

EC-11382. A communication from the Acting Assistant General Counsel for Regulations, Office of Postsecondary Education, Department of Education, transmitting, pursuant to law, the report of a rule entitled "Student Assistance General Provisions, Federal Family Education Loan Program, William D. Ford Federal Direct Loan Program, and Federal Pell Grant Program (Cohort Default Rate)" (RIN1845-AA17) received on October 27, 2000; to the Committee on Health, Education, Labor, and Pensions.

EC-11383. A communication from the Acting Assistant General Counsel, Department of Education, transmitting, pursuant to law, the report of a rule entitled "Special Leveraging Educational Assistance Partnership Program" (RIN1845-AA18) received on October 27, 2000; to the Committee on Health, Education, Labor, and Pensions.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-631. A petition from a citizen of the State of Texas relative to the "Latino and Immigrant Fairness Act of 2000"; to the Committee on the Judiciary.

POM-632. A resolution adopted by the Senate of the General Assembly of the Commonwealth of Pennsylvania relative to "The Mighty Eighth Air Force Week"; to the Committee on the Judiciary.

SENATE RESOLUTION NO. 119

Whereas, formed and dispatched to England in 1942, the Eighth Air Force became the largest military unit in World War II, with more than 350,000 personnel; and

Whereas, the Eighth Air Force, which has become known as "The Mighty Eighth," continues to this day as an operational combat unit, having been served by more than 1 million men and women in war and peace; and

Whereas, not a single Mighty Eighth Air Force mission was ever turned back due to enemy resistance; and

Whereas, more than 26,000 men and women who served with the Mighty Eighth Air Force were killed in action, and more than 28,000 prisoners of war and countless veterans are still missing; and

Whereas, during the week of October 8 through 14, 1943, the Mighty Eighth Air Force lost 148 heavy bombers to enemy resistance over the skies of Europe; and

Whereas, despite significant losses, this period is credited as a turning point for the continuation of daytime strategic bombing over Europe; and

Whereas, the Eighth Air Force Historical Society holds its annual reunion each October; and

Whereas, more than 20,000 Eighth Air Force Historical Society members seek to inform younger generations of the contributions and sacrifices of all veterans; and

Whereas, each year during the week of October 8 through 14, Mighty Eighth Air Force veterans and friends display items in memory of fellow veterans and those men and women who made the supreme sacrifice; therefore be it

Resolved, That the Senate of the Commonwealth of Pennsylvania memorialize the President and Congress of the United States to proclaim and designate the week of October 8 through 14 this year and each year hereafter as "The Mighty Eighth Air Force Week"; and be it further

Resolved, That copies of this resolution be transmitted to the President of the Untied States, the presiding officers of each house of Congress and to each member of Congress from Pennsylvania.

POM-633. A resolution adopted by the Senate of the Commonwealth of Pennsylvania relative to the Balanced Budget Act of 2000; to the Committee on the Judiciary.

SENATE RESOLUTION NO. 204

Whereas, Medicare was enacted in 1965 as a social insurance program providing health care benefits to older Americans and individuals with disabilities; and

Whereas, the program serves 39 million beneficiaries nationwide; and

Whereas, there are currently 2,129,756 Medicare eligible citizens in the Commonwealth of Pennsylvania and 589,070 Medicare HMO enrollees; and

Whereas, the Balanced Budget Act of 1997 ensures the financial health of the Medicare program until 2008; and

Whereas, the Balanced Budget Act of 1997 created the Medicare Plus Choice program to expand managed care options for beneficiaries and protect health care access, affordability and quality; and

Whereas, the implementation of the Medicare Plus Choice program has been carried out as intended by Congress; and

Whereas, six of the 13 Medicare insurers in Pennsylvania have announced that they will terminate their Medicare contracts completely or reduce their counties served in 2001 because of inadequate Medicare payment rates and methodology as well as program overregulation; and

