

known as DRG's. Certain providers of care were exempted from this system because a way to appropriately group their patients did not exist. Among these were rehabilitation hospitals and rehabilitation units in general hospitals. These continued to be reimbursed based on costs incurred, but subject to limits on payment per discharge. These limits are imposed under the Tax Equity and Fiscal Responsibility Act of 1982, and commonly known as TEFRA limits.

TEFRA limits were to be a short-term expedient to reduce the rate of increase in hospital payments. TEFRA limits are based on Medicare operating cost of a hospital or unit in an assigned base year divided by the number of Medicare discharges in that year. This value is updated annually by an update factor, which is intended to reflect inflation. A hospital's or unit's ceiling on Medicare reimbursement is the TEFRA limit for a given year times the number of its Medicare discharges in that period, the TEFRA ceiling.

For cost reporting periods beginning on and after October 11, 1991 the Medicare Program reimburses a portion of a provider's cost over its TEFRA ceiling in an amount which is the lower of 50 percent of cost over the ceiling or 10 percent of the ceiling. Provision for such payment was made by the Omnibus Budget Reconciliation Act of 1990 [OBRA 90]. If a provider's costs are less than its TEFRA ceiling, the provider is paid an incentive payment equal to the lower of 50 percent of the difference between its Medicare operating costs and its TEFRA ceiling or 5 percent of that ceiling.

When this system was adopted, it was assumed that it would be in place only a short time and then be replaced with a PPS for excluded hospitals and units. New hospitals and units coming on line after the TEFRA system was in place were in a much better position than older facilities, simply because their more current base years included more contemporary wage rates and other operating costs.

This now very old temporary system is flawed for the following reasons:

Medicare pays widely varying amounts for similar services, producing serious inequities among competing institutions.

New hospitals and units can establish limits based on contemporary wage levels and otherwise achieve much higher limits than older hospitals, putting them at a great advantage.

By treating all rehabilitation discharges as having the same financial value, the TEFRA system provides a strong incentive to admit and treat short-stay, less complex cases and to avoid long-stay, more disabled beneficiaries. This is not a good policy for Medicare to continue to support.

Because any change in services that will increase average length of stay or intensity of services will likely result in cost over a TEFRA limit, the system inhibits the development of new programs. This is also not a good direction and does not encourage implementation of current practices.

The process for administrative adjustment of limits does not provide a remedy because it is not timely. HCFA does not decide cases within the 180-day period required by law and does not recognize many legitimate costs.

The very strong incentive to develop new rehabilitation hospitals and units has resulted in an increase in the number of rehabilitation hospitals and units. PROPAC reports that in

1985 there were 545 such hospitals and units. In 1995 there were 1,019. Between 1990 and 1994 Medicare payments to such facilities increased from \$1.9 to \$3.7 billion. Some of this increase reflects the lack of needed service capacity in 1983. At the same time, many older facilities had and have to live with very low limits of Medicare reimbursement and were paid less than the cost of operation, while new facilities were being paid much higher cost reimbursement and bonuses as well. It is hard to imagine a worse system.

The clear solution to this situation is to introduce a prospective payment system for rehabilitation facilities under which providers are paid similar amounts for similar services and payments are scaled to the duration and intensity of services required by patients. Such a system has been devised by a research team at the University of Pennsylvania. It is based on the functional abilities of patients receiving rehabilitation services.

It is now being used by the RAND Corp., under contract with the Health Care Financing Administration, to design a payment system. This work is to be completed before the end of 1996.

My bill would require that a PPS for rehabilitation be implemented by the Secretary of HHS for Medicare cost reporting years beginning on and after October 1, 1997. This date would allow adequate time to adopt regulations and administrative procedures. And my bill requires that this payment system is budget neutral.

Enactment of this bill would have multiple benefits. It would benefit patients by removing the implied financial penalty for treating severely disabled patients; it would benefit providers of services by putting all rehabilitation facilities on a level playing field; and it would benefit the Medicare trust fund by eliminating the enormous incentive in present law to duplicate service capacity.

I look forward to support from my colleagues in passing this important legislation.

#### 20TH ANNIVERSARY OF CHERRY VERSUS MATHEWS

HON. SANFORD D. BISHOP, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. BISHOP. Mr. Speaker, July 19 is the 20th anniversary of the U.S. District Court decision known as Cherry versus Mathews, the historic ruling that opened the door to full and equal citizenship for disabled citizens.

The plaintiff, Dr. James L. Cherry, is a Georgian. His landmark suit led to the Department of Health, Education, and Welfare's regulation under section 504 of the 1973 Rehabilitation Act assuring disabled citizens reasonable access to public programs and facilities. This regulation became the model for the Americans with Disability Act, which expanded protection from discrimination to all persons with disabilities. It was also Dr. Cherry who first proposed Georgia's voting accessibility law, on which a similar Federal statute is patterned.

Twenty years ago, many disabled citizens could not use public transportation; or go to most schools and colleges; or have access to many Government parks and buildings and

other services; or even have access to voting booths.

