CONGRATULATIONS TO HCFA FOR SAVING MEDICARE MONEY; CONGRESS SHOULD GIVE HCFA MORE COMPETITIVE PURCHASING TOOLS

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 2001

Mr. STARK. Mr. Speaker, a lot of Members of Congress have been criticizing HCFA lately, largely because they are trying to carry out impossible complex laws passed by Members of Congress.

We also complain that HCFA isn't competitive enough. In the BBA of 1997, we gave authority to HCFA to carry out competitive bidding demonstrations on the purchase of durable medical equipment. Those demonstrations are indeed showing substantial savings. I would like to enter in the RECORD a press release of March 1st describing the progress of these demonstrations.

Mr. Speaker, Congress should immediately allow those demonstrations to become permanent and to be extended nationwide. Congress should stop calling HCFA inefficient when we aren't willing to give it the power to be efficient.

[From the HCFA Press Office, Mar. 1, 2001]

SECOND ROUND OF MEDICARE COMPETITIVE BIDDING PROJECT FOR MEDICAL SUPPLIES IN POLK COUNTY, FLA.

Medicare has launched the second round of its successful pilot project in Polk County, Fla., that uses competition to provide quality medical equipment and supplies to beneficiaries at better prices. The Balanced Budget Act of 1997 authorizes the Health Care Financing Administration (HCFA) to demonstrate how competitive bidding can help Medicare beneficiaries and the program pay more reasonable prices for quality medical equipment and supplies. Several studies by the U.S. General Accounting (GAO) and the HHS Inspector General have shown that the Medicare program and its beneficiaries often pay more for medical equipment and supplies than the prices paid by other insurers and individual patients. Requiring suppliers interested in serving Medicare beneficiaries to submit bids including quality and price information assures access to high-quality medical equipment at a fairer price. The changes also can reduce Medicare waste and abuse.

During the first round of the Polk County demonstration, HCFA, the agency that administers Medicare, invited companies to compete to sell medical equipment and supplies to 92,000 Medicare beneficiaries in Polk County. Bids were evaluated on the basis of quality and price. The new rates set by this competitive process are saving individual beneficiaries and Medicare an average of 17 percent on the cost of certain medical supplies, while protecting quality and access for Polk County beneficiaries. The competitive bidding process took place in the spring of 1999. The new rates took effect on Oct. 1, 1999, and will remain in effect until Sept. 30, 2001.

HCFA implemented a similar demonstration in three Texas counties in the San Antonio area—Bexar, Comal and Guadelupe counties. Suppliers who wished to sell products in five categories to Medicare beneficiaries in the region were required to compete on the basis of quality and price in the spring of 2000. As in the Polk County process, the new prices are saving individual beneficiaries and Medicare an average of 20 percent on the cost of certain medical supplies while protecting quality and access for San Antono beneficiaries. The new rates took effect on Feb. 1, 2001, and will remain in effect until Dec. 31, 2002.

In the second round of the Polk County demonstration, suppliers will again compete this spring on the basis of quality and price for four of categories of medical equipment and supplies categories included in the first round of the pilot. The categories are: oxygen supplies; hospital beds; urological supplies and surgical dressings. The fifth product category, enteral nutrition, is not being included in the second round because the focus of the demonstration is on medical equipment and supplies delivered to the home, and enteral nutrition is primarily provided to nursing home residents. The rates determined for the second round are to take effect on Oct. 1, 2001, and will remain in effect until Sept. 30, 2002.

GUEST CHAPLAIN, DR. CALVIN TURPIN

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 2001

Mr. FARR of California. Mr. Speaker, I am pleased to submit background material on Dr. Calvin Turpin. Dr. Turpin, from my district, offered the prayer to open the House today.

Dr. Calvin C. Turpin of Hallister, CA, is a native of Illinois. He is a retired professor of religion and an administrator from Hardin Simmons University, Abilene, TX.

