

He helped farmers to understand and implement State and Federal regulations affecting family farming operations.

As director of national affairs, Dick has served as the organization's liaison with the U.S. Congress since 1980.

In this role, Dick has helped formulate national agricultural policy since the 1981 farm bill. He served as a member of the National Peanut Grower Group's Technical Advisory Committee and was actively involved in the formulation of GATT and NAFTA legislation related to peanuts and other commodities of interest to Alabama.

Dick will continue to operate his family farm in Chilton County, AL, as well as his family-owned nursery in Montgomery. And I'm sure he will continue to be a strong voice for agriculture. I doubt he will miss living out of a suitcase, since he has spent the better part of the past 15 years traveling every week between Montgomery and Washington. His retirement is certainly well-deserved.

In honor of his lifetime of dedicated service to Alabama farmers, Dick recently received the Alabama Farmers Federation's Special Service to Agriculture Award. I join his many friends and colleagues in congratulating Dick on a job well done.

SELF-INSURANCE IS WORKING

HON. HARRIS W. FAWELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1996

Mr. FAWELL. Mr. Speaker, I wish to call my colleague's attention to an article from "The Self-Insurer" summarizing the 1994 National Survey of Employer-Sponsored Health Plans showing the continued growth of self-insured plans. The Foster-Higgins study indicates that 74 percent of large employers now chose to self-fund their plans, up 16 percent from the previous year. Not surprisingly, the study reveals that the larger the employer, the more likely it is to self-insure: 91 percent of companies with 20,000 or more workers self-insure, 82 percent of those with 5,000 to 9,999 workers, but only 44 percent of those with 200 to 499, and dropping down to just 13 percent for businesses with fewer than 50 employees.

Today, there is a revolution in the delivery of private health care in America. Self-insured employer plans under the Employee Retirement Income Security Act [ERISA] are in the thick of that revolution. And these plans are working. These ERISA group health plans are now the primary provider of care in the private market. They cover 70 percent of all employees—70 million workers—and represent a distinct success story in modern American private health care.

Mr. Speaker, by paying their claims directly, rather than purchasing an insurance policy, self-insured employers have escaped excessive regulation and been able to keep their health care costs down during health costs' upward spiral of the past several years. Self-insured employers have the flexibility to design coverage that fit their workers' needs, at a price they can afford. Self-insurance is keeping costs down and can be expected to continue to be part of the health care solution.

[From the *Self-Insurer*, July 1995]

The 1994 National Survey of Employer-Sponsored Health Plans, an annual report

analyzing employee health benefits statistics, bases its finding on data collected from 2,097 employers throughout the United States. This study, released in June, is the research firm's ninth report on the subject.

Although the survey included large employers (those with 500+ employees) and small employers (those with 1-499 employees), many of the results provided in the report summary are geared toward the large-employer market. According to Frank DiBernardino, a principal at A. Foster Higgins, the reason for this is that overall statistics are often skewed when small employer data is included.

"We split the data between large and small employers because so many small employers were included in the survey that [their data would] distort the results," DiBernardino said.

SELF-INSURANCE

Last year's growth was most pronounced in the small and medium-sized markets, according to the report.

With respect to large employers and traditional indemnity plans, 74 percent of the companies surveyed chose to self-fund their plans, up from 64 percent a year before. Of that 74 percent, 82 percent purchased some form of stop-loss coverage.

For large employers utilizing PPO plans, the statistics show that 77 percent chose to self-insure those plans in 1994, compared with 62 percent in 1993. Of the self-insurers, 83 percent used some form of stop-loss coverage with their self-funded plans.

DiBernardino points out that, while the stop-loss data was not broken down into large and small employer groups, the 12-percent to 13 percent of employers who do not purchase stop-loss are most likely those with 10,000 or more employees.

According to the survey, half of all point-of-service (POS) plans were self-funded in 1994. For DiBernardino, this proves that it is possible to marry capitated and non-capitated services in one plan and make them fundamental with respect to a self-funded environment.

THIRD PARTY ADMINISTRATORS

The study also shows that more large employers are using TPAs. Thirty-nine percent of all the large employers with indemnity plans in the survey used TPAs; the percentage was even higher (45 percent) when only companies with 500 to 999 employees were considered. For large employers choosing PPO benefit plans, the figures indicated that 33 percent used TPA services, a substantial increase from 17 percent in 1993.

TPAs have also continued the trend of low administrative costs, with 7 percent of all claims costs being attributed to the administration of self-funded benefits, versus 15 percent of paid claims costs on administration for fully insured benefit plans. TPAs are a popular choice for self-funded employers, DiBernardino said, because they are more sensitive to the needs of their clients.

"TPAs tend to be more responsive to the needs of their customer than the commercial insurance companies or the Blue Cross/Blue Shield companies. TPAs tend to process claims more quickly and with a lower error rate than commercial carriers, plus they tend to be more connected to the market," he said.

