

A TRIBUTE TO THE GENERAL MOTORS BALTIMORE ASSEMBLY PLANT ON THE UNVEILING OF ITS 12 MILLIONTH VEHICLE

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, September 25, 2000

Mr. CARDIN. Mr. Speaker, today I pay tribute to an important member of Baltimore's manufacturing community and an institution central to the cultural and social life of Maryland. On Wednesday, September 27, 2000, the General Motors Baltimore Assembly Plant will unveil the 12 millionth vehicle assembled at this plant.

Production at the Broening Highway plant began in 1935, in the midst of this country's Great Depression. But the new plant, combined with a willing and capable work force, set new standards for quality production. Throughout the second half of the 20th century, the Baltimore Assembly Plant adapted to the changing needs of the American market. Renovations and upgrades to the assembly line and manufacturing process positioned the plant to remain productive. However, the competitive edge for the Baltimore Assembly Plant has been assured by innovative management and a highly trained and skilled work force.

The production of the 12 millionth vehicle marks not only a milestone in a great manufacturing tradition, but sends a clear signal that the Baltimore Assembly Plant is ready to meet new challenges. General Motors Corporation, management at the Baltimore Assembly Plant, the skilled workers, the unions, and Maryland's elected representatives have acknowledged that new products will offer this plant the opportunity to continue its legacy of fine automotive manufacturing. We look forward to, and accept the challenge of working together to secure the future of the Baltimore Assembly Plant.

I ask my colleagues to join me in expressing congratulations to all those associated with the great past, and a strong future of the General Motors Baltimore Assembly Plant, in Baltimore, MD, on this milestone date.

WELCOMING THE "ISLENDINGUR" IN CELEBRATION OF THE MILLENNIAL ANNIVERSARY OF LEIF ERICSON'S VIKING VOYAGE ACROSS THE ATLANTIC

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, September 25, 2000

Ms. DeLAURO. Mr. Speaker, it is with great pleasure that I stand today to welcome Ambassador Hannibalsson and the "Islandingur" to the New Haven Harbor as many gather to celebrate the millennial anniversary of Leif Ericson's voyage from Iceland across the North Atlantic to the shores of North America. The center of a long historical debate, the Viking Sagas come to life with an outstanding cultural exhibit and the arrival of the "Islandingur"—a replica of the Viking Ship "Gauksstadaskip" that sailed 1,000 years ago.

For centuries, the Vikings did not record their history in books. Instead they passed

their culture, traditions, and stories generation to generation in oral sagas. Much of our knowledge of these courageous people comes from the written records of their European neighbors which, unfortunately, recounts only a 200-year history as raiders and plunderers. It is only in the past century that archeological digs have brought credit to the stories of the Norse expansion across the Atlantic—bringing a new fascination and excitement for this rich culture.

The most recent archeological work has revealed important evidence of the Viking expansion. Uncovering settlements, complex trade networks, and well-preserved artifacts has given us tremendous insight into the lives of the Vikings. Remarkable mariners, without maps or navigational equipment to chart a course, Viking captains, like Erik the Red and Leif Ericson, relied on their knowledge of the stars, sun, and the patterns of nature to guide them across the seas. When we look at the incredible accomplishments of the Icelandic people, we see a group that displayed unparalleled courage—leaving everything they knew to discover and explore new lands.

Throughout history, we have witnessed a unique quality in the human spirit, a drive to explore beyond what we know and understand, to travel into the unknown in search of new experiences. The Vikings embodied this drive and it is this spirit that we celebrate today. I am honored to rise today and join the Icelandic Millennium Commission and the New Haven community in commemorating this very special era of our history. My congratulations and best wishes to all.

HONORING RICHARD A. ALAIMO

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, September 25, 2000

Mr. SAXTON. Mr. Speaker, I rise today to pay tribute to my good friend, Richard A. Alaimo, as he is honored for his contributions to our community. Dick is founder and President of the Alaimo Group, Consulting Engineers, which is located in Mount Holly and Paterson, New Jersey.

As a Consulting Civil and Municipal Engineer, and a licensed Professional Engineer in several states, he and his five associated firms have served over 70 municipalities and public agencies through the years.