Dr. Turpin earned a B.A., and M.A. from Baylor University, Waco, TX; An M.A. from Vanderbilt University, Nashville, TN; Bachelor of Divinity; M.R.E. (Master of Religious Education) and a Master of Divinity from Southern Baptist Theological Seminary, Louisville, KY, and a Doctor of Science in Theology from Golden Gate Baptist Theological Seminary, Mill Valley, CA.

Dr. Turpin served as Deputy Chief of Chaplains for the Civil Air Patrol. He and his wife Eudell are the parents of a son and daughter.

Dr. Turpin served in the Army during World War II and has served as a minister in Southern Baptist Churches in Texas, Kentucky, Tennessee, and California.

Presently he serves as National Chaplain of the American Legion (2000–2001).

REVIVING STEEL

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 2001

Mr. KUCINICH. Mr. Speaker, I submit into the RECORD the following editorial from the March 11th edition of the Cleveland Plain Dealer. I believe this piece speaks to the urgent need for action to aid the American steel industry, and I encourage my colleagues to read it.

[From the Plain Dealer, Mar. 11, 2001]

REVIVING STEEL

Why is America's steel industry in such a sorry state?

Poor management, inefficient work rules, runaway imports, outrageous energy costs, low prices, expensive obligations to retirees, skeptical landers and rapidly changing technology have all played a role. But the collective impact is undeniable: In little more than three years, 16 firms, including Cleveland LTV Corp., have sought bankruptcy protection. Since last spring, profits at even the best-run firms have largely melted into pools of red ink; LTV lost $351 million in the last quarter alone. The mini-mills that once seemed to be steel's new wave now look almost as vulnerable as the dinosaurs in this historically cyclical industry.

Since steel is an economic and military necessity, America needs a healthy industry. And in our system, that's largely the responsibility of individual steelmakers. They have to be intelligently managed, flexible, able to see technological change before it overwhelms them. Companies that can't or won't change will fail. And yet, it's not unreasonable for government to help such a vital enterprise negotiate a market shaped by forces that bear little resemblance to economic theory.

The Bush administration is said to be studying how best to assist steel. And a bipartisan group in the House of Representatives has offered a set of proposals, many of them rooted in ideas put forward by industry leaders and the United Steel Workers of America. While specifics of the legislation, whose co-sponsors include Cleveland-area Democrats Dennis J. Kucinich, Stephanie Tubbs Jones and Sherrod Brown, may be a bit dubious, they do pinpoint areas that need attention: foreign competition, ''legacy costs,'' consolidation and capital.

Ask most steelmakers and their allies to identify the industry's No. 1 problem and chances are they'll finger the glut of low-priced foreign steel that flooded this country last year. But the import crush is not some foreign plot. A strong U.S. dollar, while good for the overall economy, makes imports relatively cheaper and more desirable to cost-conscious steel users. Even in the best of times, American steel makers cannot meet domestic demand. Industry officials concede that about a quarter of the steel used in this country will always come from abroad, much of it slab that's then finished by American steel firms.

Still, American steel firms need some respite from bargain-basement competition. The question is how to give it to them, especially since the world Trade Organization has rejected America's anti-dumping laws. Perhaps the administration at least could give American producers the ''anti-surge'' warnings that NAFTA partners Mexico and Canada provide their steelmakers by constantly monitoring imports.

U.S. steelmakers proudly point to billions invested in modernization since the late 1970s. America today makes as much steel with a third as many workers. But shrinking the work force meant early retirement for thousands of empoloyees; LTV's integrated steel operations, for example, support 12,000 active workers and 72,000 retirees. Many established steel firms thus face enormous ''legacy costs,'' mostly for retiree health care, that add an estimated $15 to $20 to the price of each ton. It's a burden not shared by domestic upstarts or by foreign competitors whose governments pay for health care.

The House bill proposes a surcharge on every ton of steel sold in the United States