Whereas, approximately 58,000 beneficiaries in 29 counties will be impacted, resulting in a 10% decrease in the number of Medicare eligible HMO enrollees; and

Whereas, several Medicare insurers have announced plans to reduce benefit levels and increase premiums in 2001 in response to inadequate payment rates and methodology as well as program overregulation; and

Whereas, hospitals and health systems in Pennsylvania are facing a \$3.6 billion cut in Medicare reimbursements, and more than four out of five hospitals are unable to cover operating expenses with patient revenues; and

Whereas, inadequate Medicare payments as a result of the Balanced Budget Act of 1997 are directly impacting beneficiaries' ability to retain health care coverage and choose their healthcare plan; and

Whereas, in light of an anticipated Federal budget surplus, Congress has an opportunity to ensure that the original goals of the Medicare Plus Choice program are achieved and that Medicare beneficiaries have access to affordable, quality health care in their communities; therefore be it

Resolved, That the Senate of the Commonwealth of Pennsylvania urge Congress to enact additional Balanced Budget Act relief in 2000 through adequate payments to Medicare insurers and Medicare providers.

POM-634. A resolution adopted by the House of the General Assembly of the Commonwealth of Pennsylvania relative to the strengthening of the Medicare+Choice program; to the Committee on Finance.

HOUSE RESOLUTION NO. 609

Whereas, the Congress of the United States created the Medicare+Choice program under the Balanced Budget Act of 1997; and

Whereas, the intent of Congress in creating Medicare+Choice was to allow beneficiaries to have access to a wide array of private health plan choices in addition to traditional fee-for-service Medicare; and

Whereas, at the end of 1999, more than 560,000 Pennsylvanians were enrolled in a Medicare HMO; and

Whereas, in late July 2000, the Health Care Financing Administration (HCFA) released information on Medicare HMO contract renewals, service area reductions and terminations; and

Whereas, in Pennsylvania, these changes will affect approximately 90,000 beneficiaries Statewide; and

Whereas, almost 15,000 of these individuals must return to the Medicare fee-for-service program since there is no other Medicare HMO available in their county of residence; and

Whereas, given the losses Medicare HMOs have experienced over the past several years, the number of HMOs serving Medicare beneficiaries continues to decline; and

Whereas, the Medicare Payment Advisory Commission (MEDPAC) does not support raising the Medicare+Choice floor payment rate to slow the rate of health plan departures from the program; and

Whereas, Medicare+Choice plans are not receiving adequate resources to provide beneficiaries the benefits they need and deserve; and

Whereas, Medicare beneficiaries value the high quality, affordable health care coverage they receive through Medicare+Choice plans; therefore be it

Resolved, That the House of Representatives memorialize Congress to enact legislation which strengthens the Medicare+Choice program by reducing administrative requirements in the program, increasing payment rates to HMOs to a level which accurately reflects the costs of providing benefits to recipients in the program and providing for prescription drug coverage; and be it further

Resolved, That copies of this resolution be transmitted to the presiding officers of each house of Congress and to each member of Congress from Pennsylvania.

POM-635. A resolution adopted by the House of the General Assembly of the Commonwealth of Pennsylvania relative to the Health Care Financing Administration; to the Committee on Finance.

HOUSE RESOLUTION NO. 617

Whereas, over a half million senior citizens across the Commonwealth of Pennsylvania have been severely affected by the problems of Medicare HMO withdrawals, increases in premiums and decreases in benefit packages effective January 1, 2001; and

Whereas, this year 65 managed care companies chose not to renew their Medicare+Choice contracts for 2001; and

Whereas, seniors on fixed incomes who rely on their Federal and State Governments to provide them with some measure of health care protection are now facing extreme uncertainty; and

Whereas, approximately 577,000 Pennsylvania seniors who are members of a Medicare HMO are facing substantial plan coverage changes effective January 1, 2001; and

Whereas, ninety thousand of these seniors in 38 counties across this Commonwealth are being dropped from their HMOs; and

