

this administration and congressional Democrats are afraid to anger powerful labor unions who support the status quo. Mr. Speaker, this is no longer about conservative versus liberal values—the parents of this city's children don't want to make this political—they simply want their children to get a quality education. Right now, President Clinton refuses to let that happen.

Mr. Speaker, we can not afford to fail our children. There is nothing more important than the quality of our schools and the value of the education they provide. Without opportunity, we are shortchanging our children and depriving them of any hope for a prosperous future.

The truth is, we are losing children every day to the lure of drugs and crime because inner-city schools are failing to give them the tools they need to succeed. Mr. Speaker, many of these children may still get the chance to receive the education they deserve if their parents are given the choice to send them to quality schools.

Mr. Speaker, I urge my colleagues to send the President a bill that contains opportunity scholarships. We should let those who would rather trap children in poor schools where crackpipes and drug syringes are as plentiful as pencils explain why they think choice and opportunity in education is such a bad idea.

#### RECOGNIZING THE NATIONAL WOMEN'S BUSINESS COUNCIL

**HON. JOHN J. LaFALCE**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 29, 1997*

Mr. LaFALCE. Mr. Speaker, as the ranking member of the Small Business Committee, I am proud that the reauthorization bill we reported contains strong support for women business owners. I am particularly delighted that our committee has reauthorized and expanded the National Women's Business Council.

As the Small Business Subcommittee Chair in the 1970's, I held a number of hearings on the unique challenges and obstacles faced by women business owners. Remembering these hearings, the late Gillian Rudd, then president of NAWBO, approached me shortly after I became chairman of the House Small Business. She said, "Congressman LaFALCE, now that you are Chairman of the full Committee, I hope you will do something what's never been done before. I hope you will take up the cause of women business owners and give them a seat at the table." That is exactly what I intended to do.

I asked Gillian to help me in preparing a series of hearings on women entrepreneurs. We searched for the best minds in the United States to learn about the business environment that was out there for women business owners. The hearings were a tremendous success, and we took our marching orders from the women who testified. We have learned that there were a number of things that Congress needed to do immediately to support the growth of women owned enterprises.

First and foremost, we needed to create a National Women's Business Council to be a voice for women entrepreneurs within the Federal Government. We also knew that there would need to be an interagency task force,

comprised of representatives from all the Federal agencies to work with the council in a public/private sector partnership. Finally, it was essential that we also come up with a business training program developed for women addressing their unique needs.

On the heels of receiving this information, delivered to the Small Business Committee in landmark testimony, I introduced and Congress passed H.R. 5050. That bill, the Women's Business Ownership Act of 1988, included several very important initiatives, including the creation of the National Women's Business Council. This was the first step in achieving our goals.

Now, 10 years later, we have accomplished all three of these goals. I am deeply gratified to have played a role in the establishment of all three and to see the fruits these efforts have borne. While it is so often repeated, I still think it merits mentioning just one more time. There are more than 8 million women business owners in the United States today, represented by 1,000 women's business organizations. Looking back on where we were two decades ago when this all began. I am still amazed at how the numbers of women entrepreneurs have skyrocketed. With greater growth in women's business ownership on the horizon, it is even more incumbent upon us to find ways to help these businesses succeed.

On July 21, the National Women's Business Council, in partnership with the Federal Reserve System and the Small Business Administration, held an Access to Capital and Credit Expert Policy Workshop in my district, in my hometown of Buffalo, NY. The purpose of the workshop was to make recommendations on how to expand the access to capital and credit. During this particular workshop, one of ten held around the country, we focused on the growth in western New York. The National Women's Business Council has compiled the recommendations made by the great women entrepreneurs of Buffalo and other women around the country into a report to be released tomorrow. I look forward to working with the Council on their implementation.

I have been working with the National Women's Business Council since I helped to create it in 1988. They have been an incredible resource to me and my staff. They do a wonderful job of representing women business owners around the country before Congress and the President, a task to which they have dedicated themselves wholeheartedly. The council is comprised of prominent women business owners and national women's business organizations which represent millions of women entrepreneurs nationwide. It is currently chaired by Lillian Vernon, a true American success story. These accomplished women are a resource at our disposal.

In 1988, I held a series of hearings on the problems that women entrepreneurs face—the first series of its kind—that was compiled into a report entitled "New Economic Realities: The Role of Women Entrepreneurs." In it, I said that there is a great untapped gold mine that exists within the American economy. There is a pool of talent that is so rich, that if we could tap into it and exploit it, we could unleash a windfall for the American economy. We have finally begun to do that.

#### HMO ABUSE

**HON. FORTNEY PETE STARK**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 29, 1997*

Mr. STARK. Mr. Speaker, there is a lot of talk about fraud, waste, and abuse in health care. One type of fraud that does not get mentioned much—but which cheats the taxpayers and the beneficiaries out of billions of dollars a year—is the overpayment of HMO's under Medicare.

I would like to include in the RECORD a summary of a recent Prospective Payment Assessment Commission meeting, as prepared by Gray & Associates, a health consulting and reporting service. At the ProPAC meeting, the staff of this congressional advisory panel noted that the adjusted community rate data—the data that determines how much extra an HMO must provide its enrollees in benefits and services—is suspect.

