

live together in peace, but evoked as well a sense of urgency about the current plight of the Roman Catholic community. He also expressed a sense of frankness about the troublemakers that continue to exist among his fellow Bosnian Croats. Finally, he expressed a sense of outrage about the abandonment of Bosnia—Herzegovina by the international community.

On the latter point, I would like to quote an appeal for a just peace which the Cardinal released on March 30, prior to departing Washington. He said:

I, like so many in Bosnia-Herzegovina, am astonished and bewildered, almost to the point of despair, at the international community's indifferent, half-hearted, inconsistent and ineffectual response to aggression and ethnic cleansing. Not only has the international community not acted decisively, it has even contributed to the ethnic division of Bosnia and has legitimized aggression by failing to uphold basic moral and legal norms. * * * In Bosnia, the international community's tepid response has only encouraged those who would respond to extremism with extremism, to intolerance with intolerance, to aggression with aggression, and to ethnic cleansing with ethnic cleansing.

I ask that the full text of the Cardinal's appeal be printed in the RECORD, and I ask my colleagues to read it. While the politician, the diplomat or the soldier can bring about an end to hostilities in Bosnia Herzegovina, it will take people like Cardinal Puljic to bring about a real peace, a lasting peace through reconciliation and outspoken opposition to the evil forces of exclusivity that permeate his society. I applaud his efforts.

AN APPEAL FOR A JUST PEACE IN BOSNIA-HERZEGOVINA

I come to Washington, D.C. to offer another heartfelt plea that the United States, in conjunction with the international community, will take more decisive steps to support those of us in Bosnia-Herzegovina who are struggling to bring about a just peace, based on equal respect and equal rights for all ethnic and religious identities in my country.

1. The facts of Bosnia's tragedy are well known, but they bear repeating. In three years, I have seen the Catholic population of my archdiocese reduced from 520,000 to about 125,000 people, most of whom live in small enclaves. Less than a third of the parishes are still functioning. The situation is even worse in the Banja Luka Diocese, where more than 80% of the Catholics have been forced out by "ethnic cleansing." Overall, of the 830,000 Catholics who lived in Bosnia before the war, only half remain. If the war continues, Catholics risk being exterminated from large parts of Bosnia and Herzegovina, despite thirteen centuries of our organized presence there. The Catholic community does not have a monopoly on suffering in Bosnia and Herzegovina. I cite these statistics simply to remind Americans of the magnitude of the suffering that is being inflicted upon the people of Bosnia and Herzegovina.

2. Despite obvious obstacles, there can be no alternative to pursuing a just peace in Bosnia and Herzegovina. Time is running out but it is still not too late.

A just peace requires respect for the territorial boundaries of Bosnia-Herzegovina and its multi-ethnic and multi-religious character. The international community must support us in our efforts to rebuild a country in which ethnic Bosnian Muslims, Serbs and Croats can cultivate their respective identities at the same time that they respect the equal rights and equal legitimacy of the ethnic and religious identities of other citizens.

Therefore, it is imperative that the Bosnian Federation receive the support it needs to succeed, but it would be a tragedy if the Federation and international peace plans were used to partition Bosnia along ethnic lines. A peace which does not correct injustices, which rewards aggression, which does not permit refugees and displaced persons to return to their homes, and which is based on ethnic division can be neither a just nor a permanent one.

3. I, like so many in Bosnia-Herzegovina, am astonished and bewildered, almost to the point of despair, at the international community's indifferent, half-hearted, inconsistent and ineffectual response to aggression and "ethnic cleansing." Not only has the international community not acted decisively, it has even contributed to the ethnic division of Bosnia and has legitimized aggression by failing to uphold basic moral and legal norms. If the principles of peace and international justice are buried in the soil of the Balkans, Western civilization will be threatened. In Bosnia, the international community's tepid response has only encouraged those who would respond to extremism with extremism, to intolerance with intolerance, to aggression with aggression, and to "ethnic cleansing" with "ethnic cleansing."

I am convinced that there are moral means to thwart immoral aggression. The international community must have the will to use the means available to it to protect threatened populations, to encourage demilitarization, and to establish other conditions necessary for progress towards peace. The solution can not be simply to give up and withdraw. If the United Nations and the international community do not now have effective means to respond to the humanitarian crises in Bosnia and elsewhere—and it is clear that they do not—then nations have the responsibility to take the steps necessary to develop more effective international structures.

