

day than today to introduce the bill to keep the benefits of this important cooperative program flowing?

A TRIBUTE TO HIS HIGHNESS
SHAIKH ESSA BIN SALMAN AL-
KHALIFA, THE LATE AMIR OF
THE STATE OF BAHRAIN

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 22, 1999

Mr. SPENCE. Mr. Speaker, I rise today to pay tribute to His Highness Shaikh Essa Bin Salman Al-Khalifa, the late Amir of the State of Bahrain. On April 14th, 1999, the people of Bahrain commemorated the 40th day of mourning for the passing of the Amir.

His Highness Shaikh Essa Bin Salman Al-Khalifa will be missed by his friends all over the world. I had the honor of meeting Shaikh Essa in the 1970's in a tent under the desert sky of Bahrain. Our friendship deepened over the years as we had the opportunity to meet and work together to foster a relationship of warmth and cooperation between our countries.

Under his leadership, Bahrain diversified its economy and currently Bahrain is ranked as having the highest standard of living among the Arab countries according to the 1998 Human Development Report published by the United Nations Development Program.

According to The Wall Street Journal and the 1999 Index of Economic Freedom published by the Heritage Foundation, Bahrain has held the status of third freest economy in the world.

This year Bahrain is celebrating the 50th Anniversary of the strong relationship it has with the United States and the United States Navy. Bahrain is a key ally of the United States and the 5th Fleet of the United States Navy is located in Bahrain.

His Highness Shaikh Essa Bin Salman Al-Khalifa supported the Middle East peace efforts, and I am confident that his son, His Highness Shaikh Hamad Bin Essa Al-Khalifa, who has succeeded his father, will continue his father's legacy of promoting peace and prosperity for the people of Bahrain.

Mr. Speaker, I ask that the attached eulogy of the late Amir, given by His Highness Shaikh Khalifa Bin Salman Al-Khalifa, the Prime Minister of Bahrain, be inserted in the RECORD.

HIS HIGHNESS SHAIKH KHALIFA BIN SALMAN
AL-KHALIFA, THE PRIME MINISTER OF THE
STATE OF BAHRAIN

"It is a most sad occasion to stand here today over the loss of the dearest and most cherished of men, the late Amir H.H. Shaikh Essa Bin Salman Al-Khalifa, leader, father, and dear brother. May his soul rest in eternal peace and may God Almighty grant him mercy.

With the passing of H.H. Shaikh Essa Bin Salman Al-Khalifa, Bahrain and the Arab and Islamic world have lost a unique leader, who pledged himself and devoted his entire life to building and developing his country in all fields. He was tireless in his endeavors to achieve peace and security in the region and in the world. He was also a kind and gentle leader, full of love and devotion for his people. He set himself as an example that is hard to follow. As a leader and a father, he combined wisdom with a loving heart and

high moral standards of decency. In dealing with his people and other nations, he relied on justice and honesty. His ultimate goal was cooperation and peace for all relations among nations.

H.H. Shaikh Essa's reign was an era of peace, a time of building and progress, a time of development and national unity. During his reign, Bahrain achieved regional and international recognition in all fields—an achievement that makes us all very proud. Bahrain made progress and development in health, education, and housing. Our nation reached a higher economic status, as well as an excellent reputation of credibility abroad. Bahrain played a prominent role in establishing and strengthening the Gulf Cooperation Council. Under his leadership, our nation had a very positive role in all Arab issues, calling for solidarity, urging the removal of all matters of discord, and defending Arab rights and issues. Internationally, Bahrain attained a distinguished status due to the respect, trust, and friendship he personally developed with leaders of the world. Those leaders appreciated his great contributions in promoting world peace, security, and stability and in strengthening international cohesion and cooperation, as well as supporting humane values and issues.