I also include a letter I have sent to the Acting Medicare Administrator regarding overpayments to HMO's. The recent Denver HMO bidding demonstration—blocked by Congress and the courts—would, if implemented nationwide, save Medicare approximately \$2 billion a year while expanding the level of benefits to enrollees.

Mr. Speaker, the current system must be reformed, ASAP.

#### ADJUSTED COMMUNITY RATES

The adjusted community rate (ACR) is used to establish a risk contract's premium for Medicare, as well as the plan's supplemental benefits. The form filled out by plans demonstrates an actuarial equivalence between the plan's benefits and fee for service benefits, and establishes the difference that is to be returned to the Medicare program either through waived premiums, extra benefits, or actual payments back to Medicare (no one does the third option).

Staff believes that the forms could be used to glean useful cost information concerning the plans. This information could be used to determine the fairness of Medicare payment rates. However, the current reliability of the data is highly suspect, mainly because the information contained therein is not audited. In fact, staff states that some plans pick their final benefit plans, and make the numbers on the form fit the final plan. Other plans submit forms showing net losses per Medicare patient, which intuitively one knows cannot be accurate otherwise the plans would not be financially able to participate year after year in Medicare.

The BBA now requires that the ACRs be audited to ensure the quality of the data contained in them. Staff wants to take the now fairly reliable data and try to reconcile benefits packages with particular ACRs. Staff also hopes its analysis will reveal whether the new auditing requirements effect any major changes in the ACRs, which might, in turn, effect payment changes in the Medicare risk contract program.

COMMITTEE ON WAYS AND MEANS,  
U.S. HOUSE OF REPRESENTATIVES,

*Washington, DC, September 23, 1997.*

NANCY-ANN MIN DEPARLE,  
*Acting Administrator, Health Care Financing  
Administration, Washington, DC.*

DEAR NANCY-ANN: Enclosed is a page from a health care newsletter which I received today. It reports former Administrator Vladeck as saying that before the Denver

demonstration was blocked, HCFA had received four bids from HMOs that would have saved Medicare 10-12% and which "would have expanded current Medicare HMO benefits without any premium charge to enrollees."

Not every newspaper report is accurate, and I have certainly been misquoted a number of times \* \* \* but is this generally accurate? Did HCFA receive four such bids?

If so, during the Ways and Means Health Subcommittee's anti-fraud hearing on September 30th, I would like to discuss this issue as an example of waste and abuse, and I would urge you to speed the implementation of risk adjustments and audits of adjusted community rates. We need to make some immediate adjustments in HMO payment rates and/or their payment of benefits to enrollees—especially in light of the August 18 GAO report (released September 16) on the non-enrollment of the chronically ill in HMOs.

If the news report is accurate and the Denver experience could be applied nationwide, we would save at least \$2 billion dollars a year in managed care payments with no decrease in benefits—or beneficiaries should be receiving substantially more. Thank you for your help with this inquiry.

Sincerely,

PETE STARK,  
Member of Congress.

[From the Managed Medicare & Medicaid News]

Peter's PHO, Albany, N.Y.; Crouse Irving Memorial PHO, Syracuse, N.Y.; Chester County PHO, West Chester, Pa.; the PHO of Pennsylvania Hospital, Philadelphia; St. Barnabas Health Care System Provider Partnership, Livingston, N.J. (including St. Barnabas Medical Center, Newark Beth Israel Medical Center and Monmouth Medical Center). HCFA still is negotiating payment rates for the "Provider Partnership" test but hopes Medicare will save 5% on fee-for-service rates under the combined payments, which will be for all but a few acute care admissions [Managed Med 7/28/97]. The agency also expects bundling will help hospitals improve their Medicare margins by permitting them better control of facility use by physicians. [Info: HCFA, 202/690-6145]

HCFA's Denver-area bidding test could have saved Medicare 10-12% on Denver-area capitation payments. The figure, disclosed by ex-Administrator Bruce Vladeck, reflects four bids received by the agency before the demonstration was blocked by a federal court [Managed Med 7/14/97]. At a farewell meeting with health reporters last week, Vladeck also said that the four bids would have expanded current Medicare HMO benefits without any premium charge to enrollees. Vladeck advised that the seven competitive bidding demonstrations authorized by Congress in the final balanced budget bill [Managed Med 7/28/97] avoid markets that already have at least "a half-dozen plans and more pending" and ones where a single plan has an overwhelming market share. Poor demonstration sties also include ill-defined HMO markets in southern California and "megalopolis" centers of the Northeast, he believes.

## THE TRAGEDY OF WACO DESERVES ANOTHER LOOK

**HON. BOB BARR**

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 29, 1997

Mr. BARR of Georgia. Mr. Speaker, the Waco tragedy in early 1993 killed 4 Federal

law enforcement agents and 76 men, women, and children, in the worst law enforcement tragedy in American history. Congressional hearings to uncover the truth of what happened at Waco, and to take steps to see that a similar tragedy never happens again, were held in mid 1995, but failed to achieve their full potential either in uncovering the truth about Waco or in taking meaningful steps to prevent a recurrence.

