the PMA by a 9–0 vote. From this point onward, the FDA engaged in an obvious pattern of delay and deception and even went as far as to deny the TMJ Implants’ Fossa-Eminence Prosthesis from the market, which had been available for almost 40 years. This had done nothing more than to cause harm to patients and cost the company millions of dollars.

This was done at the same time that the application for TMJ Concepts, a competitor of TMJ Implants, sailed through the process. Several allegations have come to light over the last two years detailing the fact that several Agency employees have worked under the direction of TMJ Concepts’ associates. The agency went so far as to reconvene a new Medical Devices Advisory Committee last year, with a clear majority of its members lacking the required expertise, which denied the company’s application.

It was not until Mr. Bernard Statland, the new Director, Office of Device Evaluation (ODE) was brought in that the logjam was broken the PMA was quickly approved.

As the above demonstrates, several concerns remain about the process that has taken place over the last two years. It is no secret that everyone involved in this case believes that there have been significant questions raised about the process—the sluggish pace of the review of the engineering data for both the total and partial joint and, more importantly, the constant “moving of the goal posts” during the review of both PMAs.

Over the last two years, my office has received numerous letters from physicians all across the country—from the Mayo Clinic to the University of Maryland—each describing the benefit of the partial joint and the fact that the partial and total joint results in immediate and dramatic decrease in pain, an increase in range of motion and increased function.

While I am, of course, pleased that the application has been approved by the FDA after much delay, the circumstances of the last two years can’t simply be swept under the carpet. In the face of both the agency and, it is for this reason that I bring it to the House’s attention.

The company’s application for TMJ Concepts, a competitor of TMJ Implants, was approved by the FDA after considerable delay and deception and even went as far as to remove TMJ Implants’ Fossa-Eminence Prosthesis from the market, which had been available for almost 40 years. This had done nothing more than to cause harm to patients and cost the company millions of dollars.

This was done at the same time that the application for TMJ Concepts, a competitor of TMJ Implants, sailed through the process. Several allegations have come to light over the last two years detailing the fact that several Agency employees have worked under the direction of TMJ Concepts’ associates. The agency went so far as to reconvene a new Medical Devices Advisory Committee last year, with a clear majority of its members lacking the required expertise, which denied the company’s application.

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Dr. Christensen is a true professional and a pioneer in his field and holder of the first patients. His implants are widely accepted as effective and safe throughout the dental and ENT community—indeed, several of my constituents have literally had their lives changed by the procedure. I am convinced that the work of TMJ is and always has been based on solid, scientific principles and the readiness of the agency and, it is for this reason that I bring it to the House’s attention.

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Mr. Speaker, today Mr. Stark from California and I are introducing the Hospital Investment Act of 2001, which aims to address concerns regarding potential conflicts of interest raised by the advent of free-standing specialty or “boutique” hospitals with joint investor-physician ownership arrangements.

Over the past several years, we have seen a growing expansion of these “boutique” hospitals. Each of these hospitals specializes in one particular area of inpatient procedures—such as heart, orthopedic, or maternity—which is high-volume, high-cost, and high-profit to these new for-profits.

Among the many problems associated with these boutique hospitals is the issue of self-referrals, where physicians refer their patients to a hospital in which they have a preferential ownership stake.

Under current federal law, a doctor may not refer his patients to a health care facility in which he has a financial interest. This includes clinical laboratory services, physical therapy, speech pathology, radiology services (such as MRIs, CAT scans, and ultrasound) and other auxiliary health services. Before these laws, commonly referred to as Stark I and Stark II, were passed in 1989 and 1993 respectively, the HHS Inspector General had discovered that Medicare patients received 45 percent more laboratory services when the doctor owned the lab than when the doctor did not.

One exception to the Stark laws allows a physician to refer patients to a hospital in which he or she has a financial interest, as long as that interest is in the whole hospital and not just a particular department or clinic within it. With the proliferation of specialty hospitals, this exception has become a loophole by which physicians can legally refer patients to a boutique hospital in which they have a direct personal financial interest.

This preferential ownership provides physicians with increased financial incentives to engage in the very type of overutilization of medical services that the HHS Office of the Inspector General disclosed in its 1989 report, which invariably leads to increased federal Medicare and Medicaid spending without increased quality of patient care. This, as we all know, is the basis for the Stark laws were designed to prevent in the first place.

The bill we are introducing today, the Hospital Investment Act of 2001, would address this problem by tightening the current law to prohibit preferential hospital ownership terms for physicians who wish to be able to refer patients to the facility. Under this legislation, physicians would be allowed to refer patients to a hospital in which they had an ownership interest, but only if the interest was purchased on terms also available to the general public.

Physicians and facilities that violate this new law would be subject to a civil monetary penalty of up to $15,000 per referral plus twice the amount billed for the referred service. In cases where there was an arrangement or scheme to refer patients to facilities owned by the physician, penalties could be as high as $100,000 and twice the amount billed for referred services. Alarming new reports of joint investor-specialty hospital would be denied participation in the Medicare program.