MANAGED CARE ENROLLMENT ON THE RISE

The figures also indicate that an increasing number of employers are utilizing managed care to help control rising health care costs. In 1994, 23 percent of all employees covered were enrolled in HMOs, compared with 19 percent in 1993. POS plans showed the greatest increase, however, with the number of participating employees at 15 percent in

1994—more than double the 7 percent enrolled in 1993.

Fifty-five percent of all employers surveyed in 1994 offered HMO plans, a 9 percent rise from 1993. That percentage is even higher among larger employers, with 87 percent of the companies that employ more than 20,000 workers offering one or more HMOs in their health plans.

DROP IN TOTAL COSTS SHORT-TERM

Glancing at the report, it may seem that 1994 was a landmark year for health care costs in the United States, as it was the first year that costs actually declined from the previous year. But according to DiBernardino, the drop indicated by the survey results was influenced by short-term factors and does not represent real savings for the industry. He attributed this disparity to three major causes.

The first is the massive shift from indemnity plans to managed care plans that occurred last year. The second: an increase of more than 100 percent in the use of carve-out plans to cover areas such as prescription drug or mental health benefits (where costs are growing).

DiBernardino estimates that the number of carve-out plans more than doubled in 1994. Third, actions to stem the growth of retiree benefits caused health care costs to drop, he said, but he predicts those savings will be a one-time-only occurrence.

"These are the reasons why costs decreased last year. It was, in a sense, a lie. A statistical anomaly," said DiBernardino.

"Does it mean the problem is behind us? No. It was a one-time advantage."

MARY RODRIGUEZ HONORED BY DALLAS LIGHTHOUSE

HON. JOHN BRYANT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1996

Mr. BRYANT of Texas. Mr. Speaker, this past December, one of my constituents, Ms. Mary Rodriguez, received an outstanding honor. She earned the Dallas Lighthouse for the Blind's Ronald Pearce 1995 Blind Employee of the Year Award. Ms. Rodriguez achieved this status by demonstrating outstanding job performance and exemplary work practices.

Mary, who is totally blind, assembles certificate binders for the vinyl fabrication department of the Dallas Lighthouse, where she has been an employee for 8 years. Mary's dedication to her work is apparent in the amount of time she spends on the clock. For the past several months, Mary had been working a shift and a half, which breaks down to 12 hour days. She is now pursuing her GED.

Because of this award, she is eligible for the Peter J. Salmon National Blind Employee of the Year Award, selected by National Industries for the Blind [NIB]. NIB is the central non-profit agency for industrial centers employing people with vision impairments under the Javits-Wagner-O'Day Act of 1938.

I commend Ms. Rodriguez for her motivation to succeed, learn, and grow in the workplace—all of which have contributed to her achievements this year.

TRIBUTE TO MARY EVA GOMEZ

HON. ESTEBAN EDWARD TORRES
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1996

Mr. TORRES. Mr. Speaker, I rise today to pay tribute to Mary Eva Gomez, a special woman who has spent much of her life working for the betterment of her community.

Mary Eva was born to Juan and Laura Gutierrez on February 28, 1931, in Hanover, NM. Her early education was spent in the Grant County schools until she moved on to St. Mary's Academy, where she graduated from high school. While in New Mexico, Mary Eva began her community involvement. She became an accomplished violinist, which earned her a seat with the Grant County Symphony in 1951 and 1952. She also served as organist and choir master for Holy Family Catholic Church in Hanover.

Mary Eva and her husband Ramon, whom she married in 1949, moved to California in 1957, settling in Pico Rivera in 1964. She and her husband have 6 children and 11 grandchildren.

Mary Eva has served as a strong advocate for the children of the El Rancho Unified School District. From 1964 to the present, she has taken an interest in the education that the children of Pico Rivera receive. From attending countless Parent Teacher Association meetings to serving as a distinguished member of the district board of education, Mary Eva has demonstrated her genuine concern for the children of the community.

Mary Eva has served her community in many other ways. She is an active member in the Pio Pico Women's Club, a member of Auxiliary V.F.W. Post 7734, and an educator and minister at St. Hilary's Catholic Church for which she raised \$1,500 for its food for the homeless project. This is only a fraction of her community involvement.

Although her accomplishments are many, her work on the El Rancho Unified School District Board of Education from 1981 through 1995 is what most deserves notice, and commendation. Her presence will be sorely missed but her deeds will be dearly remembered.

Mr. Speaker, it is with great pride and honor that I ask my colleagues to join me in paying tribute to Mary Eva Gomez, a special friend, energetic public servant and community leader, an individual who has given so generously to so many.

THE TELECOMMUNICATIONS BILL

HON. LEE H. HAMILTON
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1996

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, February 14, 1996, into the CONGRESSIONAL RECORD.

