

work to promote diversity in the workforce, not only to increase the number of individuals within the profession, but also to promote culturally competent and relevant care.

Even if nursing schools could recruit more students to deal with the shortage, many schools could not accommodate higher enrollments because of faculty shortages. There are nearly 400 faculty vacancies at nursing schools in this country. And, an even greater faculty shortage looms in the next 10-15 years as many current nursing faculty approach retirement and fewer nursing students pursue academic careers. Therefore, the faculty develop piece within this legislation is crucial to dealing with this shortage.

Further, in examining any nursing shortage, we must recognize the potential effects of this looming shortage on patient outcomes. A recent study by Jack Needleman, Peter Buerhaus, and others, found a direct link between nurse staffing levels and five inpatient outcomes—urinary tract infections, pneumonia, length of stay, upper gastrointestinal bleeding, and shock. To provide an appropriate emphasis on patient outcomes, we have increased the emphasis on examining patient outcomes within this legislation.

Additionally, shortages of nurse aides parallel the trends seen in relationship to nurses. Nurse aides are primarily employed in nursing home settings, and some studies have suggested that the average turnover rate for nurse aides is 100 percent. This high turnover rate directly affects both health care costs and patient care quality. Provider costs related to high turnover include recruitment, selection, and training of new staff; use of temporary staff; overtime for current staff; initial reduction of efficiency of new staff; and decrease in nurse aide moral and group productivity. A recent report from the Centers for Medicare and Medicaid Services found a direct relationship between nurse aid staffing levels and quality of resident care. To ensure the appropriate emphasis on nurse aides, we ensured that, where feasible, these facilities and providers were covered within the bill.

It has been an honor and a pleasure to work closely with my distinguished colleagues in both the House and Senate, and I look forward to continuing to working with them as we advocate for funding for these particular provisions and ensure that they are appropriately implemented.

Mrs. CLINTON. Mr. President, I am proud that the House and the Senate have worked out the differences between the two versions of the Nurse Reinvestment Act that we passed last year. I am also proud that today, the Senate will pass this agreed-upon legislation with unanimous support, and I look forward to subsequent action by the House so that this bill can be swiftly signed into law. I thank Senators MIKULSKI, HUTCHINSON, KERRY, JEFFORDS, and KENNEDY for their leader-

ship. Many on the House side have also worked hard on this legislation, including Representatives BILIRAKIS, CAPPS, and others.

We have all heard a great deal about the workforce shortage from nurses in New York and across the Nation. Around the country, nurses are facing an emergency of their own.

The number of undergraduate nursing program graduates in New York State has dropped each academic year since 1996, and this pattern is evident everywhere.

The Nurse Reinvestment Act we are passing today contains scholarships, public service announcements, and other provisions to encourage people to enter the profession, as well as nurse faculty provisions too, so that colleges of nursing have the personnel equipped to help train new nurses entering the pipeline.

But the current nursing shortage problem exists not only because fewer individuals are entering the nursing profession, but also because the healthcare industry is having trouble retaining the nurses already on staff. Fifty percent of nurses say that they have recently considered leaving their jobs for reasons other than retirement, and approximately half a million licenses nurses are not currently practicing nursing. Many of the nurses who have considered leaving the profession cite their low level of overall job satisfaction.

But there are some health care facilities that are taking action and having an effect on retention and nurse satisfaction.

During the last nursing shortage, researchers found some hospitals experienced low turnover and low vacancies. They found these hospitals shared certain characteristics. They were structured along participatory, collaborative, and patient-centered lines and, as a result, act as "magnets" that attract and retain nurses.

The American Nurse Credentialing Center developed a credentialing program to designate facilities as magnet facilities if they met certain criteria. And over the years, these magnet facilities have continued to demonstrate results. The average length of employment for registered nurses in magnet hospitals is 8.35 years, which is twice the length of employment in hospitals generally, and magnet hospital nurses consistently report greater job satisfaction, fewer needlestick injuries, and lower burnout rates than other nurses.