4. This is not a religious conflict, but some would misuse religion in support of ethnic division and extreme nationalism. Therefore, as a religious leader, I believe I have a special responsibility to stand beside those who are victims of injustice and aggression, regardless of their religious, ethnic, or national identity. I also believe that, even though a just peace seems far off, religious and other leaders must not wait for an end to war to begin the daunting task of reconciling deeply divided communities. We must promote a moral and spiritual renewal that can heal the hatred, despair and division which this war has brought. Only by rebuilding the spiritual life of our people can we ensure that the horrors we have lived through for the last three years will not be repeated. With God's grace, we will succeed.

5. Amidst the great suffering we have been forced to endure, we have found the grace to persevere in hope, for we know that this war is not our destiny. We have also found hope in the prayers and moral and financial support we have received from the Catholic Bishops Conference and its aid agencies, and countless individuals and organizations in the United States. For these generous acts of solidarity, we are deeply grateful.

I conclude where I began. The ordinary people of my archdiocese and my country are tired of war; they yearn to be allowed to live together in peace. But we cannot do it alone. We need more decisive action by the international community. I implore you: Do not continue to abandon us! Do not continue to acquiesce in the practical victory of injustice and war! Help us to realize the justice, peace and reconciliation for which we so ardently pray and struggle!

There are many forces fueling this conflict, some of them coming from within my

own Croatian community. This is not, however, a religious conflict, nor is it simply a consequence of the resurgence of "ancient hatreds" between different religious, ethnic, and national groups who cannot live together in peace. Ethnic, religious differences certainly do exist, and, regrettably, they have been depended by the war. But they cannot explain adequately what is happening in my country. The main cause of the conflict and suffering in Bosnia-Herzegovina is an attempt by extreme nationalists and others who fear democracy to create an ethnically pure Greater Serbia.

LONG-TERM CARE INSURANCE TAX TREATMENT AND CONSUMER PROTECTION ACT

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1995

Mr. STARK. Mr. Speaker, today I am introducing the Long-Term Care Insurance Tax Treatment and Consumer Protection Act of 1995. This bill establishes critically needed standards for long-term care insurance policies. It makes changes that will protect elderly consumers from the misleading practices that leave them without adequate insurance coverage for nursing home and home care.

The bill establishes minimum standards that long-term care insurance policies must meet. The standards include requirements for standardized outlines of coverage and terminology that will enable consumers to make intelligent choices about which policy to purchase. The standards will prevent discrimination in regard to certain disabling conditions. They assure that benefits will be delivered in the full range of settings available for the care of the elderly.

The Ways and Means Committee recently passed H.R. 1215. That bill includes provisions that allow individuals to include long-term care insurance premiums as a part of their itemized expenses for medical care, to the extent that those expenses exceed 7.5 percent of adjusted gross income. In effect, H.R. 1215 encourages people to purchase long-term care insurance by permitting favorable tax treatment of the premiums. My bill contains the same long-term care insurance provisions as in H.R. 1215, but with an important difference: my bill contains the standards that are needed to prevent consumer abuse.

Abuses of consumers in the long-term care insurance market are severe—so severe that a past president of the National Association of Insurance Commissioners [NAIC] has said that the very viability of this product is in question. The NAIC has developed model standards that each State may adopt in order to regulate long-term care insurance. States vary widely, however, in their application of the standards. For example, Washington, DC enforces none of the recommended standards, while Connecticut has adopted 24 of the 28.

This bill would require the States to certify that long-term care insurance policies being sold in the State meet the consumer protection standards. The premiums for policies that do not meet the standards could not be used as an itemized tax deduction. This structure would provide incentives to States to enforce consumer protection standards. It would also

provide incentives to consumers to purchase long-term care insurance policies, not only because they could get a tax deduction but also because they would be assured that the policies are good products.

When a consumer decides to purchase a policy, there is a dizzying array of policies and riders available. Benefits and terminology vary greatly. It is almost an impossible task for a consumer to make an effective choice of policy.

This bill would require the insurance company to provide the consumer with an outline of coverage. The outline of coverage would be in a standard format, contain specific information and use standardized terminology. The outline of coverage would enable a consumer to compare plans and to choose the policy that best meets his or her needs.

