EXTENSIONS OF REMARKS

THE NOTCH BABY ACT OF 2001

HON. JO ANN EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 2001

Mrs. EMERSON. Mr. Speaker, today I am again introducing legislation to assist the over 6 million senior citizens who have been negatively impacted by the Social Security Amendments of 1977. Seniors born between the years of 1917 and 1926—the Notch Babies—have received lower Social Security monthly payments than those seniors born shortly before or after this ten year period. My legislation, the Notch Baby Health Care Relief Act, will offset the reduction in Social Security benefits by providing a tax credit for Medicare Part B premiums.

The approach taken in this bill is different than taken by my Notch Baby Act of 2001 or in any other Notch bill that has been introduced. This legislation is particularly noteworthy because it was suggested to me by one of my constituents—adjust Medicare Part B premiums for senior citizens born between the years 1917 and 1926, their spouses and their widows or widowers. The bill also eliminates the Medicare Part B premium late enrollment penalty for these individuals.

As health care expenses can take up a large portion of a senior's retirement income, this tax credit can go a long way to both correct the inequity caused by the Notch and to help seniors meet their health care needs. I urge my colleagues to review the Notch Baby Health Care Relief Act, to discuss this legislation with the seniors in their districts, and to join me in cosponsoring this important legislation.

RE-INTRODUCTION OF THE MEDICARE UNIVERSAL PRODUCT NUMBER ACT

HON. LOUISE McINTOSH SLAUGHTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 2001

Ms. SLAUGHTER. Mr. Speaker, it is my pleasure to re-introduce today a bill that could provide a significant new tool in the battle against Medicare waste, fraud and abuse: the Medicare Universal Product Number Act.

In 1996, the first-ever comprehensive audit of Medicare's books revealed that Medicare was losing more than $23 billion every year to waste, fraud, and abuse—almost 14 percent of the program's budget. Since that time, the Department of Health and Human Services has taken important steps to crack down on abusive practices. By fiscal year 1999, net payment errors totaled an estimated $13.5 billion, or about 8 percent of total Medicare fee-for-service benefit payments.

While significant progress has been made, we must do more to ensure that all Medicare funds are used for the benefit of patients. In particular, room for improvement exists in Medicare's reimbursement for durable medical equipment (DME). Durable medical equipment includes supplies like catheters, wheelchairs, walkers, and ostomy supplies needed by patients. Many Americans would undoubtedly be shocked to learn that the Medicare program frequently pays for DME without knowing exactly what product was supplied to the beneficiary. Under the current system, items are grouped under broad codes. Medicare pays the average price for all the items included in that category, no matter whether the least or most expensive one was provided. Moreover, the coding system does not allow government officials to determine exactly which product under the code was supplied.

The Medicare Universal Product Number Act will empower Medicare to know precisely what items are being supplied. This bill would require all medical equipment paid for by Medicare to have a Universal Product Number (UPN) very similar to the bar codes on groceries. When suppliers submit claims for reimbursement, they will identify items by UPN. Medicare will know exactly what equipment has been provided and reimburse accordingly. The UPN can be an invaluable aid in tracking down improper payments, identifying willful upcoding and fraud, and reducing program waste.

UPNs are already used extensively by the Department of Defense, Veterans Administration, and many private hospitals and health care purchasing cooperatives. HCFA should recognize the utility of UPNs for Medicare and support the passage of the Medicare Universal Product Number Act.

I am proud to be joined in this effort by my distinguished colleague from Corning, Representative AMO HOUGHTON, who has a long record of activism on health and Medicare. I would also like to note that this legislation has the support of the American Orthotics & Prosthetics Association, the Healthcare Electronic Data Interchange Coalition (HEDIC), the Health Industry Distributors Association, the Health Industry Group Purchasing Association, Invacare, the National Association for Medical Equipment Services (NAMES), the National Association of Wholesaler-Distributors, Premier, Inc., the Uniform Code Council, and VHA, Inc.

Medicare program integrity is improving, but we still have a long way to go. The current system is wasteful and vulnerable to abuse. UPNs are a common-sense solution to make Medicare a smart health consumer for the sake of older Americans, taxpayers, and medical equipment suppliers alike.

INTRODUCTION OF THE SURVIVING SPOUSE FAIRNESS ACT

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 2001

Mrs. ROUKEMA. Mr. Speaker, today I talk about the Surviving Spouse Fairness Act that I will introduce today. I propose this legislation out of fairness and the need to make the tax code simpler to those who have suffered the loss of a spouse.

Today's tax code pressures a surviving spouse to sell their home within the same year that their spouse died in order to reap the full $500,000 capital gains exclusion. After the year of death, the surviving spouse is treated as a single person and only allowed $250,000 exclusion.

Why should a surviving spouse incur a tax penalty on the sale of their home just because their spouse died?

Why should a surviving spouse, who was married for decades, not be treated the same as a married person?

My bill would allow the full $500,000 of capital gains exclusion on the sale of the home of a widow or widower who has not remarried and would have otherwise qualified for the exclusion if their spouse had not died.

The Joint Committee on Taxation last year found that this bill would cost only $43 million over five years. The small revenue loss would be exceedingly affordable for the amount of emotional relief, justice and tax simplification the bill would provide.

I call on my colleagues to support this important legislation.

THE BIPARTISAN COMMISSION ON SOCIAL SECURITY REFORM

HON. ROB PORTMAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 2001

Mr. PORTMAN. Mr. Speaker, the 2000 Report of the Social Security Board of Trustees projects that the amount of money going out of the Social Security Trust Fund will begin to exceed the tax dollars coming into the system in 2015 and, as a result, the Social Security Trust Fund will be depleted in 2037. At that time, only 72% of Social Security benefits would be payable with incoming receipts unless changes are made today.

The primary reason is demographic: the post-World War II baby boomers will begin retiring in less than a decade and life expectancy is rising. By 2025 the number of people age 65 and older is predicted to grow by 75%. In contrast, the number of workers supporting the system would grow by 13%.