No words can really give adequate credit to the late Amir H.H. Shaikh Essa Bin Salman Al-Khalifa for his love for his country and his kindness to his people. He was a sincere Amir—a wise leader, an idealist in his devotion with concern and care for all Arab, Islamic, and world issues. H.H. Shaikh Essa shall remain a giant among men in the history of this nation for his great achievements and his high morals and ethics. His memory shall forever remain alive in the minds and hearts of this country and his loving people.

In this time of great sorrow for H.H. Shaikh Essa we take solace in his son and successor, H.H. Shaikh Hamad Bin Essa Al-Khalifa, with every confidence that he will be a fit and able successor to his father. We are confident that his reign shall witness further development, progress, and prosperity due to his wisdom, excellent leadership capabilities, and strong administrative abilities. It is our pride to exert the utmost dedication in supporting H.H. Shaikh Hamad to continue the path of development which was established by the beloved, great leader nationally, regionally, and internationally.

We would also like to extend our best wishes to our dear son H.H. Shaikh Salman Bin Hamad Bin Essa Al-Khalifa on his appointment as Crown Prince—an appointment that has received the full consideration and support of all.

The proper transfer of leadership in this nation has a positive impact on all, since it reflects the solidity of the rule of law and all its institutions that the late Amir had established. In this sad time, we would like to express our sincere pride for the show of support displayed by the Bahraini people, symbolizing the spirit of a single family that the late leader was keen to develop. This spirit reflects the cohesion between the people of Bahrain and their leadership, as the late leader had wished.

We wish to extend our deepest gratitude and appreciation to the leaders, governments, and peoples of all brotherly and friendly states for their true sentiments and their generous participation with Bahrain on the sad demise of the late great leader, the father, and beloved brother H.H. Shaikh Essa.

May God Almighty grant our beloved leader mercy and rest in heaven. Peace and God's mercy be upon you all."

INTRODUCTION OF "THE CHIP
DATA AND EVALUATION IM-
PROVEMENT ACT OF 1999"

HON. BART STUPAK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 22, 1999

Mr. STUPAK. Mr. Speaker, today I am introducing the CHIP Data and Evaluation Improvement Act of 1999. This legislation was introduced by Senator MOYNIHAN and Senator CHAFEE in the Senate earlier this year. I want to thank them for their hard work and their leadership on this legislation. I look forward to working with them, as well as Members of this body to ensure swift passage of this legislation.

This legislation would ensure comparable data and an adequate evaluation of children's health coverage under the new Children's Health Insurance Program (CHIP) and Medicaid.

In 1997, CHIP was established to provide health coverage for low-income uninsured children. The Balanced Budget Act of 1997 provided \$48 billion over 10 years, mostly in the form of a block grant, for States to develop children's health insurance programs.

With new Federal CHIP funding, more States are beginning to develop their own programs. To date, 48 States have CHIP plans that have been approved by the Health Care Financing Administration, with most just beginning to implement their programs. In my home State of Michigan, reports have been mixed about the effectiveness of the program. All Members want to ensure that the program we instituted is carried out in an appropriate manner. We await reports on the effectiveness of their efforts to cover the Nation's uninsured children and I believe this bill will go along way in developing information on its effectiveness.

Implementing their programs is the first challenge the States must confront. For the Federal Government, the first challenge clearly will be to track the experience of children and of the CHIP programs. We will need data to answer some basic questions: Is the number of uninsured children being reduced over time, and how effective are the State CHIP programs at serving them? What are the best practices and initiatives for finding and enrolling the Nation's uninsured children?

The CHIP Data and Evaluation Improvement Act of 1999 calls for a detailed Federal CHIP evaluation by the Secretary of Health and Human Services. Current law requires a CHIP report from the Secretary to Congress; however, no funds were authorized. This bill would provide the necessary funds to conduct an evaluation. The evaluation would focus, in part, on outreach and enrollment and on coordinating the existing Medicaid program and the new CHIP program. In this era of devolution of social programs, the Federal Government has an increasingly critical responsibility to ensure adequate and comparable national data. This bill would ensure that standardized CHIP data is provided. At the very least, the Federal Government should provide, on a national level, estimates of the number of children below the poverty level who are covered by CHIP and by Medicaid.

