

EXTENSIONS OF REMARKS

NATIONAL INSTITUTE FOR
ELECTROMEDICAL EDUCATION
CELEBRATES 13TH ANNIVERSARY

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1997

Mr. ACKERMAN. Mr. Speaker, I rise today to join with my constituents of the Fifth Congressional District in extending a most welcome congratulations to the members of the National Institute for Electromedical Education [NIEE] in celebrating its 13th anniversary. Founded in 1984, by Stanley H. Kornhauser, Ph.D., the NIEE has diligently serviced the Borough of Queens as an advocate and educator of electromedicine and has been most effective as a medium for the exchange of information on advances in new diagnostic and therapeutic devices in all areas of medicine.

Since its founding, the NIEE has been an active source of informational distribution to the field of medicine and has emerged as a major facilitator in establishing training and seminar programs in electromedical education. Its impact has been guided and nurtured by the organization's advisory board. The board's strong interdisciplinary members have distinguished themselves in diverse fields of medical and scientific research significantly impacting on the field of health care.

Therefore, Mr. Speaker, I ask my colleagues to rise in recognizing the National Institute of Electromedical Education, its founder, Stanley H. Kornhauser, Ph.D., its advisory board and membership as leaders in enhancing the level of understanding and knowledge regarding electromedical education, electromedical technology development, and the effective use of electromedical technology throughout our Nation.

ON THE OCCASION OF THE
NATIONAL DAY OF GREECE

SPEECH OF

HON. MICHAEL R. McNULTY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1997

Mr. McNULTY. Mr. Speaker, in the 1820's, when the Greeks fought for their independence—after 400 years of domination by the Ottoman Empire—they were inspired by the American Revolution.

In an 1821 appeal to the American people, a Greek Commander—Petros Mavromichalis—declared:

Having formed the resolution to live or die for freedom, we are drawn toward you by a just sympathy since it is in your land that liberty has fixed her abode, and by you that she is prized as by our fathers. Hence, honoring her name, we invoke yours at the same time, trusting that in imitating you, we shall imitate our ancestors and be thought

worthy of them if we succeed in resembling you . . . it is for you, citizens of America, to crown this glory.

Greek intellectuals translated our Declaration of Independence and adopted it as their own. And many Americans sailed to Greece to join in the Greek fight for independence.

However, in reality, it is we, the American people, who are indebted to Greece for their great contributions to American democracy.

Thomas Jefferson acknowledged this when he stated:

To the ancient Greeks . . . we are all indebted for the light which led ourselves [American colonists] out of gothic darkness.

American democracy was born in Greece. Two thousand years ago, Pericles declared:

Our Constitution is called a democracy because power is in the hands not of a minority but of the whole people. When it is a question of settling private disputes, everyone is equal before the law . . . And when it is a question of putting one person before another in positions of public responsibility, what counts is not a membership of a particular class, but the actual ability an individual possesses.

It was to preserve our mutual way of life that Greece stood shoulder to shoulder with the United States in every major international conflict in the 20th century.

We owe so much to Hellenic civilization, to the people of Greece and to the Greek American community for their contributions to virtually all aspects of American life.

In a broad sense, as the English poet Percy Bysshe Shelley put it:

We are all Greeks! Our laws, our literature, our religion, our art, have their roots in Greece.

To the people of Greece and to the Greek American Community, I extend heartiest congratulations on the national birthday of this great nation.

PUTTING AMTRAK BACK ON
TRACK

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1997

Mr. WOLF. Mr. Speaker, in 1971, the National Railroad Passenger Corporation—Amtrak—began operations, taking over intercity passenger rail service from freight railroads. The freight railroads were eager to get out of the passenger rail service which had been unprofitable for many years. So eager in fact, that these freight railroads even donated equipment and provided financial assistance to help launch Amtrak. The Federal Government agreed to assist Amtrak in starting intercity passenger rail service and provide financial help.

Amtrak currently provides almost 20 million intercity rail passenger trips per year in 45 States. While this sounds like an impressive number, these trips constitute less than 1 per-

cent of all intercity travel in the United States. Automobiles account for the bulk of intercity travel, about 80 percent. Another 17 percent of travel between cities is on commercial or private aircraft. Even intercity buses provide more service—and have quadruple the ridership—than Amtrak.