His staff of over 100 engineers, planners, architects and construction managers have completed numerous large state projects in addition to municipal design and reconstruction programs.

Established over 30 years ago, Dick Alaimo's firm has designed facilities with constructed values in excess of \$1 billion.

Dick is a member of many civic organizations, among them the South Jersey Port Corporation, which he serves as Director and Chairman; Burlington County United Fund; Mount Holly Rotary; and, Rutgers University Foundation Board of Overseers.

Through the years, he has been selected as recipient of various awards such as Outstanding Young Man and Outstanding Citizen of the Greater Mount Holly Area; Longsdorf Good Citizenship Award; Distinguished Citizen Award; and, one of the Outstanding Young Men in America.

I am privileged and honored to recognize the accomplishments of Richard A. Alaimo, and to congratulate him on his service to the community.

ARE DRUG PROFITS NECESSARY TO RUN AN ONCOLOGY PRACTICE? NOT IN THE CASE OF ONE FLORIDA PRACTICE! ONCOLOGISTS PARTNERS HID \$2.6 MILLION IN DRUG PROFITS FROM OTHER DOCTORS—DIDN'T PUT DRUG PROFITS INTO THE PRACTICE

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 25, 2000

Mr. STARK. Mr. Speaker, Medicare has delayed reducing the level of reimbursement for various chemotherapy drugs, because of lobbying by some oncologists and drug companies that the profits are essential to cover the cost of running an oncology medical practice.

Hmmmmmm.

Not in one Florida practice, where a lawsuit between several partners who are gastroenterologists and oncologists reveals how the oncologists pocketed millions in profits from drugs, didn't put the money into the practice, and (apparently) the practice was successful in more than meeting its costs.

I am happy that HCFA is going to review its reimbursement of the costs of administering chemotherapy drugs. I hope they will check out this court case, before they buy all the arguments of the industry.

The following excerpts from the court case were provided by an attorney from Florida and I submit into the CONGRESSIONAL RECORD:

July 24, 2000.

Re Summary of Information that you may find illuminating and helpful in understanding the False Drug Pricing Scheme that Generates Huge Kickbacks From Medicare and Medicaid to Oncologists; Medical Practice Partners' Litigation Between Gastroenterologists and Oncologists Over Profits from the Sale of Chemotherapy Drugs From Medicare, Medicaid and Private Insurance Being Kept Secretly by the Oncologist Partners and not shared with the Gastroenterologist Partners.

Dear Representative STARK: The original complaint in the *Chetan Desai, M.D., et al. v. Jayaprakash K. Kamath, M.D., et al.* case charges that two (2) oncologists made 2.6 million dollars in profits from the sale of chemotherapy drugs between 1993 and 1997 (page 4 ¶10). Additionally, the complaint charges that the two oncologists in 1997 overdrawed their compensation by approximately \$385,000 (page 4, ¶11). By the time the Amended Complaint was filed, the feuding doctor partners and their lawyers had realized that a public fight in written documents over 2.6 million dollars in chemotherapy profits for two oncologists in four years' worth of practice may raise eyebrows of the court and law enforcement. Therefore, the Amended Complaint and the depositions were done with an agreement between the feuding parties not to mention the 2.6 million dollars worth of chemotherapy profits in four years for two oncologists but to only discuss chemotherapy profits in general and the \$385,000.00 1997 overdraw of compensation. Nevertheless, the accounting exhibits, Plaintiffs' Exhibit No. 33, Defendants' Exhibit No. 12 and Plaintiffs' Exhibit No. 34

show the tremendous profits in "reimbursement" for chemotherapy infusion and other infusion drugs from Medicare over the actual costs in obtaining the drugs from the manufacturers.

The following are some excerpts from the depositions in the case:

1. Geetha Kamath, M.D. is one of the oncologist defendants, the wife of the gastroenterologist defendant who allegedly changed the accounting system so that the oncologists got all the benefit from the sales of oncology drugs. You will note that the oncologists testified that it was common knowledge among all the partners, administration and all physicians generally that huge profits were made from the sale of oncology drugs. However, the gastroenterologists and some administrators (and physicians that we have interviewed in other specialties that oncology) testified that they had no idea that huge profits were made by oncologists merely from the sale of the drugs from their reimbursement from Medicare and Medicaid.