THE TELECOMMUNICATIONS BILL

With my support, Congress this month enacted into law a sweeping telecommunications reform bill, the most far-reaching measure passed by this Congress. It affects services that virtually every American uses and which generate hundreds of billions of

dollars annually. The bill, which President Clinton has signed into law, is the culmination of several years of efforts to reform the nation's telecommunication laws, which were last comprehensively rewritten in 1934. There has long been broad consensus that those laws were outdated, failing to take into account rapidly advancing technology, but often vast disagreement about how best to change them.

WHAT DOES THE LAW DO?

Many telecommunications services are currently provided by highly regulated monopolies. Often, competition has been expressly prohibited: for example, local phone companies cannot provide cable TV, and vice versa. The purpose of the new law is to create one giant marketplace for telecommunications services. It aims to end monopolies, allowing largely deregulated competition. The goal is to expand consumers' choices while lowering their costs, spurring innovation along the way.

Phone service: The breakup of the Bell system in 1984 generally prohibited one company from offering both local and long-distance service to the same customers. The new law eliminates those barriers, requiring local phone companies to open up their networks to competitors, including long-distance companies. Once there is competition, local phone companies could offer long-distance services to their subscribers. In addition, public utilities, like electric companies, will now be permitted to provide telecommunications services through a separate subsidiary.

The bill contains protections for rural communities, which may see less competition because of the high cost of providing service to these areas. The law allows the Federal Communications Commission (FCC) and states to order carriers to provide quality phone service at reasonable rates in rural areas, and exempts small phone companies from some requirements if they prove economically burdensome. In addition, the bill prohibits "slamming"—the practice of duping customers into unwittingly switching their long-distance carrier.

Television: The new law permits phone companies to offer cable service and allows television networks to own cable systems. It also deregulates cable television rates over the next three years, except for basic service. Some current restrictions on the number of radio and television stations that one company may own are relaxed.

Congress deferred final action on the contentious issue of advanced television services, such as high-definition TV. Broadcasters argue that they need additional broadcast spectrum in order to make the transition to high-definition TV, while phone companies and cable operators argue that broadcasters should have to pay for any additional spectrum.

V-chip: The law requires all newly manufactured TVs with 13-inch or larger screens to include a "v-chip." Broadcasters have one year to voluntarily establish rules for rating video programming that contains sexual, violent, or indecent material and to transmit such ratings during broadcasts. The v-chip would then enable parents to block objectionable programming from their TV sets.

Computing: The new law bars the transmission of obscene materials to minors over a computer network. Violators could be punished with up to two years in jail and fines as high as \$250,000 for an individual and \$500,000 for a company. The law protects providers of on-line service, like America Online, from prosecution if their systems are merely the means by which someone transmits the indecent material. The law also endorses efforts by software companies to de-

sign programs that parents and others can use to block objectionable material.

OUTLOOK

The new law is a watershed in U.S. telecommunications policy. The transition from highly controlled monopolies to competition is likely to be bumpy at times, and the effects will not be the same for all consumers. Some companies are better positioned to take advantage of the new opportunities, and some industries and regions of the country are likely to see fiercer competition than others. In the short term we may see more joint ventures and mergers, as companies that were previously barred from entering each other's business are now able to cooperate. The end result may be a handful of industry giants, each of which offers the customer a wide range of information and entertainment services.

The new law breaks down barriers that have existed for decades and sets off a competitive free-for-all. Consumers who find themselves annoyed by frequent solicitations to change their long-distance carriers are in for more of the same, as expanded choices become available in cable and local phone service. But greater competition is likely to drive prices down over time, and companies will have to innovate in order to compete.

The law, of course, does not please everyone. Many computer users and advocates of free speech protest that it places unconstitutional restrictions on speech. Consumer groups warn that cable and telephone services could be more expensive.

The challenge Congress faced in writing this law was to establish a level playing field for all providers of telecommunication services, ensuring that no one provider would become so dominant as to establish a new, and unregulated, monopoly. I am optimistic that the new law will do that, but I also agree with those who say that none of us can predict precisely how it will play out. While the bill goes far to break down barriers to competition, and junks volumes of regulations, the final product leaves many issues to the FCC. My strong suspicion is that the bill does not deregulate the industry as much as some proponents claim. I believe that Congress must keep a close watch to ensure that the promise of the new law is realized, and be prepared to take action if consumers are adversely affected.

In the end, this bill was finally pushed forward because the congressional leadership desperately wanted a major legislative achievement to point to. And it was accomplished through a genuinely bipartisan effort, involving congressional leaders on both sides of the aisle and the Clinton Administration. The lesson we should learn is that fostering consensus across party lines is the way to get things done. I hope that we see more of that in the days ahead.

HONORING AFRICAN-AMERICANS

HON. OWEN B. PICKETT
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1996

Mr. PICKETT. Mr. Speaker, as we again celebrate Black History Month, it is important to take note of the profound influence that African-Americans have had on American history and American society.

From the early days of our Republic when much of our country's economy rested on the backs of slave labor, to the complex commercialism of modern America the thread of black history has steadily grown and expanded.