How much assistance has the Federal Government provided to Amtrak for its 1 percent market share? Since 1971 and through fiscal year 1997, the Federal Government has provided over \$19 billion for Amtrak operating and capital expenses. That's \$19 billion to help this fledgling corporation take over intercity passenger rail service from the freight railroads and provide less than 1 percent of all intercity travel. What have we gotten for our money? Far too little, I'm afraid.

Despite this massive infusion of Federal dollars, Amtrak route miles have increased a mere 1,000 miles since 1971. Moreover, Amtrak has had an operating loss each and every year since it began in 1971, before paying to buy or maintain equipment. None, not a single one, of Amtrak's routes are profitable when equipment costs are included. And the outlook for the future is equally bleak.

The fiscal year 1996 budget resolution approved by Congress assumes a phaseout of Amtrak operating assistance by the year 2002. However, Amtrak is ill-prepared to operate without Federal assistance. In fact, according to the General Accounting Office, Amtrak needs increased operating assistance—above current levels—rather than decreased funding. In addition, \$4 billion is needed to replace worn out equipment. On top of the needed operating assistance, on top of the needed equipment assistance, Federal dollars will be needed to repair deteriorating track and signal equipment along the Northeast corridor.

As I mentioned previously, none of Amtrak's routes are profitable, when equipment costs are included. Amtrak's Northeast corridor—the 450 mile route between Boston and Washington, DC—which accounts for about half of the 20 million intercity trips, covers only about 65 percent of its operating and equipment costs. Other routes cover much less, on average, just about 50 percent of the operating and equipment costs.

In 1994, the GAO set off alarm bells about Amtrak's future. In its testimony to Congress, GAO warned that Amtrak's financial condition had deteriorated so significantly, that its projected future costs made recovery difficult. Since then, GAO has continued to warn of Amtrak's precarious financial position. Despite these dire predictions, over the past 2 years, Congress and the administration have indicated that if Amtrak is going to survive, it cannot be dependent upon Federal operating subsidies beyond the turn of the century.

How can we reconcile Amtrak's enormous Federal assistance needs with the congressional mandate to eliminate its operating subsidies? How do we respond to the growing demands for capital assistance in the face of budgetary constraints.

Quite honestly, I don't know. Amtrak remains heavily dependent on Federal support

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

for both its operating and capital needs. Amtrak developed a strategic business plan in 1995 designed to increase revenues, control costs, and eliminate its need for Federal operating subsidies by the year 2002. This plan has been revised several times, each time to reflect updated realities of its inability to raise additional revenues and/or control costs. According to GAO, in fiscal year 1996, Amtrak's net loss was \$764 million, and the gap between its operating deficit and Federal operating support was \$82 million. Clearly, Amtrak is ill-prepared to operate without massive help.

There is another important point to make. Amtrak has borrowed heavily since 1993. From fiscal year 1993 to fiscal year 1996, Amtrak's debt and capital lease obligations rose from \$527 million to \$987 million—nearly doubling in a 3 year period. Not only that, this debt does not include an additional \$1 billion Amtrak expects to incur beginning in 1999 to finance high-speed train sets and maintenance facilities for the Northeast corridor and the acquisition of new locomotives.

How has Amtrak been paying off its enormous debt obligations? By using Federal operating support. Over the last 4 years, GAO estimates that Amtrak's interest expenses have tripled—from a fiscal year 1993 level of \$20.6 million to fiscal year 1996 level of \$60.2 million. In fiscal year 1993, 6 percent of Amtrak's operating assistance was used to make interest payments on its debts but by fiscal year 1996, that percentage rose to an astounding 21 percent. Slightly less than a quarter of all of Amtrak's operating assistance is now going to pay for interest on its debt rather than covering costs associated with day-to-day running of the railroad. As interest payments on its debt consume an ever increasing portion of operating assistance, Amtrak has less and less subsidy agreement for current operating expenses.

What needs to be done to increase Amtrak's profitability? Amtrak will tell you that it has been trying very hard to survive in a competitive marketplace. Yet as a result of declining passenger revenues coupled with price competition from airlines and intercity buses, Amtrak passenger revenues have declined 14 percent in real terms since 1990, further exacerbating a bad financial situation.

Over the past 2 years, Amtrak has been able to restructure the company and route system, thereby making some productivity improvements and reducing annual costs by approximately \$400 million. However, restructuring has not always worked as Amtrak planned.

For example, in August 1996, Amtrak announced that it planned to eliminate five routes by November 10, 1996. Many States affected by these route terminations approached Congress, asking that we continue the routes until the State legislatures had an opportunity to meet and discuss whether they could fund these routes from alternative sources. Congress agreed and provided \$22.5 million to continue these routes for an additional 6 months.