But the beneficiaries of this legislation are not just hospitals and nurses, but patients as well. Magnet hospitals report lower mortality rates, higher patient satisfaction, and greater cost-efficiency, with patients experiencing shorter stays in hospitals and intensive care units.

That is why last year I introduced the bipartisan Nurse Retention and Quality Care Act with my colleague, Senator GORDON SMITH of Oregon, to provides grants to health care organi-

zations to implement these magnet hospital principles that improve nurse retention.

The Nurse Reinvestment Act, which we are passing today, adds for the first time some recognition of the importance of retention in addressing nursing issues, as well, and specifically mentions the magnet principles of collaboration, nurse involvement in decisionmaking, and orientation toward patient outcomes. I look forward to action by the House and the President to assure that this bill becomes law.

On September 11, and since, our nurses have been on the front lines of the battle against terrorism and bioterrorism. Today, they continue to defend America. I am pleased to be celebrating our work together to help hospitals, nurses, and patients, through this bill, which we will work together to fund.

Mr. REID. Senators MIKULSKI, HUTCHINSON of Arkansas, and others have a substitute amendment at the desk, and I ask that the amendment be considered and agreed to; the motion to reconsider be laid upon the table; the bill, as amended, be read the third time and passed; the motion to reconsider be laid upon the table; and that any statements be printed in the RECORD, with no intervening action or debate.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment (No. 4312) was agreed to.

(The amendment is printed in today's RECORD under "Text of Amendments.")

The bill (H.R. 3487), as amended, was read the third time and passed.

CORPORATE AMERICA

Mr. REID. Mr. President, flying back here last night from Nevada, I spoke with two flight attendants. Usually they talk to me about working conditions, air marshals, or something dealing with their job. But they were concerned about corporate America. They talked to me two separate times. In effect, they said: This is a disgrace. I hope, Senator, you are doing something about it.

This morning when I was at the doctor's office, I had another conversation about the problems in corporate America. Because of my light complexion and having been raised in the desert sun, I on occasion have had a dermatologist take little things off my face, and today was one of those occasions. While I was waiting for the physician, a nurse approached me, and said: Senator, I hope you do something about what is going on in America today. These scandals in the corporations are outrageous.

Everyone in America is concerned. I was in Nevada this weekend, and five or six different people came to me on different occasions, talking not about the things I would normally expect upon returning to Nevada, but about corporate America and what is going on.

We are debating a bill that directly deals significantly with corporate America: Pharmaceutical companies. We have been told in the debate the average CEO of a pharmaceutical company in America makes \$27 million a year. Pretty good change.

This debate deals with generics, it deals with prescription drugs, it deals with patents on medicines, but it also deals with corporate America.

In response to the crisis of confidence that has plagued American investors, the Senate has responded forcefully. The majority, the Democrats, have led the way by drafting important legislation to close loopholes and bring about more corporate accountability. The Senate unanimously passed an accounting reform bill that protects investors and punishes corporate criminals. The Republican leadership in the House led an effort to pass a watered-down version that does not go nearly far enough. I am encouraged by reports that many in the House support the stronger policies the Senate passed, and I hope the legislation that comes out of the conference is one that has the Senate's mark on it. I am looking for the President to come forward and support our position.

Over the weekend, again, he said, please, give us a bill before the August recess. What bill does he want? Does he want the nothing bill the House has, or is he willing to come forward and talk about the Sarbanes version of the legislation, which is strong legislation, which would restore confidence, so that flight attendants and nurses are not worried about corporate America?

Nevadans are significantly impacted by the downturn in the financial markets. People in Nevada count on their investments to help meet their current daily expenses and plan for the future. That is the way it is all over America. Nevada's high quality of life has attracted many retirees. But many have seen their life savings evaporate as stock prices fall. As accounts have dwindled in the last 4 or 5 days we have heard people saying they wished they had never gone into the stock market. They are checking out. Nevada workers nearing retirement face uncertainty about their ability to stop working because they no longer can afford to do so.