The outline of coverage would also assure that the consumer knows in advance the criteria for receiving benefits under the policy. Policies currently are so confusing, that it is often unclear when and where benefits can be used. A senior may think that, when she becomes unable to care for herself, she can get assistance with activities of daily living in her own home, and later find out that benefits are only available in a certified nursing home or when she needs skilled nursing care. By clearly defining the threshold conditions for receiving benefits, there will be no doubt about exactly what services an individual can receive and where they can be delivered.

Currently, long-term care insurance policies often do not provide for an examination period. When a consumer is dissatisfied with a policy, there is no way to return it without forfeiting the premium already paid. This bill allows a 30-day examination period during which the policy can be returned for a full refund. If a person purchased long-term care insurance through a health plan at work, the bill would assure that the person was given the opportunity to continue coverage when he or she leaves that job.

Right now insurance companies can cancel or refuse to renew a policy because the policyholder has developed an illness that the company thinks is too big a risk. This bill would prohibit companies from canceling a long-term care insurance policy unless the policyholder failed to pay the premiums, committed fraud, or did not disclose relevant information to the company.

Another important feature that most policies now do not include is non-forfeiture benefits. Non-forfeiture benefits assure that, when a policy is dropped or canceled, the policyholder gets back at least a portion of the premiums paid. This is accomplished either through a refund of money or eligibility for services when they become needed. Up to 60 percent of policyholders drop their policies within 10 years of purchase. People who drop their coverage stand to lose significant amounts of money. They should not be penalized if they can no longer afford the policies as they get older.

Policies are usually held for 10 to 20 years before the policyholder needs to use the benefits. Long-term care insurance is basically worthless unless it includes inflation protection. Inflation protection assures that most of the cost of care will continue to be covered after 10 or 20 years. Without inflation protection or with inadequate inflation protection, a policy held for 10 to 20 years, pays only a

small fraction of the cost of nursing home care.

By purchasing inflation protection, a policyholder is also protected from having to buy additional coverage at a later date. Some policies currently do allow a person to buy additional coverage. When bought later, however, additional coverage is more expensive. This is because the person pays the then-current price based on his attained age. This bill would require the insurer to offer the purchaser the option to purchase inflation protection. In addition the insurer would have to provide the consumer with a comparison of the benefits over 20 years with and without inflation protection. The consumer then can make an informed decision about whether the coverage under the policy will be adequate many years in the future.

One of the ways in which insurance companies are able to avoid paying benefits to policyholders is to put restrictions on the diagnoses that will be covered. The protections in this bill would prevent discrimination against people with Alzheimer's disease and other disabling conditions. A policy could not use different criteria to receive benefits and could not pay different amounts of benefits for people with those disabling conditions.

When a consumer has a policy that provides benefits for home care, he or she expects to be able to get assistance with things like bathing and dressing. Yet some policies that cover home care will cover only the services of a registered nurse in the person's home. This practice defeats the purpose of providing coverage for home care. Many people can remain in their own homes for a much longer period of time and avoid more costly nursing home care, if they receive needed assistance with activities of daily living. That does not necessarily mean, however, that they need a nurse to provide skilled care. This bill requires that policies covering home care include those services that are most beneficial to people in their own homes. It also allows services to be delivered in all types of residential facilities, such as assisted living facilities, rather than just in skilled nursing facilities.

Last year, the Ways and Means Committee came to a bipartisan consensus on standards for long-term care insurance. Those consensus standards are embodied in this bill. In testimony on January 20, 1995 before the health subcommittee, 8 of the 14 witnesses testified as to the need for standards to protect consumers. Groups as diverse as the Health Insurance Association of America, the Partnership States of California, New York, and Connecticut, the Coalition on Long-term Care Financing and Consumers Union all firmly support appropriate consumer protection.

Long-term care insurance has been promoted in this Congress as a way to reduce the rising costs of nursing home care under Medicare and Medicaid. For the 10 percent to 15 percent of seniors who can afford to buy this insurance, it is likely to provide some modest cost savings several years in the future. More importantly, it is our responsibility to assure that the consumer abuses that have occurred in the past do not continue. I urge my colleagues to join me in support of this bill.

A summary of the bill follows:

IN GENERAL

The bill would provide that long-term care insurance contracts that meet the require-

ments of the bill received the tax treatment set forth in the bill. Similarly, the bill would provide a safe harbor with respect to the deductibility of certain expenses for long-term care services. Expenses for premiums and services that satisfy the requirements of the bill would be deductible as medical expenses.