Whereas, thousands of seniors living in a county from which their Medicare HMO is not withdrawing may be dropped from their plan because their county code for Social Security purposes or their zip code, or both the county code and zip code, is identified as being in the neighboring county from which the Medicare HMO is withdrawing; and

Whereas, many of these seniors may not have received information that they need to ensure that these county code or zip code or both code problems are corrected, and other seniors are consistently receiving misinformation from their Medicare HMO regarding the status of their coverage as of January 1, 2001; therefore be it

Resolved, That the House of Representatives of the Commonwealth of Pennsylvania memorialize the Health Care Financing Administration and health insurers withdrawing their Medicare HMO coverage in any

county within Pennsylvania to take immediate steps to ensure that subscribers who live in a county that is not impacted by the insurer's withdrawal are not mistakenly dropped from their plan; and be it further

Resolved, That copies of this resolution be transmitted to the Secretary of the United States Department of Health and Human Services, the members of Congress from Pennsylvania, the Secretary of Aging of the Commonwealth, the Insurance Commissioner of the Commonwealth and each health insurer offering Medicare HMO coverage in Pennsylvania.

POM-636. A resolution adopted by the Senate of the General Assembly of the Commonwealth of Pennsylvania relative to the Food and Drug Administration; to the Committee on Health, Education, Labor, and Pensions.

SENATE RESOLUTION NO. 215

Whereas, several committees of the Senate of the Commonwealth of Pennsylvania have conducted hearings throughout this Commonwealth attempting to ascertain the causal factors behind the rising costs of prescription drugs as well as the enormous impact on both private and government purchasers; and

Whereas, in recent years the cost of prescription medication has climbed at an astonishing rate, due in part to increased utilization spurred by advertising and promotional activities comparable to Hollywood's finest productions; and

Whereas, the FDA, under the purview and guidance of the Clinton Administration, eliminated necessary restrictions on drug advertising, thereby ending decades of consumer protection; and

Whereas, the FDA, with the consent of the Clinton Administration, allowed these dangerous and wasteful practices to commence, making the United States the only country in the world that allows direct-to-consumer advertising of prescription drugs; and

Whereas, Citizens for Consumer Justice, a Statewide consumer group, indicates that these promotions and advertisements, not research and development, are the pharmaceutical industry's fastest growing expenditure; and

Whereas, such increased advertising has been shown to be effective in increasing market share since ten of the most heavily advertised drugs account for almost 25% of total drug expenditures; and

Whereas, the top 25 direct-to-consumer advertised drugs posted sales growth totaling 43.2% in 1999 alone, and such growth clearly exceeds the 13% growth posted by other non-marketed drugs; and

Whereas, increased advertising can create a demand for the product rather than an actual medical need; and

Whereas, grave problems can arise when increased use is merely the result of increased marketing with no corresponding improvement in health; and

Whereas, it appears that increased marketing may prove to be a more profitable investment for manufacturers than further research and development; and

Whereas, in 1999 pharmaceutical companies spent 33 times as much in the direct-to-consumer advertising as they did in 1993, causing expenditures to rise from \$55 million to more than \$2 billion; and

Whereas, prescription drugs are now the fastest growing segment of health care spending, rising 18% from \$79 billion in 1997 to \$93.4 billion in 1998; and

Whereas, in 1999 spending rose 19% from the previous year, and comparable increases are expected to occur in future years; and

Whereas, an industry representative testified that the introduction of a generic prod-

uct immediately lowers a drug's price by 30% to 80%; and

Whereas, the Federal Trade Commission has alleged that some pharmaceutical companies have paid generic drug manufacturers to forego or delay manufacturing of certain medications; and

Whereas, consumers in the United States pay more for the same medication than consumers in other countries as a result of these practices; and

Whereas, the runaway cost of prescription medications affects all Americans, not just Pennsylvanians or the elderly; and

