

The Medigap Consumer Protection Act would direct the National Association of Insurance Commissioners [NAIC] to develop guidelines to eliminate attained age rating which would then be implemented in all States. The NAIC, founded in 1871, is the Nation's oldest association of State public officials. It is composed of the chief insurance regulators of all 50 States, the District of Columbia and the 4 U.S. territories. In the past, Congress has requested similar action from the NAIC, which has successfully completed these requests.

For instance, the Omnibus Budget Reconciliation Act of 1990 instructed NAIC to develop model standardized benefit packages for the Medigap market. After holding public hearings, and consulting with interested parties, the NAIC completed the standards, which were approved by the Secretary of Health and Human Services and became law.

I would like to include in the RECORD the following excerpt from a Consumer Reports article of August 1994 which describes the attained-age pricing problem in the Medigap market:

Many companies have changed the way they price policies so they can bait consumers with low premiums at the outset and trap them with very high increases later on.

In 1989, most carriers used either "community rates" or "issue-age rates" to price their policies. With community rates, all policyholders, young or old, pay the same premium. With issue-age rates, premiums will vary depending on the age of the buyer. But in either case, the annual premium will go up only to reflect inflation in the cost of benefits; it will not rise because you get older. Both community and issue-age rates protect policyholders from steep annual increases.

Now, however, more and more insurance companies are restoring to a less benign strategy as "attained-age" pricing. It allows companies to gain a competitive advantage by selling cheap policies to 65-year-olds when they enter the Medicare-supplement market. With attained-age pricing, the initial premiums, especially for those between 65 and 69, are usually lower than for issue-age or community-rated policies. But there's a catch: Premiums will rise steeply as the policyholder gets older.

In 1990, 31 percent of all Blue Cross-Blue Shield affiliates sold policies with attained-age rates. In 1993, 55 percent did. At the same time, the proportion of Blue Cross-Blue Shield plans offering community rates has dropped from 51 percent to 21 percent. AARP/Prudential still offers community rates but finds its initial premiums have become less competitive for policyholders age 65 to 69.

Attained-age policies are hazardous to policyholders. By age 75, 80, or 85, a policyholder may find that coverage has become unaffordable—just when the onset of poor health could make it impossible to buy a new, less expensive policy. Take, for example, an attained-age Plan F offered by New York Life and an issue-age Plan F offered by United American. For someone age 65, the New York Life policy is about \$114 a year cheaper. But by age 80, the New York Life policyholder would have spent a total of \$5000 more than the buyer of the United American policy.

Buyers are rarely warned of these consequences. Neither insurers nor agents are required to tell consumers how expensive attained-age policies will become over time. A sales brochure from California Blue Cross, which boasts one of the state's hottest-selling Medicare supplements, says nothing about rate increases; it doesn't even mention

that rates are calculated on an attained-age basis. Of the 17 agents our reporter heard, only one discussed the way his company's rates were set—and he thoroughly confused the three methods. "The vast majority of agents don't understand attained-age pricing, so they can't possibly explain it to their customers," says Mark McAndrew, president of United American.

Only 10 states—Arkansas, Connecticut, Florida, Georgia, Idaho, Maine, Massachusetts, Minnesota, New York, and Washington—either require that insurers use community rates or specifically ban attained-age policies. In most other states, insurers are shifting to attained-age policies. United American, a large seller of Medicare-supplement policies, has just notified state insurance regulators that it plans to switch from issue-age to attained-age rates. "We think attained-age rates are a bad thing, but our agents had to eat," explains Joyce Lane, a United American Vice president.

Mr. Speaker, Bonnie Burns, a private contractor for California's Health Insurance Counseling and Advocacy Program delivered the following testimony before the House Health and Environment Subcommittee earlier this year:

The danger [with attained age rating] is that just when people begin to need more and more medical care, they will also be hit with much higher premiums. Alternative methods of calculating premiums mean that older beneficiaries will almost always pay less than with attained age rates. The impact of sharply increased premiums is minimized.