QUALIFIED LONG-TERM CARE INSURANCE CONTRACTS

In order to receive the tax treatment set forth in the bill, a long-term care insurance contract would have to meet certain requirements. A qualified long-term care insurance contract would be defined as one that meets the following requirements: the only insurance protection provided under such contract is coverage of qualified long-term care services; if Medicare is the primary payer, the contract does not cover expenses that are reimbursable under Medicare; the contract is guaranteed renewable; the contract has no cash surrender value; all refunds of premiums (other than on surrender or cancellation of the contract), any dividends, or similar amounts are applied toward future reduction in premiums or to increase future benefits; and the contract has been certified under the State regulatory program that has been approved by the Secretary of Health and Human Services.

QUALIFIED LONG-TERM CARE SERVICES

The bill would define qualified long-term care services as necessary diagnostic, preventive, therapeutic, curing, treating, mitigating, rehabilitative, and maintenance or personal care services that are required by a chronically ill individual, pursuant to a plan of care prescribed by a licensed health care practitioner.

A chronically ill individual would be defined as one who is unable to perform at least 2 activities of daily living for a period of at least 90 days due to a loss of functional capacity or due to cognitive impairment or having a similar level of disability (as determined by the Secretary of the Treasury in consultation with the Secretary of Health and Human Services).

The activities of daily living would be defined as eating, toileting, transferring, bathing, dressing, and continence.

EXCLUSION FOR BENEFITS AND FOR EMPLOYER PROVIDED COVERAGE

The bill would provide that benefits paid under a qualified long-term care insurance contract are excludable from gross income to the extent that benefits do not exceed \$200 per day (indexed for inflation after 1996).

An employer's contributions for qualified long-term care insurance would be excludable from gross income.

The bill would not permit qualified long-term care insurance to be provided through a cafeteria plan or flexible spending arrangement.

The bill would provide that distributions from individual retirement arrangements and 401K plans are excludable from gross income to the extent that they are used to pay premiums on qualified long-term care insurance contracts.

FEDERAL STANDARDS FOR LONG-TERM CARE INSURANCE

Standard formats

Each long-term care insurance policy would be required to contain an outline of coverage under the policy, using a uniform format and standard terminology, that accurately reflects the contents of the policy, reflecting specific elements. The format and standard terminology would be defined by the Secretary of Health and Human Services, in consultation with the National Association of Insurance Commissioners.

The outline of coverage would be required to include: a description of the benefits covered; the principal exclusions from and limitations on coverage; the conditions, if any, upon which the insured can obtain upgraded benefits; the threshold conditions for entitlement to receive benefits; a statement of the circumstances in which a policy may be terminated and the refund or non-forfeiture benefits, if any, applicable to each circumstance including death, nonpayment of premiums, non-renewal by the insured, any other circumstance; a statement of the total annual premium and the portion of premium attributable to each covered benefit; any reservation of the insurer of a right to change premiums any limits on annual premium increases; any expected premium increases associated with automatic or optional benefit increases, including inflation protection; circumstances under which the payment of premium would be waived; information on average costs and variation in such costs for nursing facility care and other covered benefits; comparison of benefits over 20 years for policies with and without inflation protection; a declaration as to whether the amount of benefits will increase over time and, if so, the type and amount of any limitations on, and any premium increases for, such benefit increases.

Benefit standards

Benefits under long-term care insurance policies could not be conditioned upon any of the following: the need for another type of service, such as prior hospitalization or a higher level of care; a particular medical diagnosis; compliance by the providers with conditions not required by Federal or State law; the provision of such service by a provider or in a setting providing a higher level of care than required by an insured individual.

A long-term care insurance policy that provides benefits for home care or community-based services; may not limit benefits to services provided by registered nurses or licensed practical nurses; may not limit benefits to services furnished by persons or entities participating in programs under title XVIII and XIX of the Social Security Act; must provide, at minimum, benefits for personal assistance with activities of daily living, home health care, adult day care and respite care.

A long-term care insurance policy that provides benefits for nursing facility services must provide benefits for services in all types of nursing facilities licensed by the State and may provide benefits for care in other residential facilities.

A long-term care insurance policy may not discriminate in the treatment of Alzheimer's disease or any other dementia of organic origin, any organic or inorganic mental illness, mental retardation or any other cognitive or mental impairment, or HIV infection or AIDS from the treatment of any other medical condition, for purposes of determining whether the threshold conditions for the receipt of benefits have been met, or the amount of benefits under the policy.

