

making referrals to appropriate providers and monitoring the services received to make sure they are coordinated and meeting the beneficiaries' needs. Case managers can also help beneficiaries in areas such as obtaining a job, housing, or legal assistance. When services are coordinated through a case manager, the chances of successful treatment are improved.

For those who cannot be treated while living in their own homes, this bill will make several residential treatment alternatives available. These alternatives include residential detoxification centers, crisis residential programs, therapeutic family or group treatment homes, and residential centers for substance abuse. Clinicians will no longer be limited to sending their patients to inpatient hospitals. Treatment can be provided in the specialized setting best suited to addressing the person's specific problem.

Right now in psychiatric hospitals, benefits may be paid for 190 days in a person's lifetime. This limit was originally established primarily in order to contain Federal costs. In fact, CBO estimates that under modern treatment methods, only about 1.6 percent of Medicare enrollees hospitalized for mental disorders or substance abuse used more than 190 days of service over a 5-year period.

Under the provisions of this bill, beneficiaries who need inpatient hospitalization can be admitted to the type of hospital that can best provide treatment for his or her needs. Inpatient hospitalization would be covered for up to 60 days per year. The average length of hospital stay for mental illness in 1995 for all populations was 11.5 days. Adolescents averaged 12.2 days; 14.6 for children; 16.6 days for older adolescents; 8.6 days for the aged and disabled; 9.9 days for adults. A stay of 30 days or fewer is found in 93.5 percent of the cases. The 60-day limit, therefore, would adequately cover inpatient hospitalization for the vast majority of Medicare beneficiaries, while still providing some modest cost containment. Restructuring the benefit in this manner will level the playing field for psychiatric and general hospitals.

The bill I am introducing today is an important step toward providing comprehensive coverage for mental health. Further leveling the health care coverage playing field to include mental illness and timely treatment in appropriate settings will lessen health care costs in the long run. These provisions will also lessen the social costs of crime, welfare, and lost productivity to society. This bill will assure that the mental health needs of all Americans are no longer ignored. I urge my colleagues to join me in support of this bill.

A summary of the bill follows:

#### TITLE I PROVISIONS

The bill prohibits health plans from imposing treatment limitations or financial requirements on coverage of mental illness if similar limitations or requirements are not imposed on coverage of services for other conditions.

The bill amends the tax code to impose a tax equal to 25 percent of the health plan's premiums if health plans do not comply. The tax applies only to those plans who are willfully negligent.

#### TITLE II PROVISIONS

The bill permits benefits to be paid for 60 days per year for inpatient hospital services furnished primarily for the diagnosis or treatment of mental illness or substance abuse. The benefit is the same in both psychiatric and general hospitals.

The following "intensive residential services" are covered for up to 120 days per year: residential detoxification centers; crisis residential or mental illness treatment programs; therapeutic family or group treatment home; and residential centers for substance abuse.

Additional days to complete treatment in an intensive residential setting may be used from inpatient hospital days, as long as 15 days are retained for inpatient hospitalization. The cost of providing the additional days of service, however, could not exceed the actuarial value of days of inpatient services.

A facility must be legally authorized under State law to provide intensive residential services or be accredited by an accreditation organization approved by the Secretary in consultation with the State.

A facility must meet other requirements the Secretary may impose to assure quality of services.

Services must be furnished in accordance with standards established by the Secretary for management of the services. Inpatient hospitalization and intensive residential services would be subject to the same deductibles and copayment as inpatient hospital services for physical disorders.

#### PART B PROVISIONS

Outpatient psychotherapy for children and the initial 5 outpatient visits for treatment of mental illness or substance abuse of an individual over age 18 have a 20% copayment. Subsequent therapy for adults would remain subject to the 50% copayment.

The following intensive community-based services are available for 90 days per year with a 20% copayment (except as noted below): partial hospitalization; psychiatric rehabilitation; day treatment for substance abuse; day treatment under age 19; in home services; case management; and ambulatory detoxification.

Case management would be available with no copayment and for unlimited duration for "an adult with serious mental illness, a child with a serious emotional disturbance, or an adult or child with a serious substance abuse disorder (as determined in accordance with criteria established by the Secretary)."

Day treatment for children under age 19 would be available for up to 180 days per year.

Additional days of service to complete treatment can be used from intensive residential days. The cost of providing the additional days of service, however, could not exceed the actuarial value of days of intensive residential services.

A non-physician mental health or substance abuse professional is permitted to supervise the individualized plan of treatment to the extent permitted under State law. A physician remains responsible for the establishment and periodic review of the plan of treatment.

Any program furnishing these services (whether facility-based or freestanding) must be legally authorized under State law or accredited by an accreditation organization approved by the Secretary in consultation with the State. They must meet standards established by the Secretary for the management of such services.

### SALUTE TO ORVENE S. CARPENTER

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 5, 1997

Mr. GALLEGLY. Mr. Speaker, I would like to salute Orvene S. Carpenter for many years of

outstanding service to his community on the occasion of his retirement.

