-savings methods for use by federal agencies. We will share that work with you as soon as it is available.

Again, thanks for your leadership on this very important issue, which will not only promote e-government but also excellence in government.

Sincerely,

PATRICIA MCGINNIS,  
President and CEO.

By Mr. DOMENICI (for himself and Mr. BINGAMAN):

S. 3167. A bill to establish a physician recruitment and retention demonstration project under the Medicare Program under title XVIII of the Social Security Act; to the Committee on Finance.

PHYSICIAN RECRUITMENT AND  
RETENTION ACT OF 2000

Mr. DOMENICI. Mr. President, I rise today with my friend Senator BINGAMAN to introduce the "Physician Recruitment and Retention Act of 2000."

Almost like clockwork one can pick up an Albuquerque newspaper and read about the shortage of physicians in New Mexico and the resulting problems. When individuals have difficulty receiving adequate medical treatment, action must be taken.

For example, in Albuquerque an urban area of almost 700,000 there are only two neurosurgeons besides the five practicing at the University of New Mexico. Such a ratio can only cause one thing, severe difficulties for patients. Thus, a patient recently waited eighteen hours in an Albuquerque emergency room before seeing a neurosurgeon.

I would ask my colleagues the following: what good are hospitals filled with the latest technology if there are not enough doctors? And what good are modern medical offices if there are not enough doctors to treat the patients in a timely manner?

The problem I have just described is not just occurring in New Mexico, rather other states are experiencing similar problems because of a common set of problems. I would submit the combination of high levels of poverty and low Medicare reimbursement rates causes a twofold problem.

First, patients often have difficulty obtaining timely care and second, states cannot effectively recruit and retain their physicians. Our Bill builds upon the simple proposition that if Medicare Physician reimbursement rates are raised, patients will be the ultimate beneficiaries.