Most seniors are in the middle class or below and are already spending about 23 percent of their income on health care expenses according to the AARP, while those under 65 spend about 8 percent. As people age their income and resources go down over time, particularly for older widowed women, and out of pocket costs for health care consume an increasingly larger part of their income. Their ability to absorb additional costs in premiums, deductibles and coinsurance is limited.

Mr. Speaker, affordable premiums and reliable health care coverage are crucial issues for millions of elderly Americans on fixed incomes. At age 65, virtually all Americans recognize the importance of good health coverage. Seniors face rapidly increasing health costs as they reach their seventies and eighties. It is inappropriate to lure seniors into attained age policies which they will not be able to afford if they live for a decade or two. That is why Consumers' Union and the National Council of Senior Citizens have written letters strongly supporting the Medigap Consumer Protection Act.

I would like to close, Mr. Speaker, by describing a few of the things the Medigap Consumer Protection Act will not do:

The Medigap Consumer Protection Act does not place price controls on the insurance industry. Under this bill each insurance carrier will continue to set its own rates and can charge as much or as little as it feels is prudent as long as it continues to meet the loss ratio requirements which are already in place under current law.

The Medigap Consumer Protection Act does not diminish valuable consumer choice. Attained age rating makes it more difficult and confusing for consumers to make price comparisons and compare different policies. Attained age rating confuses prospective policybuyers and insurance agents. Attained

age rating deceives the average Medigap purchaser into purchasing coverage which they may not be able to afford later in life. This bill only prohibits the sale of any more of those policies that Consumer Reports correctly described as bait and trap policies.

The Medigap Consumer Protection Act will not force insurance carriers out of business. Under current law, insurance carriers must meet loss ratio requirements of 65 percent for the individual market and 75 percent for the group market. Loss ratios represent how much an insurance company must spend on benefits for each dollar it collects in premiums. For instance, a carrier selling Medigap policies to individuals must offer an average of at least 65 cents in benefits for each dollar it collects in premiums. This bill will still allow insurance carriers to clear up to 35 cents on each dollar in premiums they collect.

I hope that my colleagues on both sides of the aisle will join me in cosponsoring the Medigap Consumer Protection Act and in working toward its enactment so we can help seniors retain affordable, private Medigap coverage as they grow older. This legislation simply eliminates a type of policy that ropes seniors into policies with deceptively low initial premiums followed by sharp increases when those consumers may no longer have the option of switching to a competing policy.

PASSAIC HIGH SCHOOL INDIANS

HON. WILLIAM J. MARTINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1995

Mr. MARTINI. Mr. Speaker, I would like to take this opportunity to commemorate one of the greatest high school basketball teams of all time, the 1919–25 Passaic High School Indians. Over that 6-year stretch, the Indians enjoyed the longest winning streak ever for a high school, college, or professional team. They won an incredible 159 games in a row.

From December 17, 1919, to February 6, 1925, Passaic High was unbeatable. In an era of low-scoring basketball, they outscored their opponents by an average of 39 points, topping 100 points a dozen times. They once crushed an opponent 145 to 5.

While these teams were blessed with great players, such dominance transcends individual stars and usually begins with the coach. It was Prof. Ernest Blood that led the charge for these young men for so many years. Blood began playing basketball just a year after it was invented, and soon after he stopped playing he was coaching. In Potsdam, NY, his high school team did not lose to another high school team from 1906 to 1915.

A move to Passaic, NJ, in 1918 brought him to the job that would make him famous. Although his first season was marred by a defeat in the State championship, the streak began on the first day of the 1919 season. Win after win turned into State championship after State championship. As the streak progressed, the team became the center of attention for this industrial city: A factory whistle would indicate the results of the game, two loud blasts for a win, one long blast for a loss. Blood's foresight and desire kept the team ahead of its time, and he eventually led them

to five consecutive undefeated seasons, 147 games in all.