One of the reasons the hearings were less than fully successful, was the lack of complete information and evidence available to Members of Congress conducting the hearings. For example, much evidence at the scene of the tragedy was destroyed by the Federal Government immediately after the buildings burned to the ground. Also, important pieces of evidence, such as firearms reportedly seized by the Government, were neither objectively tested nor made available to the Congress. Continued evasion and stonewalling by the FBI and the Department of Justice continues to this day.

Recently, however, private citizens produced and released a movie, entitled "WACO: the Rules of Engagement," which is playing to limited audiences across the country. The film ought to be reviewed by every government official and law enforcement officer at the FBI, the ATF and the Department of Justice, and many at the Department of Defense. The film ought also to be required viewing for every Member of Congress, and every citizen of this country who is concerned about the dangers of militarization of domestic law enforcement in America, and who shares an interest in accountability by those clothed with the power to enforce the laws of our country.

I have reviewed this film, and find it to be a compelling and objective analysis of this tragedy known forever more as simply, WACO.

I include for the RECORD a review of this important documentary tape, which aired on September 20, 1997, on the Siskel and Ebert Show, and was reviewed in writing by Roger Ebert, on September 19, 1997, in the Chicago Sun Times. Both of these respected and widely read film critics gave "WACO: the Rules of Engagement" a thumbs up. The reason they gave it two thumbs up was that it fulfilled its purpose, which was to raise important questions in the minds of the viewers about how the U.S. Government handled the WACO tragedy. The reviewers found it to be fair, persuasive, and an important documentary. Roger Ebert found the film compellingly presented witnesses who were telling the truth and that the American people were sold a bill of goods about the Branch Davidians that wasn't necessarily true.

In his written review, Mr. Ebert also correctly noted that after reviewing the tape, it was clear the original raid staged by ATF, in which both Branch Davidians and Federal agents were killed, was simply a publicity stunt. He also found the film presented testimony from both sides and resisted efforts to take cheap shots which would have been relatively easy. The reviewer also was struck by the scenes in the film taken by FBI heat-sensitive cameras, which seemed to show, including to the reviewer, FBI agents firing into the compound even though the FBI steadfastly denies firing any shots into the compound.

The movie is a compelling documentary which very clearly raises the question of why the American people and the Congress are not demanding as loudly as possible that fur-

ther investigation of this tragedy be conducted, in order to come much closer than previously to answering for those dead children and future generations of Americans why this tragedy happened. How is it that a joint operation of the ATF, the FBI, and, in some respects, our military, under the direction of the top leaders of this country, could result in the gas-sing and burning of dozens upon dozens of men, women, and children, and virtually no steps resulting in accountability be taken? This matter needs to be reopened and reexamined. I commend the reviews of this movie and the film itself to all Americans.

[From the Chicago Sun-Times, Sept. 1997]

WACO: THE RULES OF ENGAGEMENT

(By Roger Ebert)

Like many news-drenched Americans, I paid only casual attention to the standoff at Waco, Texas, between the Branch Davidians and two agencies of the federal government. I came away with the vague impression that the "cult," as it was always styled, was a group of gun-toting crackpots, that they killed several U.S. agents, refused to negotiate and finally shot themselves and burned down their "compound" after the feds tried to end the siege peacefully with tear gas.

Watching William Gazecki's remarkable documentary "Waco: the Rules of Engagement," I am more inclined to use the words "religion" than "cult," and "church center" than "compound." Yes, the Branch Davidians had some strange beliefs, but no weirder than those held by many other religions. And it is pretty clear, on the basis of this film, that the original raid was staged as a publicity stunt, and the final raid was a government riot—a tragedy caused by uniformed boys with toys.

Of course I am aware that "Waco" argues its point of view, and that there is no doubt another case to be made. What is remarkable, watching the film, is to realize that the federal case has not been made. Evidence has been "lost," files and reports have "disappeared," tapes have been returned blank, participants have not testified and the "crime scene," as a Texas Ranger indignantly testifies, was not preserved for investigation, but razed to the ground by the FBI—presumably to destroy evidence.

The film is persuasive because:

1. It presents testimony from both sides, and shies away from cheap shots. We feel we are seeing a fair attempt to deal with facts.

2. Those who attack the government are not simply lawyers for the Branch Davidians or muckraking authors (although they are represented) but also solid middle-American types like the county sheriff, the district Texas Rangers, the FBI photographer on the scene, and the man who developed and patented some of the equipment used by the FBI itself to film devastating footage that appears to show its agents firing into the buildings—even though the FBI insists it did not fire a single shot.

3. The eyes of the witnesses. We all have built-in truth detectors, and although it is certainly possible for us to be deceived, there is a human instinct that is hard to fool. Those who argue against the government in this film seem to be telling the truth, and their eyes seem to reflect inner visions of what they believe happened, or saw happen. Most of the government defenders, including an FBI spokesman and Attorney General Janet Reno, seem to be following rehearsed scripts and repeating cant phrases. Reno comes across particularly badly: Either she was misled by the FBI and her aides, or she