We have seen the cartoons around the country asking why this person is working so long, and the cartoons indicate: I invested in the stock market, and I have to work until I'm in my nineties.

College plans for students in Nevada are now in jeopardy because family savings have disappeared.

The collapse of Enron—taking just that one scandal, because there are many others—has had a ripple effect that has caused economic difficulties and threatened the health of Nevada generally. The State public employees retirement pension fund lost almost \$23 million invested in Enron. That is a lot of money for a small State such as Ne-

vada. Thousands of Nevada's dedicated public servants who worked hard and saved and invested responsibly have seen their investments erode to satisfy the greed of corporate fat cats.

In addition, look at the trauma center at the University Medical Center in Las Vegas. Las Vegas is now a major metropolitan area. About 1.5 million or 1.6 million people live and work in that area. The one trauma center where they took care of the accident cases and took care of the indigent patients, basically, in Nevada—it serves a huge number of people; it is one of the busiest in the country—has been forced to close temporarily and faces a very unsure future.

Why? Because of corporate America. This is linked to the Enron scandal because the Medical Center's insurer, St. Paul, lost \$108 million invested in Enron. That is five times as much as the total cost for medical malpractice payouts in Nevada. As a result, St. Paul has raised premiums for malpractice insurance to such an extent that many doctors have elected simply to leave the State.

We have one physician who is going into long-haul truck driving. And many doctors have elected not to work at the trauma center.

Going to a little different subject, it is hard to comprehend that these insurance companies get away with as much as they do. There is no other business in America that can meet—not secretly—and fix prices. Because of the McCarran-Fergusson legislation passed during the Depression, insurance companies are not bound by the Sherman Antitrust Act. They can meet to set prices to run people out of business. It is not against the law, civilly or criminally.

I am deeply concerned about the problems caused by scandals in corporate America and their far-reaching effects. I want to make sure the President responds appropriately, or tries to. Unfortunately, the administration so far has not provided the reassurance the public seeks. It fails to demonstrate leadership on this issue.

Let me be clear, the crisis in investor confidence is in danger of spreading. I don't know what is going to happen today, but I saw an hour ago the Dow was down 258 points again today. Maybe it will have a rally in the next hour or 2 and be fine, but that is what I saw.

The crisis in investor confidence is in danger of spreading, potentially crushing consumer confidence and reducing consumer spending, and that is all we have going. If we reduce consumer spending, that would be devastating in the country. The climate of scandal is linked to the administration in this way. I think how the President responds also is important. I do not think he has responded appropriately.

He has given a speech. You could see the stock market dropping as he was speaking. That is what the TV stations did. As he is speaking about consumer

confidence, the stock market is reeling backwards.

Among the steps the President must take to resolve the crisis in the financial markets and to restore confidence is to replace, in my opinion, key members of his administrative team who cannot be effective in bringing about necessary changes. In Government, we not only have to do what is right but what looks right. We have to not only do what is right, but what appears to be right.

The Securities and Exchange Commission is the main regulator of America's financial markets. The President chose Harvey Pitt, who aggressively defended the big accounting firms and corporate America and represented the lobbying group for the big accounting firms, while he being confirmed as Chairman of the SEC, the agency that is charged with investigating the same accounting firms involved in the scandals that rocked the stock market and hurt millions of America's investors. It is trite, but it seems to me it is installing the fox to protect the hen house.

Mr. Pitt set the wrong tone from the beginning, suggesting he would have the SEC be "kinder and gentler." Kinder and gentler? One of his former clients is Arthur Andersen, a firm implicated in so many unfolding scandals that major magazines have reported they no longer have anyone working there.

Is Mr. Pitt really the right person to investigate Andersen, implement charges, oversee them and enforce regulations? Those flight attendants I met last night, and the nurse today, I think would say: He wants a kinder, more gentle SEC? I don't think so.