The CHIP Data and Evaluation Improvement Act would provide funding so that existing national surveys would provide reliable and

comparable State-by-State data. The most fundamental question we, as policy makers, will be asking is whether the number of uninsured children is going down. With an increasing percent of uninsured, a stable rate might be considered a success! This bill would provide additional funding to the Census Bureau for its Current Population Survey—a national data source of the uninsured—to improve upon the reliability of its State-by-State estimates of uninsured children.

In addition, the proposal would provide funding for another national survey to provide reliable State-by-State data on health care access and utilization for low-income children. Although this survey may also provide data on the number of uninsured, the CPS would be the primary source for such figures.

Also, to develop more efficient and centralized statistics, this bill would coordinate a Federal clearinghouse for all data bases and reports on children's health. Centralized and complete information is the key to sound policy and programs.

We need this information, not only to determine whether the States are properly instituting their CHIP programs, but to ensure that we continue our commitment to ensure that no children in this country are left without health care coverage.

I have included a summary of the bill prepared by Senator MOYNIHAN's staff to be included in the RECORD.

SUMMARY OF THE CHIP DATA AND
EVALUATION IMPROVEMENT ACT OF 1999
PURPOSE

In 1997, 10.7 million children were uninsured. The new State Children's Health Insurance Program (CHIP) and existing state Medicaid programs are intended to provide coverage for low-income children. The crucial question is whether the number of uninsured children has been reduced. Improved state-specific data is needed to provide that information. In addition, the Federal government should evaluate the effectiveness of these programs in finding and enrolling children in health insurance.

PROPOSAL

State-by-state Uninsured Counts and Children's Health Care Access and Utilization. (1) Provide funds (\$10 million annually) to the Census Bureau to make appropriate adjustments to the Current Population Survey (CPS) so that the CPS can provide reliable state-by-state data on uninsured children. (2) Provide funds (\$9 million annually) to the National Center for Health Statistics to conduct the Children's Health portion of the State and Local Area Integrated Telephone Survey (SLAITS) in order to produce reliable state-by-state data on the health care access and utilization for low-income children covered by various insurance programs such as Medicaid and CHIP.

Federal Evaluation. With funding (\$10 million), the Secretary of Health and Human Services would submit to Congress a Federal evaluation report that would include 10 states representing varying geographic, rural/urban, with various program designs. The evaluation would include more specific and comparable evaluation elements than are already included under Title XXI, such as including surveys of the target population (enrollees and other eligibles). The study would evaluate outreach and enrollment practices (for both CHIP and Medicaid), identify barriers to enrollment, assess states' Medicaid and CHIP program coordination, assess the effect of cost sharing on enrollment and coverage retention, and identify the reasons for disenrollment/retention.

Standardized Reporting. States would submit standardized data to the Secretary, including enrollee counts disaggregated by income (below 100%), race/ethnicity, and age. If income could not be submitted in a standard form, the state would submit a detailed description of eligibility methodologies that outline relevant income disregards. States would also submit percentages of individuals screened that are enrolled in CHIP and in Medicaid, and the percent screened eligible for Medicaid but not enrolled.

Administrative Spending Reports for Title XXI. States would submit standardized spending reports for the following administrative costs: data systems, outreach efforts and program operation (eligibility/enrollment, etc.).

Coordinate CHIP Data with Title V Data Requirements. Existing reporting requirements for the Maternal and Child Health Block Grant provide data based on children's health insurance, including Medicaid. This bill would include the CHIP program in its reporting. IG Audit and GAO Report. The Inspector General for the Department of Health and Human Services would audit CHIP enrollee data to identify children who are actually eligible for Medicaid. The General Accounting Office will report the results to Congress. Coordination of all Children Data and Reports. The Assistant Secretary of Planning and Evaluation in the Department of Health and Human Services would consolidate all federal data base information and reports on children's health in a clearinghouse.