However, because Amtrak did not correctly calculate the cost to run these routes, the railroad is predicting that it will lose \$13.5 million on these routes, even after the Federal subsidy. As a result, Amtrak may need to cut additional routes in order to make up for these losses. And while Congress provided money to give the affected States time to develop alternate funding to continue these routes, I un-

derstand that none of the States has taken action to continue these routes. Since I became chairman of the Transportation Appropriations Subcommittee 2 years ago, Amtrak has cut routes four times. It appears that this trend may continue.

Furthermore, for Amtrak to become a competitive railroad, it must complete upgrading and installation of high speed rail service along the Northeast corridor. After a 2-year delay on this program, Amtrak awarded a high speed rail contract and a new electrification contract in 1996. Once the corridor begins providing high speed rail service from Washington, DC to Boston, Amtrak estimates that it will receive an additional \$150 million in revenue per year. However, to electrify the corridor and modernize its fleet, Amtrak plans to invest \$5.5 billion by the year 2001—\$3.2 billion of which is expected to come from Federal capital grants.

I believe this expectation is far-fetched. In a time of declining Federal resources, it is simply unrealistic to assume that the Federal Government will be able to provide \$751 million per year in capital grants to Amtrak, when the most recent annual appropriations have been under \$400 million—\$345 million in fiscal year 1996 and \$398.45 million in fiscal year 1997.

What else can Amtrak do to improve its financial picture? Can it reduce its operating expenses by renegotiating labor agreements? Not so far. Amtrak recently renegotiated these agreements, but rather than getting some concessions from labor that would enable it to improve its financial position, Amtrak's labor costs are on the rise.

Amtrak has repeatedly asked Congress to provide it with statutory relief from the most onerous labor provisions which could hold some of its labor costs in check. However, Congress has refused to provide this relief. What is the relief Amtrak seeks? Relief from current law which requires Amtrak to pay unemployment for up to 6 years to any employee whose route has been terminated or reduced to less than three times per week. Of course, other rail providers have similar requirements and they also have sought relief without success. Would it be fair to allow Amtrak to reduce the employment benefits it provides its workers while other transit companies can not? This is an issue Congress must address.

Amtrak—and others—believe that to be free of Federal operating subsidies by the year 2002, it will need a dedicated source of capital funding. Amtrak has proposed receiving a half cent from the Federal gas tax, which would provide Amtrak up to \$750 million per year.

If these funds are drawn down from the current gasoline tax, not from the Federal portion allocated to deficit reduction, it will have a significant impact on whether the Federal Government can meet its current full funding grant agreements and other transit commitments, as well as its commitments for highway projects.

Beyond this, if Amtrak receives this half cent, will Congress reduce the Federal subsidy provided to Amtrak, even after the railroad ceases collecting operating assistance? In fiscal year 1996, Congress appropriated \$635 million for Amtrak grants and Northeast corridor development. This amount is less than what would be provided to the railroad by the gas tax. In fiscal year 1997, Congress appropriated \$763 million, not including a one-time charge for a maintenance facility. This

amount is roughly equal to what Amtrak would collect under the half cent proposal.

What does all this mean? It appears that the half cent proposal is really a proposal addressing where Amtrak's money comes from rather than a proposal to wean Amtrak off Federal subsidies.

So, what do we do? Our approach to Amtrak is somewhat like applying a band-aid when surgery is required. The band-aid may provide a temporary fix, but the fix—no matter how many band-aids are used—never addresses the underlying problem. Amtrak needs more than an annual financial band-aid. It is crying out for critical attention.

Where do we go?

Are we committed to Amtrak?

If so, we must address Amtrak's needs in a comprehensive way in an effort to secure its financial footing and future viability. Amtrak is in a fragile state and cannot be expected to survive a piecemeal approach to addressing its problems and needs.

But Congress and the American taxpayers can no longer be asked to throw good money after bad. Instead, if we are committed to Amtrak, we must be prepared to do what is necessary.

I want Amtrak to survive. I believe America needs a national railroad passenger system as a vital part of a balanced transportation network for our nation. But we cannot continue the status quo with Amtrak. We must work to put Amtrak on sound financial footing and make it a viable mass transportation alternative for years to come.

In the 104th Congress I introduced legislation to revitalize Amtrak and today, along with my colleagues, Mr. PACKARD and Mr. DELAY, I am reintroducing the "Amtrak Route Closure and Realignment Act of 1997, a measure which I believe can work to help save intercity passenger rail service in our Nation.