Whereas, constant bombardment of drug advertisements has the potential to have a serious negative effect on children by giving them the distorted message that the consumption of drugs is a desirable behavior which resolves all of life's difficulties, which message is counterproductive at best and counteracts government and community-based efforts to prevent tobacco, alcohol and drug abuse by children; therefore be it

Resolved, That the Senate of the Commonwealth of Pennsylvania implore the Congress of the United States to review the actions of the FDA, whose marketing guidelines appear to promote and advance the best interests of the drug companies and their advertising outlets rather than the American consumer; and be it further

Resolved, That the Congress and the FDA move to prohibit direct consumer marketing or in the alternative to impose tighter restrictions; and be it further

Resolved, That copies of this resolution be sent to the President of the United States, the presiding officers of each house of Congress, each member of Congress from Pennsylvania and the Commissioner of the Food and Drug Administration.

POM-637. A joint resolution adopted by the General Assembly of the State of Rhode Island relative to the Reauthorization of the Individuals With Disabilities Education Act; to the Committee on Appropriations.

JOINT RESOLUTION

Whereas, The Congress of the United States twenty-five years ago enacted the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) with a commitment of forty percent (40%) federal funding of the costs of local school districts and states in carrying out the mandates of the Individuals with Disabilities Education Act ("IDEA"); and

Whereas, The Congress of the United States recognized in 1994 the Congressional "commitment of forty percent (40%) federal funding" and further recognized that it was only federally funded at the rate of eight percent (8%) (20 U.S.C. 6062); and

Whereas, The federal appropriation of \$5 billion for the federal fiscal year ending September 30, 2000 is projected to fund only 12.7% of the cost of carrying out the mandate of IDEA and due to increasing costs, will probably provide even less than 12.7% federal funding; and

Whereas, Local school districts in Rhode Island and throughout the United States are mandated to meet the spiraling costs of carrying out the provisions of IDEA; and

Whereas, The failure of the Congress of the United States to fully fund its original commitment of forty percent (40%) federal funding has placed a severe burden upon local school districts to meet the costs of the federal mandate, resulting in an insufferable burden upon local taxpayers and diversion of funds from other education programs, thus lessening the quality of education; and

Whereas, It is time now, twenty-five years after the enactment of IDEA, that the Congress of the United States appropriate the

funds necessary to fully fund its original commitment to provide forty percent (40%) federal funding of the costs of carrying out the provisions of IDEA; now, therefore be it

Resolved, That this General Assembly of the State of Rhode Island and Providence Plantations hereby memorializes the Congress of the United States during the reauthorization of the Individuals with Disabilities Education Act to fulfill the original commitment of the Congress of the United States to provide for forty percent (40%) federal funding to local school districts to carry out the mandates of the Individuals with Disabilities Education Act; and be it further

Resolved, That the Secretary of State be and he hereby is authorized and directed to transmit a duly certified copy of this resolution to: (1) each member of the Rhode Island delegation in the Congress of the United States; (2) the President of the United States; (3) the President of the Senate in the Congress of the United States; (4) the Speaker of the House of Representatives in the Congress of the United States; (5) the Chairman of the Health, Education, Labor and Pensions Committees in the Senate in the Congress of the United States; and (6) the Chairmen of the Education and the Workforce Committees in the House of Representatives in the Congress of the United States.

POM-638. A resolution adopted by the House of the General Assembly of the Commonwealth of Pennsylvania relative to independence from imported petroleum within five years; to the Committee on Energy and Natural Resources.