THE INDEPENDENT CONTRACTOR
CLARIFICATION ACT OF 1999

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 22, 1999

Mr. KLECZKA. Mr. Speaker, Congressman AMO HOUGHTON and I today are introducing the Independent Contractor Clarification Act of 1999. This bipartisan legislation attempts to solve one of the more troublesome aspects of the tax code—the proper classification of workers. I am pleased that Representatives STARK (CA), JOHNSON (CT), MATSUI (CA), ENGLISH (PA), LEVIN (MI), WELLER (IL), COYNE (PA), FOLEY (FL), MCDERMOTT (WA), LEWIS (GA), BOEHLERT (NY), EVANS (IL), KING (NY), BARRETT (WI), QUINN (NY), and FORBES (NY) are original cosponsors of the bill.

The bipartisan spirit of this legislation cannot be underestimated. Congress has struggled with this issue since 1978. Unfortunately, legislation introduced in recent years has tended to favor employers and only served to polarize the debate on this issue. Congressman HOUGHTON and I have worked with groups representing both employers and employees for most of the past year to develop the legislation we are introducing today.

The current 20 point test used to determine an individual's employment classification and the section 530 safe harbor are burdensome and unworkable. The 20 point test is a series of tests that provide employers with a general guideline as to how they are supposed to classify their workers. However, these tests do not provide employers with a clear definition of who is an independent contractor and who is an employee. This lack of clarity has led to countless workers being misclassified.

For example, one of the criteria used in the 20 point test is the level of training of the

worker. Some have interpreted a level of training to be a college degree while others would argue it is a person's general work experience. Another criteria is furnishing significant tools and assets. For a computer programmer, significant equipment and assets might be an expensive computer system whereas in the case of a laborer an employer might deem a significant investment to be some basic tools.

With the increased enforcement of the employment tax laws beginning in the late 1960s, controversies developed between the IRS and businesses as to whether the businesses were properly classifying certain workers as independent contractors. As a result, Congress included section 530 in the 1978 tax bill, which created a safe harbor by which employers could treat a worker as an independent contractor for employment tax purposes regardless of the true employment status of the worker. To be eligible for the section 530 safe harbor, an employer simply had to have a "reasonable basis" such as a prior audit by the IRS, a private letter ruling from the IRS, or have relied on a long-standing recognized industry practice. Although it was intended to be a temporary solution, section 530 was permanently extended by Congress in 1982.

Furthermore, section 530 has prohibited the IRS from issuing regulations and guidance to employers to bring about the proper classification of workers. The inability of the IRS to issue rulings on employment status has prevented the IRS from clarifying the 20 point test.

As a result of the lack of clear direction, many businesses have misclassified their workers as independent contractors. Such misclassifications have resulted in workers being denied essential benefits such as health coverage, a retirement plan, or the employer's share of FICA taxes. Workers who are actual employees and who work at the direction of and under the supervision of a superior are entitled to these benefits as part of their employment.

The Independent Contractor Clarification Act would replace the current 20 point test with a simple, easy to understand 3 point test. An individual would be classified as an independent contractor if the employer does not control the manner in which the individual completes his or her assigned tasks; the individual is able to solicit and undertake other business opportunities; and the individual encounters entrepreneurial risk. The last point would include the ability of the independent contractor to generate a profit or bear the risk of financial loss.

However, any person that has a statutory exemption would maintain that exemption under this legislation. For example, current law says that real estate agents and direct sellers such as newspaper delivery persons are independent contractors, and they would maintain that status under the Independent Contractor Clarification Act.

The Independent Contractor Clarification Act would also repeal section 530 thereby allowing the Department of Treasury to issue guidance to employers so they can properly classify their workers.

However, businesses that are currently eligible for the Section 530 safe harbor will be covered by a transitional rule which would continue the current safe harbor protections until 2003 or until the IRS issues additional guidance. In addition, if the IRS requests a reclassification of any section 530 worker after