This changed following the decision by Judge John Lewis Smith. It changed almost overnight. Suddenly, the country's promise of equal opportunity became a reality for millions of disabled Americans. It was one of the great moments in America's march toward justice and opportunity for all.

As we observe the 20th anniversary of Cherry versus Mathews, I urge all Americans to rededicate themselves to the principle of equality of opportunity which is one of the cornerstones of the country's greatness.

#### CYPRUS DISPUTE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. HAMILTON. Mr. Speaker, I rise today to join my colleagues in recognizing and marking the 22d anniversary of the Turkish invasion of northern Cyprus.

Since 1974 when one-third of the island of Cyprus was invaded by Turkish troops, the United States and other interested parties around the world have worked tirelessly to try to bring a just and lasting solution to a problem that has threatened the peace and stability of that country and that region. Unfortunately, little progress has occurred.

Mr. Speaker, substantial progress toward a settlement of Cyprus dispute is long overdue. Progress on Cyprus should be a high priority at all levels of our government. Many in the Congress have been committed to reaching a solution over the years, and I commend the efforts on the part of my colleagues.

My colleagues and I have urged the administration to launch a full-scale initiative to move the Cyprus negotiations forward. It is only through high-level and sustained United States attention that the parties on the island will take the steps necessary to resolve this issue.

Mr. Speaker, Turkey remains the key to a solution of the Cyprus problem. While many of us have been frustrated by the lack of progress on the issue, we have reasons today to be hopeful and to encourage all parties to maintain their commitment. The United States, as well as the United Nations, and members of the European Union, all have stepped up efforts to bring the parties together.

I am encouraged by this activity, as well as by the bipartisan support of this Congress for an intensified American effort. It is in the United States national interest as well as that of all parties in the region that we find a just and viable solution for Cyprus.

We should dedicate ourselves to that goal and seek to make 1996 the year we achieved substantial progress toward a settlement of the Cyprus dispute.

#### EUROPEAN UNION SANCTIONS

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. SOLOMON. Mr. Speaker, the European Union is considering imposing visa requirements for American travelers and even freezing some United States assets in retaliation for

our efforts to bring justice to the victims of Fidel Castro's totalitarian regime in Cuba.

Well, while they are at it, why don't they just impose visa requirements on our NATO soldiers stationed across Europe. And our soldiers deployed in Bosnia, too.

Mr. Speaker, if that's the game the Europeans want to play, we'll be glad to bring our troops home and let the Europeans foot the cost of keeping peace on their continent.

Mr. Speaker, the Europeans should know that many Americans are fed up with having to clean up other people's messes in places like Bosnia, and paying for it in American lives and billions of dollars.

Now I take a back seat to no one in desiring to maintain strong relations with our European allies, Mr. Speaker. But enough is enough. If the Europeans want to continue to prop up Fidel Castro and then turn around and thumb their noses at us, they had better know that they can expect a reaction from the American people.

#### DIOCESE OF GAYLORD SILVER ANNIVERSARY

HON. BART STUPAK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 18, 1996*

Mr. STUPAK. Mr. Speaker, I would like to bring to the attention to this House and the entire Nation the 25th anniversary of the Roman Catholic Diocese of Gaylord, MI. His Holiness, Pope Paul VI, established the Gaylord Diocese on July 20, 1971. On July 21, 1996 a special liturgical celebration will be held at the Cathedral of St. Mary Our Lady of Mount Carmel to commemorate the establishment of this diocese.

The Diocese of Gaylord was created from the separation of territories originally part of the Saginaw and Grand Rapids Dioceses. The new diocese covered 21 of the most beautiful counties in northern Michigan. In 1971 the diocese had a total population of 288,556 and a Roman Catholic population of 66,000. At the age of 43, Edmund Szoka from the Diocese of Marquette became the youngest bishop in the Nation. With 83 parishes under his charge, Bishop Szoka embraced the motto "To Live in Faith." Through many hours of hard work and cooperation with the residing priests and congregations Bishop Szoka was able to bring the separate parishes together in love, prayer and community. Bishop Szoka stayed with the Diocese of Gaylord for 10 years. In 1981 he left the area for new assignments. When asked about the silver anniversary, Edmund Szoka, now a cardinal, said that even though he left 15 years ago "a great part of [his] heart remains and always will remain in the Diocese of Gaylord."

When Cardinal Szoka left the Diocese he was replaced by Bishop Robert Rose. Bishop Rose served the diocese for 8 years before moving south to the Grand Rapids' Diocese. The current bishop, Patrick Cooney, was installed in the Diocese of Gaylord as the third bishop on January 28, 1990. The oldest child of a very religious family, Bishop Cooney has spent his life learning the way of and serving

the Lord. Bishop Cooney attended the Sacred Heart Seminary College of Detroit and the Gregorian University in Rome, studying philosophy and theology. After returning to Detroit from Rome Bishop Cooney decided to pursue his love for liturgy and entered the University of Notre Dame to pursue a graduate degree in liturgical research.