Blood left after the 1923–24 season, but the streak continued well into the next season, finally coming to an end in a 39 to 35 defeat at the hands of Hackensack High on February 6, 1925. It had been 159 games since the Indians had experienced a defeat, and the magnitude of their accomplishments did not go unnoticed. Coach Blood was the third coach ever elected to the Basketball Hall of Fame, and one of the team's greatest stars, Johnny Roosma, was also accorded that honor.

And to this day, the wonder teams of Pas-saic High are enjoying much-deserved accolades. On May 18 of this year, they will be inducted into the Sports Hall of Fame of New Jersey. Congratulations to the families and friends of all of those connected with these special athletes. Their accomplishments are rightly being enshrined into the memory of our great State, and memorialized for basketball fans across the country.

STATEMENT HONORING RAY AND
BETTY WELLS

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES
Thursday, May 11, 1995

Mrs. ROUKEMA. Mr. Speaker, I rise to call attention to the Girl Scout spring gala being held by the Girl Scout Council of Bergen County, May 12, in Teaneck, NJ. They will honor Ray and Betty Wells, who will receive the Girl Scouts Outstanding Achievement Award for their many years of service to the Girl Scouts and other community and civic organizations. Proceeds from this event will benefit nearly 10,000 girls and 2,500 Girl Scout volunteers.

Ray and Betty Wells, whom I have known for many years, are community leaders who are an inspiration to us all. Each has a résumé of service, activities, and dedication that is incomparable. Their energy and enthusiasm are endless. It is their brand of volunteerism and personal generosity that has made our county an exceptional place to work and raise a family. Bergen County has been blessed to have good citizens like Betty and Ray.

Betty Wells, a Girl Scout herself for 5 years as a young girl, worked as a volunteer in Girl Scouting for more than 25 years, highlighted by 10 years as the leader of Troops 350 and 276 in Paramus. She was a charter member of the Order of the Evergreen and is a recipient of the "Thanks" badge, the Girl Scouts' highest honor for adults. She served as the association chairwoman and service team chairwoman in Paramus.

Ray Wells became involved in the Girl Scouts through Betty's involvement, serving first for several years as the fund drive chairman in Paramus before ultimately taking on the fundraising efforts for all of Bergen County. He also served on the board of directors. An architect, he also wrote a Girl Scout manual on building.

The Wells' Girl Scout activities centered, of course, around their daughter, Holly, who enjoyed Girl Scouting from age 7 to 17 with her mother as troop leader. Holly today continues the tradition of shaping young people as

owner and operator of a preschool in Pennsylvania.

Holly, of course, is only one member of Ray and Betty's lovely family, to whom they are immensely dedicated. They have two other daughters, Kerry, a secretary who lives in Fair Lawn, and Julie, a nurse in Seoul, South Korea. Their son, Tom, is an attorney, Peter is director of the Paramus Building Department and Jeff is the principal of Wells Associates, the family architecture firm.

Betty and Ray, who both grew up in Lyndhurst, moved in 1953 and began their involvement in community service almost immediately. Both served as Sunday School teachers at the Old Paramus Reformed Church, where Ray was Sunday School superintendent and Betty was a choir member, deacon, and elder. Betty joined the Stony Lane Elementary School Parent-Teacher Organization after their children began school, eventually becoming its president. She also was a member of or volunteered at the Paramus Junior Women's Club, the Paramus Garden Club, the Paramus Women's Club, the Juvenile Conference Committee, the Hermitage in Ho-Ho-Kus, the Church Guild at Valley Hospital.