EXCERPTS OF TESTIMONY OF THE DEPOSITION OF
GEETHA KAMATH, M.D.

(A) Deposition of November 6, 1998 of Geetha Kamath, M.D.

Page 156, Line 21.—I always thought that it was such a well known fact that drugs are profitable; it's a known fact in the medical community as far as I am concerned.

Page 163-164.—Exhibit No. 34 is a history of gastro and onco collections which reflect the increase in collections by oncologists between 1987 and 1995.

(B) Deposition of November 11, 1998 of Geetha Kamath, M.D.

Page 8, line 25 through Page 9, line 5.—Profit from chemotherapy drugs went to the oncologists. Profits from the sale of chemotherapy drugs were not shared by the gastroenterologists.

2. Belur S. Sreenath, M.D. is a gastroenterologist plaintiff. He sued the defendant oncologists because of their failure to distribute money from chemotherapy profits.

EXCERPTS OF TESTIMONY OF THE DEPOSITION OF
BELUR S. SREENATH, M.D.

(C) Deposition of September 17, 1998 of Belur S. Sreenath, M.D.

Page 23, line 6 through 23.—The gastroenterologists do not make any money from the sales of drugs. They write a prescription and the patients go to the patients' pharmacists and get their prescriptions filled. (essentially the same testimony on page 24, line 20-25)

Page 39, line 21 through Page 40, line 5.—He sued the oncologists because they diverted the profits from chemotherapy drugs in the amount of \$385,000.00

Page 72.—The gastroenterologists were aware that oncologists were being paid more from insurance companies and Medicare; however, they didn't know that the large profits were from the sale of chemotherapy drugs.

Page 124.—That Dr. Sreenath knew in 1997 the revenue from one oncologist, Dr. Geetha Kamath was \$2,490,000.00 and Dr. Sreenath's total revenue was only \$363,909.00 but he only understood that each oncologist was making a lot more money than he was but he didn't know that it came from the profits from the sale of chemotherapy infusion drugs.

Page 127.—He first realized that there was so much chemotherapy profits in the end of the year of 1997.

3. Pothan Jacob is a gastroenterologist partner suing for his share of the 2.6 million dollars in chemotherapy drug profits.

EXCERPTS OF TESTIMONY OF THE DEPOSITION OF
POTHAN JACOB

(D) Deposition of July 14, 1998 of Pothan Jacob:

Page 107.—More than 2.6 million dollars in profits from chemotherapy drugs were paid by GOA to the defendants from 1993 to the filing of the suit in April 1997.

Page 51.—The oncologists are paid for a professional component when they administer the chemotherapy drugs and they also get reimbursed separately for the oncology drugs administered.

Page 60.—Medicare pays for the chemotherapy drugs at a parallel or same time that the oncologists have to pay the manufacturers for the chemotherapy drugs.

Page 61.—The dramatic difference in revenues between the oncologists and the gastroenterologists are the chemotherapy drug profits received by the oncologists.

Page 66.—Gastroenterology physicians' receipts were lower in 1995 and 1996 because reimbursement was lowered for gastroenterology services and the cost of malpractice insurance was higher.

Pages 71-72.—Endoscopic procedures are personally done by gastroenterologists. Chemotherapy is not personally administered by an oncologist but by a nurse.

Page 83.—For drugs by gastroenterologist, the patient pays the cost, either buying from GOA at cost or buying it from the pharmacy.

Page 155.—The first time he learned of the extent of chemotherapy sales' profits in GOA was in the middle of 1997 when they were investigated entering MSO.

4. Debra Mitchell was the administrative nurse who was demoted in salary by the administrator physician partner, Dr. Jay Kamath, husband of one of the oncologists. He hired a second administrator just to work for the two oncologists.