Under Bishop Cooney's care, the diocese has grown stronger through the hard work and dedication of the priests, nuns, secretariats, and most importantly, the lay members. We see the formation of the first Diocesan Pastoral Council in 1993 as an example of this dedication. Made up of clergy, religious, lay men and women from all over the Diocese, the council meets with the Bishop several times a year to discuss issues affecting the Church. Today the Diocese of Gaylord has grown to include 87,000 Roman Catholics, 75 priests, and 82 parishes. On October 5, 1996, the Fifth Annual Diocesan Conference will be held with the theme "Remember and Remembering" to discuss ways to strengthen the church by involving members who have slipped away and by introducing the church to new members. Following the conference there will be a youth rally. The goal of the rally, at which 350 teens are expected, is to strengthen the membership of a younger generation to keep the church strong in the future.

On July 21, 1996, the Diocesan Liturgical Celebration will be held at St. Mary Cathedral in Gaylord. Among those attending will be Cardinal Szoka and Bishop Rose, the Apostolic Pro-Nuncio to the United States, Agostino Cacciavillan, Cardinal Adam Maida of the Archdiocese of Detroit, a number of bishops and priests from Michigan and Ohio and nearly 2,000 members from the 82 parishes invited.

Mr. Speaker, the last 25 years have been a time for growth and discovery for the Diocese of Gaylord. The clergy and congregations of the 82 parishes in northern Michigan have come together to make this new diocese a place of prayer, hope, and faith. The diocese has come to be a community in which love and fellowship is witnessed on a daily basis. Mr. Speaker, on behalf of the Catholic community and the entire Nation, I would like to congratulate the Diocese of Gaylord on 25 glorious years.

#### A TRIBUTE TO WILLIAM STATES LEE

HON. SUE MYRICK

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 18, 1996*

Mrs. MYRICK. Mr. Speaker, I rise today to pay tribute to an old friend and outstanding hero of North Carolina who passed away last week. William "Bill" States Lee was a model citizen who continually gave of himself for his country, community, friends, and family.

Bill Lee was the former chairman and chief executive officer of the Duke Power Co. based in Charlotte, NC. A native of Charlotte and the grandson of Duke Power's first engineer, Bill joined Duke Power in 1955 as a junior designer. He worked his way up through the ranks and, in 1982, he became chairman and

chief executive officer. In 1989, he was named chairman and president of Duke Power. Upon his retirement in 1994, Bill Lee became Duke Power's first chairman emeritus.

Bill Lee was best known professionally for his work in the field of nuclear power. He was the former chairman of the board of the Institute of Nuclear Power Operations. He was also a catalyst in the founding of the World Association of Nuclear Operators, where he was named its first president in May 1989. The Charlotte Observer referred to Bill as "perhaps the foremost international consultant in, and statesman and diplomat for, the nuclear power industry."

Prior to his service to Duke Power, Bill graduated from Princeton University as Phi Beta Kappa and magna cum laude in civil engineering. He served in the U.S. Navy Civil Engineering Corp from 1951 to 1955, attaining the rank of lieutenant commander. Also, Bill received honorary doctorates from the University of South Carolina, the University of North Carolina at Charlotte, Johnson C. Smith University, Davidson College, and Clemson University.

Despite Bill Lee's many professional accomplishments, he also made a powerful contribution to the Charlotte community. A family man, with his wife Jan and their three children, Bill was an elder at Myers Park Presbyterian Church in Charlotte, where he even found time to teach Sunday school. He also served as a trustee to the Harris Foundation, the North Carolina Blumenthal Performing Arts Center at Charlotte Foundation, the Presbyterian Hospital Foundation, Queens College, and the conference board at the University of North Carolina at Charlotte Foundation.

I would also like to add that I lost a close and dear friend. Bill Lee's humor and charm were contagious to everybody around him. He was also one of the most giving people I have ever met. During my tenure as mayor of Charlotte, he was one of the people who helped our community recover from the disaster of Hurricane Hugo. On behalf of all of the millions of people whose lives are better because of Bill Lee's work, I extend my deepest sympathies to his wife Jan, and his entire family.

Finally, I have taken the liberty of attaching a poem that Bill's daughter, Lisa Lee-Morgan, wrote for her father and read at his funeral. Bill, we will miss you.

#### STAR-SPANGLED MAN

Star-spangled man, nor mere planet  
But a sun, a body fused  
By Proteus. Self-generating source of power,  
Shining light, hour on hour.  
Rush! wind, water, coal and coil,  
Quick! Split the atom, fuse the soil,  
Don't ever stop, embrace the toil,  
Christ-man, His disciple loyal.

Blue eyes blazed like shooting stars  
Beneath the lightening brows of Zeus  
They let us know we'd his attention,  
(For better or worse I'll mention)  
Lover, hunter, father, friend,  
Bully, preacher, Charlotte's kin.  
Forgive us for we know not how  
To tread the step he's led til now.

This warrior stood to lead the fight  
Against the dying of the light.  
The closing mind, the fading hope,  
The grasping hand, could find no grope  
In Bill Lee's camp, upon the lake  
Where children frolic, swim and play.  
He was our star, bright gravity  
Round whom we danced til God took Lee.