Ray was a member of or worked with the Paramus Jaycees, the George Washington Cemetery Board, the Aviation Hall of Fame, the Bergen County Regional Blood Center, the Oradell Planning Board, the Bergen Museum of Arts and Science, the Boy Scouts, March of Dimes, and United Way. He joined the Paramus Rotary Club in 1964 and went on to serve as a director, president, and district governor before becoming an international director of the service organization. He headed up Rotary projects as diverse as Polio Plus—an effort to eradicate polio—Preserve Planet Earth and restoration of the gazebo at Bergen Pines.

The Rotary motto best describes Ray and Betty: "Service Above Self." Their good work and service to their neighbors and fellow men are limitless. Four decades of community service is a record that few can even come close to matching. I give my heartfelt congratulations to the Wells and wish them the best for the future. We are all blessed to have you pass our way. God bless and Godspeed.

CHANGE OF COMMAND OF
ADMIRAL SKIP DIRREN

HON. TILLIE K. FOWLER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES
Thursday, May 11, 1995

Mrs. FOWLER. Mr. Speaker, I would like to take this opportunity to pay tribute to Rear Adm. Frank M. "Skip" Dirren, Jr., who has been the commander of Naval Base Jacksonville since July of 1992, and who will be leaving us tomorrow to accept a new command in Norfolk, VA. Admiral Dirren is a man of character, courage and compassion and an outstanding naval officer. I am proud to call him my friend.

If it is true that "nothing is really work unless you would rather be doing something else," as J.M. Barrie once said, then Skip Dirren has not done a lick of work since he joined the Navy in 1964. He loves his job and is the quintessential Navy man—patriotic, loyal, and devoted to duty. A decorated veteran heli-

copter pilot, he has made the Navy his life, and he exemplifies the virtues that I associate with the service at its best.

Skip is also a fine leader and good man to have in your corner, as he has consistently demonstrated during his tenure in Jacksonville. His turn at the helm of our Navy complex has helped to steer our facilities and personnel through some very rough waters, and he has strengthened the already good relationship between the community and its Naval facilities in many ways.

His community activism has particularly endeared him to our citizens, and his warmth and eloquence have made him a much sought-after speaker. In short, he has become a respected and beloved member of the community, and his generosity, his kindness, and his many talents will be greatly missed.

Mr. Speaker, although the business of the House prevents me from attending Admiral Dirren's change of command ceremony tomorrow, my thoughts will be with him and his lovely wife, Susan, as they celebrate a job well done and prepare to enter a new chapter in their life together. I hope they know that they take with them the gratitude and affection of our entire city. I wish them both fair winds and following seas.

TRIBUTE TO MORTON GOULD:
COMPOSER, CONDUCTOR, AND
FRIEND

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES
Thursday, May 11, 1995

Mr. GORDON. Mr. Speaker, I rise today to highlight merely a few of the countless accomplishments in my dear friend Morton Gould's distinguished career, recently capped off by his receipt of the Pulitzer Prize for music composition.

A New York native, Gould began this career at the early age of six, when his first composition was published. His tutelage in piano and composition continued, and by age 21, he was conducting and arranging weekly orchestra radio programs for the WOR Mutual Network.

Perhaps Gould's most performed instrumental piece is his "Pavanne," from his "Second Symphonette." Other works familiar to all of us include "Latin-American Symphonette," "Spirituels for Orchestra," "Tap Dance Concerto," "Jekyll and Hyde Variations," and "American Salute."

The Library of Congress has commissioned his work, as well as the Chamber Music Society of Lincoln Center, The New York City Ballet, and the American Ballet Theater. He has composed scores for Broadway musicals, films, and both television movies and series.

Conductors worldwide have had the pleasure of directing performances of his compositions, and, as conductor, Gould has appeared with major orchestras in the United States, Japan, Australia, and Israel.

Some of Gould's other awards include a Grammy Award, several Grammy nominations, the 1983 Gold Baton Award, the 1985 Medal of Honor for Music from the National Arts Club, and the Kennedy Center Honors in 1994. He received the Pulitzer Prize this year for "Stringmusic," which was composed at the