EXCERPTS OF TESTIMONY OF THE DEPOSITION OF
DEBRA MITCHELL

(E) Deposition of July 14, 1998 of Debra Mitchell, R.N.:

Page 75-76.—In December of 1997, oncologist Dr. Geetha Kamath had revenue of \$2,497,938.00 and oncologist Anil Raiker had revenue of \$1,327,570.00

Page 82-83.—The old reports only showed Medicare allowables. The new reports showed the amounts being reimbursed by Medicaid (reviewing Exhibit 11).

Page 83.—GOA first began tracking the cost of the chemotherapy drugs in November of 1996.

Page 85.—The only doctors that saw the chemotherapy reports were the oncologists. The GI doctors were never given copies of the chemo reports.

Page 86-87.—In November of 1996, the witness was told by the accountant Odalys Lara there's profit in chemotherapy drugs. Exhibit No. 12 sets up the spread sheet showing the month to date and the year to date profits for each of the oncologists for the sales of chemotherapy drugs.

5. Odalys Lara was the CPA for GOA from April 1994 to the date of her deposition on September 3, 1998.

EXCERPTS OF TESTIMONY OF THE DEPOSITION OF
ODALYS LARA

(F) Deposition of September 3, 1998 of Odalys Lara, C.P.A.:

Page 14.—When she began, she did not know that there was any profit in the sale of chemotherapy drugs.

Page 25-26.—She first found out there was profits in the sale of chemotherapy drugs in July or August of 1997.

Page 32-33.—Plaintiffs' Exhibit No. 4 is a report of infusion and chemotherapy drug profits by year in 1994, 1995, 1996 and 1997.

Page 35.—In 1994 profits from the sale of infusion and chemotherapy drugs for two oncologists went from \$489,000.00 in 1994 to \$814,000.00 in 1997. From 1994 to 1997, 2.6 million dollars in chemotherapy and infusion drug profits were made by the two

oncologists. Those totals do not indicate the reimbursements from private insurance which is a separate figure. These figures only include Medicare's reimbursements. It is a conservative figure because insurance companies reimburse more.

There's some very good gem testimony regarding the huge profits made by oncologists from Medicare for the sale of infusion and chemotherapy drugs. Also there is excellent testimony about how the knowledge of these huge chemotherapy drug sales profits was kept secret from partner physicians who were not oncologists. However, these gems are buried in a morass of deposition harrangue.

I trust that this information will be useful for people reviewing the frauds against the Medicare and Medicaid Programs in the infusion, and oncology drug business.

STUDENT CONGRESSIONAL TOWN
MEETING

HON. BERNARD SANDERS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Monday, September 25, 2000

Mr. SANDERS. Mr. Speaker, today I recognize the outstanding work done by participants in my Student Congressional Town Meeting held this summer. These participants were part of a group of high school students from around Vermont who testified about the concerns they have as teenagers, and about what they would like to see the government do regarding these concerns.

I submit these statements into the CONGRESSIONAL RECORD, as I believe that the views of these young persons will benefit my colleagues.

PRESCRIPTION DRUG COSTS

KAYLA GILDERSLEEVE: To start off, good afternoon, Congressman Sanders. We sincerely thank you for providing some time for young people to be able to voice their opinions and concerns for our state and our country. And today we have come to you to encourage you to continue the battle with pharmaceutical companies for our senior citizens.

ANGELA DEBLASIO: In the Year 2000 the United States of America as well as our fine State of Vermont have a problem, the soaring cost of prescription drugs. There are millions of Americans, an estimated 13 million elderly Americans who need drugs; they cannot afford them because they do not have prescription drug coverage. This just does not affect poor people. Many middle class seniors without additional private insurance struggle to pay for what they need. Those who cannot afford the prescription drugs pay for their drugs by taking their limited amount of money out of their food budget or not adequately heating their homes in the winter season; thus their quality of life deteriorates. The result is that some do without their prescribed medications, take half a dose or in extreme cases use their partner's medication, assuming they are one in the same, and so they suffer, die, or travel to the emergency room with higher cost to the health care and Medicare systems.

TESS GROSSI: Congressman Sanders, you have stated in a May 3rd press release that, and we quote, "The industry is continuing to fleece Americans while working to kill major prescription drug legislation in Congress." As the Fortune 500 number shows us, pharmaceutical companies took in more profit than the top auto, oil and airline companies. This is approximately an 18.9 percent