HOUSE RESOLUTION NO. 531

Whereas, Earlier administrations resolved to free the United States from dependence upon foreign oil by increasing Corporate Average Fuel Economy (CAFE) standards, promoting energy conservation and efficiency and developing renewable energy sources; and

Whereas, As headlines of oil crises fade into obscurity, so too have government actions to decrease United States reliance on petroleum products; and

Whereas, Tightening in oil markets and the spikes in gasoline and home heating oil prices offer new opportunities to focus on United States dependence upon petroleum imports and the need to find substitute energy sources and technologies; and

Whereas, Our day-to-day, pervasive dependence on foreign oil is ignored at great peril to our economic security; and

Whereas, The national security implications of the United States dependence upon foreign oil influences and foreign policy decisions affecting Israel, other Mideastern countries, Russia and China and many of the world hot spots are constrained by the United States tie to oil; and

Whereas, The United States Government and the United States military must blaze new territory and search new frontiers of knowledge and technology for energy independence that will provide security into the distant future; and

Whereas, Parochial interests must be set aside to invest in true energy security and to consider renewable energy sources that are unconstrained by resource depletion, availability and waste disposal problems in the United States; and

Whereas, The commitment needed to lead to energy independence is the same as that of government to sponsor investment in highways and space exploration, setting the direction for private enterprise to follow; therefore be it

Resolved, That the House of Representatives of the Commonwealth of Pennsylvania memorialize the Congress of the United

States to recognize that energy security is a national security issue and that oil is a powerful weapon and to develop an energy strategy that promotes alternatives to imported petroleum to meet the goal of independence from foreign petroleum within five years; and be it further

Resolved. That copies of this resolution be transmitted to the presiding officers of each house of Congress and to each member of Congress from Pennsylvania.

POM-639. A resolution adopted by the House of the General Assembly of the State of Rhode Island relative to slave labor/forced labor discussions in Bonn and Washington; to the Committee on Foreign Relations.

HOUSE RESOLUTION

Whereas, Poland was attacked by the German Army on September 1, 1939; and

Whereas, Poland was attacked by the Soviet Army on September 19, 1939 and which joined forces with the German Army in celebration at Brest-Litovsk on the River Bug; and

Whereas, Poland was the object of the secret protocols of the Molotov-Ribbentrop Pact as slated for the unprecedented state sponsored program of ethnic cleansing by the Nazi's and the Soviets; and

Whereas, The Soviets deported nearly two million Poles to the Gulags and Siberia; and

Whereas, The Germans forced nearly 2.4 million Polish citizens from their homes to the German Third Reich Complex of nearly 7000 camps; and

Whereas, Chancellor Shroeder has acknowledged the failings of past settlements to provide equal compensation for all Polish citizens unlike the Russians who refuse to acknowledge any responsibility; and

Whereas, There are citizens of the United States that survived the German and Soviet Programs of Ethnic Cleansing against the Polish Nation; and

Whereas, President Clinton has named Deputy Secretary of the Treasury Stuart Eizenstat as Chairman of the State Department Negotiating Team for resolving the issue of the German Accountability to the victims of the Nazi work programs; and

Whereas, No Polish Americans representation was allowed at the current negotiations as a spokesman on behalf of Polish American survivors; and

Whereas, By reason of not permitting Polish American representation, the State Department has full responsibility for the current state of negotiations; and

Resolved. That Polish Americans' desire that the German Government bring closure to the living survivors of the Nazi atrocities; and be it further

Resolved. That the German Government and the German Industrial Complex which profited immensely from the slave/forced labor program make certain that this final settlement shall establish both an industrial and a Bundestag approved Government fund; and be it further

Resolved. That the German Government and German industry shall ensure that the industrial fund and the approved Bundestag fund combined or separately shall be comprehensive and sufficient in value to equally compensate all surviving victims of the Agrarian, Industrial, Municipal and Service slave/forced labor programs; and be it further

Resolved. That the State Department and Deputy Secretary of the Treasury has a mandate from Polish American survivors to make this final agreement fair, equitable and all inclusive; and be it further

Resolved. That the Secretary of State be and he is hereby authorized and directed to transmit a duly certified copy of this resolution to the President of the United States,

the Presiding Officers of both branches of government, and to Stuart Eizenstat Undersecretary of the Treasury and Chairman of the State Department negotiating committee for Holocaust Victims.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. REED:

S. 3261. A bill to provide for the establishment of an HMO Guaranty Fund to provide payments to States to pay the outstanding health care provider claims of insolvent health maintenance organizations; to the Committee on Finance.