Orvene Carpenter began his public service over 50 years ago in the city of Port Hueneme when he was appointed postal clerk. He was later elected to the city council and served for 30 years, becoming the longest tenured councilmember in the history of the city of Port Hueneme. He was elected mayor in 1990.

I have had the great pleasure of working with Mr. Carpenter for many years. During that time he has been responsible for numerous accomplishments and outstanding progress in the city of Port Hueneme. He will be missed greatly in both the government and civic arenas in which he was so active.

His innumerable contributions will serve as a legacy to his years of dedication. I want to congratulate him and wish him the very best in his retirement.

### INTRODUCTION OF LEGISLATION TO ALLOW PENALTY-FREE WITHDRAWALS FROM CERTAIN RETIREMENT PLANS DURING PERIODS OF UNEMPLOYMENT

HON. JIM McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 5, 1997

Mr. McDERMOTT. Mr. Speaker, today I am introducing legislation that would allow people to receive penalty-free withdrawals of funds from certain retirement plans during long periods of unemployment. I am pleased that Representatives CHARLES RANGEL, ROBERT MATSUI, JOHN LEWIS, RONALD DELLUMS, ESTEBAN TORRES, ELEANOR HOLMES NORTON, ROBERT RUSH, MAURICE HINCHEY, VIC FAZIO, ZOE LOFGREN, EVA CLAYTON, and CHARLES CANADY have joined me as original cosponsors of this legislation.

This legislation would allow penalty-free withdrawals from individual retirement accounts [IRA's] and qualified retirement plans—401(k) and 403(b)—if the taxpayer has received unemployment compensation for 12 weeks under State or Federal law. Under the legislation, the distribution of funds would have to be made within 1 year of the date of unemployment.

Under current law, when a taxpayer withdraws money from an IRA or a qualified retirement plan before age 59½, he or she is forced to pay an additional 10 percent tax on the amount withdrawn. This additional tax is intended to recapture at least a portion of the tax deferral benefits of these plans. This tax is in addition to regular income taxes the taxpayer must pay as the funds are included in the taxpayer's income. The early-withdrawal tax also serves as a deterrent against using the money in those accounts for nonretirement purposes.

The vetoed Balanced Budget Act of 1995 includes a provision which is the same as this legislation with respect to withdrawals from IRA's. This provision recognizes that when an individual or family is faced with long periods of unemployment, they may have no other choice but to draw upon these funds to meet their everyday living expenses. During this financially stressful time, an additional 10 percent tax for early withdrawal is unfair and only serves to make the family's financial situation

worse. This legislation would accomplish the goals of that provision by allowing penalty-free withdrawals during long periods of unemployment from IRA's as well as qualified retirement plan—401(k) and 403(b)—accounts.

Many small businesses offer participation in 401(k) plans, thus, this amendment would help unemployed people who at the time of separation from employment chose to leave their 401(k) funds with their former employer. Then, because of unanticipated long periods of unemployment, need access to those funds. Accordingly, many small businesses would benefit from this amendment. In addition, employees who are laid off from their former employment may need access to those funds in order to start up their own small business. State and local government employees who are displaced through downsizing, also may need access to the funds in their 403(b) plans for similar purposes.

The benefit this legislation would offer the long-term unemployed is the right thing to do in this period of economic uncertainty. You can plan for many things in your life financially, but the impact of long, unanticipated periods of unemployment can create financial havoc on any individual or family, including those that thought they had adequate savings to get them through such a situation. Long periods of unemployment are similar to major illnesses that can result in catastrophic medical expenses. Under current law, taxpayers are allowed penalty-free early withdrawals from qualified retirement plans to meet catastrophic medical expenses, therefore, it makes sense to extend this benefit in cases of long periods of unemployment.

Passage of this legislation would allow unemployed taxpayers a chance to get back on their feet without having to pay an unnecessary financial penalty when they can least afford it.

#### LEGISLATION TO CHANGE BUDGET SCOREKEEPING RULES

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 5, 1997*

Mr. TRAFICANT. Mr. Speaker, today I am introducing legislation to change the current budget scorekeeping rules as they relate to Federal real estate transactions. The bill is identical to legislation I introduced in the 103d and 104th Congresses. I originally introduced the bill in response to hearings I held during the 103d Congress, when I served as chairman of the Public Works and Transportation Subcommittee on Public Buildings and Grounds. The hearings focused on the way in which the Office of Management and Budget scores Federal real estate transactions. The hearings underscored previous findings by the General Accounting Office that the Federal Government is wasting hundreds of millions of dollars a year in unnecessary long-term leases. The waste is due primarily to the fact that current budget scorekeeping rules prevent the General Services Administration from pursuing a full range of financing options to meet the Federal Government's office space needs. These practices continue to this day.