Inflation protection

A long-term care insurance policy would be required to offer the consumer the option to purchase inflation protection. The inflation benefits shall not be less than 5 percent per year of the full value of benefits for the previous year or such other rate of in-

crease as the Secretary may determine adequate to offset increases in the costs of long-term care services covered under the policy.

Non-forfeiture benefits

A long-term care insurance policy would have to include a non-forfeiture benefit after being in effect for a specified period.

Right to cancel

A long-term care policy would have to provide that the insured has 40 days to cancel and obtain a full refund of any premium paid.

Guaranteed renewal

In order to be certified, a long-term care policy could not be canceled or refused to be renewed (or replaced with a substantial equivalent) except for non-payment of premium or for fraud or non-disclosure on the part of the insured.

Continuation and conversion rights of group policies

A group long-term care insurance policy would be required to provide the opportunity to continue coverage when the policy would otherwise terminate.

Approval of State Long-Term Care Insurance Certification Programs

The Secretary of Health and Human Services would be required to review and approve State long-term care insurance certification programs meeting the following requirements: The State certification program would be required to assure compliance with the standards for long term-care insurance policies as specified in this bill. State programs would be required to provide administrative procedures under which an insured individual may seek reconsideration of any denial or partial payment of a claim.

THE NEED FOR MORE THOROUGH BACKGROUND CHECKS

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1995

Mr. OWENS. Mr. Speaker, recent background checks of public officials and candidates for public office have appropriately caused concern. The legal practices of a professional physician have been thoroughly scrutinized. A sitting cabinet secretary has been cited for not telling absolutely everything about a personal sin. It may be that the background checks by the FBI have been assigned too great a role in deciding who is fit to serve in public office. Or it may be that the well developed skills of the brigade handling these background checks could perform a higher service for this increasingly mean-spirited and merciless nation. Why not go deeper with background checks and tell us about the ancestors of our public spokespersons? The world can clearly see that some of us are the descendants of the victims of the criminal slave industry. We do not know which officials are the descendants of the oppressors who were the beneficiaries of the heinous slave industry. Such identities were not important in the past; however, now a new level of evil has been unleashed and all kinds of knowledge is needed to compare this attempt to wipe out all progress achieved by the descendants of

slaves. As the scorched earth fiscal policies of the Republican majority escalate in unison with a blitzkrieg attack on affirmative action, it would be illuminating to review a more detailed background of the leaders in this public policy assault. To increase their profits, over a two hundred year period, whose ancestors promoted slave breeding with teenage pregnancies? Whose ancestors for two hundred years worked mightily to obliterate all sense of family and humanity from slaves in order to make them more efficient beasts of burden? Backgrounds should be checked and it should be a crime to tell a lie to the FBI.

IT'S A CRIME TO TELL A LIE

It's a crime
To tell a lie
To the background brigade
Of the FBI
Did your great
Great grandfather
Rape his slaves
Or torture the males
Are you the descendant
Of greedy knaves
Enriched by human sales
It's a crime
To tell a lie
To honest interrogators
From the FBI
To meet their labor need
Did your ancestors
Make teenage girls breed
Were young females
Forced to go
Or could they choose
Their own Romeo
Slavery was legal
In white men's eyes
But judged a moral crime
By the ruler of all skies
Don't tell a lie
To the background brigade
Of the FBI
List deeds done
To cleanse the shame
Attach records
Which clear
Your family's name
Remember
It's a crime
To tell a lie
To the background brigade
Of the FBI.

COMMENDING SABRINA NEKAY LEWELLEN

HON. BLANCHE LAMBERT LINCOLN

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1995

Mrs. LINCOLN. Mr. Speaker, I would like to recognize the accomplishments of an extraordinary young woman from my district. Ms. Sabrina Nekay Lewellen of Jonesboro, AR, was named the State winner in the annual Veterans of Foreign Wars and Ladies Auxiliary's "Voice of Democracy" broadcast audio-essay contest. Ms. Lewellen wrote and delivered an inspiring and challenging speech on her vision for America. After reading her speech, I have a renewed confidence in the future of our great country. I would like to include a copy of her speech to be printed in the record and I would encourage my colleagues to read it and to accept Ms. Lewellen's challenge. Thank you.