Despite its efforts, restructuring has not always worked as Amtrak planned. Some of Amtrak's unprofitable routes have been mandated by Congress and this has stymied its efforts to operate in a business-like manner. I believe it is imperative that we enable Amtrak to better operate in accordance with business principles. Let's get out of the way and allow Amtrak to operate like a business—a profitable one at that.

My legislation would de-politicize Amtrak decision-making processes by removing from the political realm, painful route closure and realignment decisions, and placing them instead in the hands of an independent commission modeled after BRAC, the Base Realignment and Closure Commission.

This Amtrak Commission—called TRAC or Total Realignment of Amtrak Commission—would conduct an independent, economic analysis of the entire Amtrak system and then make recommendations on route closings and realignments urgently needed for the survival of a passenger rail system in the United States. TRAC would hold public hearings around the country to ensure that the public and other stakeholders were given the opportunity to be heard and in this way make the realignment process as fair as possible.

In addition to economic data, TRAC would also review nonmonetary data such as the contributions made by certain routes toward alleviation of airport congestion, pollution abatement, and energy conservation. TRAC would also examine alternative modes of

transportation in rural areas, as well as look at uses communities could make of abandoned rail lines.

Under my proposal, no segment of the Amtrak system would be exempt from review. All routes would be carefully scrutinized. TRAC would also examine ridership forecasts and other assumptions underlying the Northeast corridor, especially in light of on-going electrification efforts. This electrification project currently has a price tag of about \$3.2 billion, with nearly \$1.2 billion already appropriated.

There is, however, an important factor which I mentioned earlier that I must reiterate which affects Amtrak's costs and efforts to achieve profitable operations. The Rail Labor Protection Act mandates payment of 6 years of full benefits to any rail worker who loses his or her job due to a route closure. As a result, many of the most unprofitable routes would actually cost even more to close than to keep going, albeit limping along at a loss. In fact, under the "30-mile" rule—also part of current law—an Amtrak employee is entitled to demand the full 6 year severance package if he or she is merely relocated 30 miles or more. No union workers in the private sector are afforded such generous severance compensation, and these astronomical costs are one of the reasons that every trip on Amtrak costs American taxpayers \$25.

After conducting a thorough, system-wide economic review, TRAC would make its recommendations to Congress. These recommendations would then be considered by Congress under an expedited procedure—an accelerated time frame for consideration, with no amendments permitted, and an up-or-down vote.

TRAC would be comprised of 11 members. The President would appoint three members including the Secretary of the Department of Transportation, one representative of a rail labor union and one member of rail management. The majority leadership in the House and Senate would each appoint four members, in consultation with the minority leadership in both bodies. Members serving on this commission would offer expertise in rail finance, economic analysis, legal issues, and other relevant areas.

Saving passenger rail service requires objective analysis and urgent remedies. If Amtrak is to survive, and I want to emphasize my support for its survival, we must get out of the way and allow it to be run in a manner consistent with sound business practices. We must allow objective, business principles to govern Amtrak operations rather than outside considerations or constraints. Finally, we must be able to justify to taxpayers, whatever decisions we make regarding Amtrak and this is best accomplished based on sound assessments and recommendations.

I believe the TRAC legislation can help move Amtrak into the next century as a viable part of the Nation's transportation system and I urge my colleagues to support this legislation.

THE MEDICARE MEDICATION EVALUATION AND DISPENSING ACT OF 1997

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1997

Mr. STARK. Mr. Speaker, today, I am reintroducing a bill that could dramatically improve the quality of medical care received by our Nation's elderly. This legislation calls for implementation of an online prescription drug information management program for Medicare beneficiaries. This system, referred to as the Medicare Medication Evaluation and Dispensing System [MMEDS], would provide beneficiaries and their health care providers with tools and information that are necessary to reduce instances of adverse drug interactions, over-medication, prescription drug fraud, and other problems that plague the elderly related to prescription drug use.

BACKGROUND

The inappropriate use of prescription drugs is a health problem that is particularly acute for the elderly. The elderly not only use more prescription drugs than any other age group, but are more likely to be taking several drugs at once—thereby increasing the probability of adverse drug reactions.