My legislation has received strong bipartisan support in the past two Congresses. The bill

changes Federal budget accounting rules to allow GSA to utilize a full range of financing mechanisms in meeting Federal office space needs. Under current Federal budget scorekeeping rules, which were established in the 1990 Budget Act, the entire cost of a Federal construction project or building purchase, must be scored in the first year of the project, rather than amortized over the actual construction period, or over the expected life of a purchased building. For leases, the rules require that only the annual rent costs be scored. The end result is that operating leases have become the most attractive vehicle for GSA, the Federal Government's real estate arm, to meet the housing needs of Federal agencies—even though in the long term it is the most costly.

Specifically, the bill amends the Public Buildings Act of 1959 to treat Federal real estate transactions in the same manner they were treated prior to the implementation of the 1990 Budget Act. The bill would allow GSA to utilize alternative financing mechanisms, such as lease-purchases or time financing.

In 1975 GSA's leasing budget was \$388 million. In 1996 GSA spent more than \$2.5 billion on Federal leases. A December 1989 report issued by GAO analyzed 43 projects that GSA might have undertaken if capital financing were available to replace space that GSA would otherwise lease. GAO estimated that, over a 30-year period, constructing the 43 projects instead of leasing, would have saved taxpayers \$12 billion.

Financing by lease purchase is inappropriately being compared by OMB to direct Federal construction, when the correct comparison should be with the cost of long-term leasing. My goal is to ensure that GSA has all the financing tools available to the private sector. Currently GSA does not have the ability to get the best possible deal for the taxpayer—because of the scoring rules. GAS should be able to, on a project by project basis, determine the most cost effective and efficient way to finance a particular Federal real estate transaction. My bill will give GSA this ability. In the long term, this legislation will save the taxpayer hundreds of millions of dollars. I urge my colleagues to support the bill.

#### THE BALANCED BUDGET AMENDMENT

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 5, 1997*

Mr. PACKARD. Mr. Speaker, the balanced budget amendment is the only foolproof way to guarantee the deficit continues on a permanently downward path to zero. But more than that, a balanced budget amendment is good for America's families. It means reduced interest rates and a lower cost of living for all Americans. A home, a car, and a college education will become more affordable than ever. In my district, a family with the median-priced home would save about \$3,600 each year, based on a 30-year mortgage. Families could keep an extra \$2,200 on a student loan and \$900 on an average-priced car loan. These extra dollars can be spent on your future and that of your children.

The balanced budget amendment will also safeguard Social Security and Medicare while

protecting future generations from crushing debt. The President has said that balancing the budget is his top priority. However, by stating that a balanced budget amendment could lead to reductions in Social Security benefits, he has been using scare tactics to avoid committing to a balanced budget.

Mr. Speaker, I know that Clinton's assertion is not true. In fact, our skyrocketing debt is the real threat to Social Security. The further we go into debt, the harder it will be for the Federal Government to meet its Social Security commitment to today's and tomorrow's seniors. The best way to protect Social Security for future generations is by passing a balanced budget amendment. I find it unfortunate that the President has chosen to oppose our bipartisan effort to improve the American people's quality of life by standing in our way once again. American families can balance their budgets, State and local governments balance their budgets, and so must the Federal Government.

#### RESPONSIBLE REPEAL OF THE ETHANOL TAX

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 5, 1997*

Mr. BENTSEN. Mr. Speaker, I rise to introduce legislation to eliminate the ethanol subsidy. This legislation is good fiscal policy, good agriculture policy, good environmental policy, and good energy policy, and I urge my colleagues to join me as cosponsors.

The ethanol subsidy was established to help address the Nation's energy needs during the oil crisis of the 1970's. Unfortunately it is a program that has proven to be woefully inadequate. According to the Treasury Department, the ethanol subsidy cost the American taxpayers over \$5.3 billion from 1983-94. The ethanol tax subsidy costs the Federal highway trust fund \$850 million each year—and the revenue drain is increasing. Ethanol receives a 54 cents per gallon Federal tax subsidy on some 1.6 billion gallons of ethanol produced per year—with an additional 10 cents per gallon for small producers and from 10 to 80 cents per gallon more from various States. But we have seen few benefits for this huge expense. In fact, a close examination of the ethanol subsidy shows that it not only has failed to live up to its billing, it has several negative consequences:

Ethanol yields significantly less energy than gasoline. Per gallon, ethanol yields about 76,000 Btu, while gasoline yields between 109,000 to 119,000 Btu. This means that ethanol provides only about two-thirds to three-quarters as much energy and mileage as conventional gasoline.

Ethanol tax subsidies harm beef and dairy industries. Ethanol production competes with traditional feed grain customers for corn, driving the price of feedstocks up for the cattle industry and raising consumer prices for meat and dairy products.

While ethanol does help reduce carbon monoxide emissions, it can increase ground level ozone, especially in hot summer weather. This is because ethanol makes gasoline evaporate more easily.

Corn-based ethanol has had dubious results as an alternative fuel additive, and it is now