By Mr. JEFFORDS:

S. 3262. A bill to amend the Communications Act of 1934 to make inapplicable certain political broadcasting provisions to noncommercial educational broadcasting stations; to the Committee on Commerce, Science, and Transportation.

By Mr. LOTT (for Mr. ASHCROFT):

S. 3263. A bill to designate a portion of the federal budget surplus to create and fund the Children's Classroom Trust Fund to increase direct education funding and expand local control of education; to the Committee on Health, Education, Labor, and Pensions.

By Mr. LOTT (for Mr. ASHCROFT):

S. 3264. A bill to ensure that individuals with histories of mental illness and other persons prohibited from owning or possessing firearms are stopped from buying firearms by requiring instant background checks prior to making a firearms purchase, and for other purposes; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

Mr. REED:

S. 3261. A bill to provide for the establishment of an HMO Guaranty Fund to provide payments to States to pay the outstanding health care provider claims of insolvent health maintenance organizations; to the Committee on Finance.

HMO GUARANTY ACT OF 2000

Mr. REED. Mr. President, I rise today to introduce legislation that I hope will help states which have been stricken by managed care plan failures to overcome the devastating effects of such an event on the health insurance sector.

Over the past several years, we have seen an alarming upswing in the number of HMO failures across the nation. According to Weiss Rating, Inc., the nation's only provider of financial safety ratings for HMO's, the number of HMO failures grew 78 percent between 1998 and 1999. Furthermore, Weiss found another 10 HMO's were at high risk of failure due to mounting losses and capital deficits. The growing financial instability we are seeing in the managed care market has serious ramifications for state insurance regulators, not to mention hundreds of thousands of Americans who rely on these plans for their health care.

In light of this volatility in the health insurance market, I believe that

the Federal Government can be a constructive and stabilizing force for states dealing with the aftermath of an HMO liquidation. The legislation I am introducing today would create a mechanism that would provide an added layer of protection for providers and subscribers when a participant in the health insurance market fails. Specifically, the bill establishes an HMO Guaranty Fund, which would be used to pay outstanding health care providers' claims for uncovered expenditures and to fulfill contractual obligations made prior to an HMO's bankruptcy. For those families left without health insurance, the fund would also subsidize temporary coverage for subscribers as they seek alternative sources of health insurance.

Many states have responded to a health plan insolvency and the unpaid bills they leave behind by creating a temporary fund designed to at least partially reimburse hospitals and providers for the expenses incurred during the course of providing care to patients. These guaranty funds are typically financed by levying a fairly sizable fee on the remaining health insurers in the state. While this may work in some cases, it is not necessarily appropriate in every circumstance. In other words, not every health care provider and subscriber has the opportunity to access this kind of guaranty fund.

For instance, when Harvard Pilgrim Health Plan of New England failed in my home state of Rhode Island, there was discussion of setting up just such a fund. However, the extremely small size of our insurance market and the few plans that remained in operation simply could not support a bailout of this magnitude. Fortunately, the Rhode Island Insurance regulator was able to reach an agreement with the Massachusetts parent organization of Harvard Pilgrim to pay outstanding provider and hospital claims. Unfortunately, other States might not be as lucky.

It is my view that the Federal Government may be better positioned than an individual State to spread the risk and the premiums required to subsidize the fund across health insurance plans operating around the country. Furthermore, it would also enable both ERISA and non-ERISA plans to be covered under a nationally-based standing fund.

I hope the legislation I am introducing today will mark the beginning of an ongoing discussion that will explore some of the issues surrounding the financial health of HMO's in this Nation. In closing, Mr. President, while it is unlikely that action will be taken on this legislation late in the session. I look forward to working with interested organizations as well as my colleagues to strengthen and enhance the legislation I submit today.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.