In July 1995, the General Accounting Office reported that 17.5 percent of almost 30 million noninstitutionalized Medicare recipients 65 or older used at least one drug identified as generally unsuitable for elderly patients. In a study published by the Journal of the American Medical Association [JAMA], researchers concluded that nearly one in four noninstitutionalized elderly patients take prescription drugs that experts regard as generally unsuitable for their age group. Accounting for other scenarios, such as incorrect dosage levels, the number of Medicare patients affected by the inappropriate use of prescription drugs would far exceed 25 percent.

Several studies featured in the January 1997, issue of JAMA demonstrate the consequences of adverse drug reactions and errors in medication prescribing. One study found that adverse drug events [ADE's] lead to longer lengths of hospital stay, increased costs of hospitalization, and an almost twofold increase in the risk of death.

Inappropriate use of prescription drugs has been proven expensive as well as dangerous to the health of the elderly. The Food and Drug Administration estimates that 6.4 percent of all hospital admissions are caused by inappropriate drug therapy—imposing costs of \$20 billion; others estimate costs to be as high as \$77 billion. JAMA also recently reported that drug-related morbidity and mortality have been estimated to cost more than \$136 billion per year in the United States. Researchers found that a major component of these costs was ADE's which may account for up to 140,000 deaths annually. The study analyzed one hospital in Salt Lake City and found that a total of 567 ADE's caused direct hospital costs of over \$1 million in 1992 alone.

Moreover, another JAMA study concluded that the costs of ADE's are underestimated since they exclude malpractice as well as injuries to patients. The researchers concluded that the high cost of ADE's economically justify investment in preventive efforts. Therefore, the researchers recommended a solution similar to MMEDS—reduction of system complexity, improved education, expanded use of the expertise of pharmacists,

and computerization and standardization of the drug prescribing process.

MEDICAID MEDICATION EVALUATION SYSTEM

The concept of using computer-based systems to improve patient care and identify potential problems is not new. Advanced online computer technology that permits prescriptions to be screened before they are filled is available. Thirty States currently operate automated drug utilization review information systems for their Medicaid populations.

In response to widespread knowledge of the high costs of adverse medical reactions, Congress required States to establish prospective prescription review for the Medicaid program. This MMEDS-like system reviews prescriptions before they are dispensed. In June 1996, the General Accounting Office studied five States using an automated prospective drug utilization review [PRODUR] system. Medicaid's online system screens the prescription against the patient's known medical and prescription history and sends the pharmacy a message stating whether any potential drug-therapy problems exist. Over a 12-month period, the automated systems for five States alerted pharmacists to over 6.3 million prescriptions that had a potential to cause ADE's—including drug-drug interaction, preventing overutilization, and pregnancy conflict; over 650,000 (10 percent) of these prescriptions were subsequently canceled.

COST EFFECTIVENESS

The 1996 GAO study found that automated prospective drug utilization review, like that called for in MMEDS, is cost-effective to implement and to operate. The GAO concluded that in addition to increasing patient safety, PRODUR's reduced Medicaid program costs by over \$30 million over the course of 1 year. Savings were from rejecting early refills (preventing overutilization), cancellation of potentially wasteful prescriptions, and denials due to ineligibility; yet, a majority of savings were a result of using low-cost technology to avoid hospitalization due to drug reactions. Overall, the GAO found that program savings can more than offset the costs of relatively inexpensive online systems.

Moreover, in 1995, in the State of Tennessee, the GAO observed a reduction of over \$4 million in Medicaid drug costs in just a 6-month period, representing 3.9 percent of the total cost of claims processed. In Maryland, over 7,000 prescription doses considered excessive for elderly Medicaid patients were modified, resulting in \$385,252 in savings in just 10 months, and a total of \$6.7 million in claims were reversed as a result of their online system, accounting for 7.1 percent of the cost of Medicaid claims processed overall.

The GAO recommends implementation of an automated drug utilization review system on a nationwide basis. There is no doubt that if Congress acts to approve this bill, the taxpayer's investment will be saved and Medicare beneficiaries will be healthier as a result.

PRESCRIPTION DRUG FRAUD

The August 18, 1996, edition of the Los Angeles Times featured an article on the massive amount of prescription drug fraud in the United States and the deaths and illnesses that are the result. The abuse of prescription drugs is believed to rival the estimated use of cocaine and crack. Hundreds of millions of prescription pills reportedly enter our Nation's illicit drug market each year. The abuse involves physicians who illegally prescribe drugs, patients who illegally obtain prescriptions, and a double standard of leniency toward doctors and the wealthy who may overuse prescription drugs.

Medicaid's PRODUR system can alert for early refills and therapeutic duplication—