Mr. Speaker, it is imperative that Congress closes the hospital ownership loophole in the Medicare physician self-referral laws to ensure our nation’s health care system is not compromised and to protect the viability of our nation’s Medicare and Medicaid programs. I urge my colleagues to cosponsor and support this important legislation.
EXTENSIONS OF REMARKS

Benjamin Green of Morenci, Michigan
RaeAnn Herman of Manitou, Michigan
Alexander Kennedy of Marine City, Michigan
Chelsey McConn of Bronson, Michigan
Ingrid Myee of Pittsford, Michigan
Martin Munzt of Manchester, Michigan
Rebekah Preston of Quincy, Michigan
Lisa Sellers of Battle Creek, Michigan
Kristen Taddionio of Manchester, Michigan
Bethany Wheeler of Morenci, Michigan

The finalists of the LeGrand Smith Congressional Scholarship Program are being honored for showing that same generosity of spirit, depth of intelligence, and capacity for human service that distinguished the late LeGrand Smith of Somerset, Michigan. They are young men and women of character, ambition, and initiative, who have already learned well the value of hard work, discipline, and commitment.

These exceptional students have consistently displayed their dedication, intelligence, and concern throughout their high school experience. They are people who stand out among their peers due to their many achievements and the disciplined manner in which they meet challenges. While they have already accomplished a great deal, these young people possess future. They have learned the keys to success in any endeavor. I am proud to join with their many admirers in extending our highest praise and congratulations to the finalists of the 2001 LeGrand Smith Congressional Scholarship Program.

SPEECH BY AHMET ERTEGUN

HON. ROBERT WEXLER
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 12, 2001

Mr. WEXLER. Mr. Speaker, I would like to place in the CONGRESSIONAL RECORD the following speech by Ahmet Ertugun, Chief Executive Officer of Atlantic Records, on May 18, 2001, after receiving the Prestigious Federation of Turkish American Associations (FTAA) Cultural Lifetime Achievement award during the FTAA’s Turkish Cultural Week.

As co-founder of the House Caucus on U.S.-Turkish Relations and Turkish-Americans, I believe there is no individual more deserving of the FTAA Cultural Achievement Award than Ahmet Ertugun who is a leading voice in the Turkish-American community and an extraordinary humanitarian.

It would be an understatement to say that Mr. Ertugun is the epitome of the American dream. As a successful businessman and self-starter, he co-founded one of the most successful international recording studios, Atlantic Records. Mr. Ertugun has also been deeply involved in many worthwhile philanthropic activities. Thousands of individuals in the United States and throughout the world have benefited from his commitment and involvement in charities and civic organizations.

The Turkish-American community should be extremely proud to have Mr. Ertugun as a leading spokesman to promote Turkish culture and history in the United States. He, along with the Federation of Turkish American Associations, are the heart and soul of a dynamic Turkish-American community. Finally, I want to thank Mr. Ertugun and the FTAA for their commitment to strengthening the relationship between the United States and Turkey. Mr. Ertugun and the FTAA believe that the friendship and strategic partnership between America and Turkey are essential to both countries and will grow even more important throughout the 21st century.

Again, I join the Federation of Turkish American Associations and the Turkish-American community in celebrating Mr. Ertugun’s extraordinary achievements and congratulate him on receiving the FTAA Cultural Lifetime Achievement award.

Thank you.

Your excellencies, ladies and gentlemen:

It is a great honor for me to be recognized by the Federation of Turkish American Associations.

I deem it a great honor to have been introduced by my dear friend, Arif Mardin. Arif, as our musical director, has made the key monumental record hits that have been the highlights of Atlantic’s history: “Respect” by Aretha Franklin, the Saturday Night Fever album by Bee Gees and “Wind Beneath My Wings” by Bette Midler just to name a few.

I was recently invited to a white-tie gala banquet in Nashville to get a music citation. This was a period when I was using crutches to walk. As they called my name and I started to walk up to the podium to receive the award, this southern lady turned to me and said: “You must be mahyty proud. This is the first time we’ve given this award to a foreigner.”

But to be serious, it is wonderful to see such a large group of Turkish Americans. Each and every one of you is an important part of what has become the beginnings of a group which could have some political influence in the near future, both here in America and also in Turkey, through our family and friends.

It is most important that we, as Turkish Americans, champion the causes of freedom and justice, both here and in Turkey.

As you all must know, Turkey is now going through a terrible time because of economic mismanagement. We are all aware of the rumors and accusations in the Turkish press of chaos and corruption, in both the public and the private sector.

But what has been the savior of Turkey has been the selfless and honest dedication of so many of its citizens, and the ever-present vigour of the Turkish Army, to protect the legacy of Mustafa Kemal Ataturk. They have been our saviors through the many difficulties since the formation of the Republic in 1923.

With the coming of the current crisis and the devaluation of the Turkish lira, President Bulent Ecevit sent for a top economist from the World Bank, Mr. Kemal Dervis, to establish reforms and to encourage economic help from our friends in America and Europe.

He has been promised over 16 billion dollars with stringent conditions, which require drastic changes in the economic and political systems initiated by Ataturk at the beginning of the Republic.

Ataturk’s dream was to bring his country and its people into the modern world’s mainstream, and shortly before he died, he left this important message and I quote: “I am leaving no sacred dogma, nor am I leaving as my legacy any command that is frozen in time or cast in stone.”