He has already had to recuse himself from more than two dozen SEC investigations, but he did not see anything wrong with meeting privately with the incoming chairman of KPMG, another former client, when his firm was under investigation for its accounting work with Xerox.

The SEC needs a new leader, somebody free from conflict of interest, who recognizes how damaging even the appearance of conflict of interest is at this sensitive time for America's financial well-being. Neither the American public nor responsible business leaders have confidence in Mr. Pitt's ability to serve effectively.

The Wall Street Journal, among other respected voices in the financial community, has expressed the need for a replacement. You cannot say the Wall Street Journal is some left-leaning, left-wing organization opposed to business. Quite the contrary. But they say he should be replaced.

A growing number of my colleagues in Congress, both Democrats and Republicans, have indicated it is time for him to go. So I join with them in calling on Mr. Pitt to resign or for President Bush to replace him. It would send a strong message to Wall Street, to the people who work for the corporations in Wall Street, the people who

earn a living making that stock as valuable as it is.

I am also troubled by the Secretary of the Army, Thomas White, who testified before the Commerce Committee last week about his role as vice chairman of Enron Energy Services. Those who observed his testimony can only be disturbed by his performance. Memos written by Enron lawyers in the year 2000 suggest that the division of Enron led by Secretary White at the time overstated the demand for power so that another division could benefit from artificially higher prices. As a result, Enron raked in obscene profits while consumers paid billions of dollars in excess.

It was all phony accounting, a manipulation, by an organization led by the Secretary of the Army.

Enron's manipulation of California's energy markets affected the entire western United States. It affected Nevada adversely, driving Nevada's utilities to the brink of bankruptcy and forcing consumers to pay skyrocketing rates.

Secretary White received approximately \$50 million while at Enron—he, personally—and he made an additional \$12 million after he joined the Bush administration by selling Enron stock following 77 phone calls to his former colleagues at the company.

During the questioning by Senator BOXER and others he claimed: Well, I was just seeing how my friends were doing.

He made \$12 million, made 77 phone calls. It just doesn't look right.

The New York Times reported that last December the Army, which of course reports to Secretary White, granted a sweetheart deal to KBR, a division of Vice President CHENEY's former employer Halliburton, "despite being a reputed bill-padder and the target of a criminal investigation."

I don't know what Secretary White's total involvement in these dealings might be. I hope neither he nor any of the administration officials being investigated is guilty of any criminal wrongdoing. But it is obvious that he cannot be an effective leader if he doesn't have the confidence of the American public, the airline steward or stewardess or the nurse. It would be in the best interests of our country and the administration if he resigned.

We in Government not only have to avoid what is wrong but also what looks wrong. With the Secretary of Army it looks wrong. With the head of the SEC, Harvey Pitt, it just doesn't look right.

The PRESIDENT pro tempore. The senior Senator from Utah, Mr. HATCH, is recognized.

THE ECONOMY

Mr. HATCH. Mr. President, I have been listening to the assistant majority leader. I was very interested in his remarks. This President has been in office less than a year and a half. It does seem to me that the problems we have in America are problems for every-

body—not one party and not one President. They are problems for all of us.

I have to say I think this President is doing everything he possibly can to try to stabilize this economy and get us through these difficulties. Certainly the economy is doing well. We have 3-percent productivity growth, which is better than the whole time between 1980 and 1995. There are a number of other things which show that we have a strong economy.

But this underlying illness that afflicts the stock market is hurting everybody. I suspect part of that comes from what has gone on over the last 10 years or so and not just in the last year and a half. There has been a lack of confidence in our business community because of those who have been committing these heinous acts of misrepresentation and fraud in some of these major corporations in America. There have been relatively few. And I see that other corporations are scrupulously going over their books to make sure they are toeing the line in meeting the needs of the American stock market.

I suspect we are going to come through this within the next couple of weeks, and when people start to realize that our economy is good and that we are going to come through this, we will be OK. But I think it may be a little unfair to suggest that it is basically all this President's fault or that it is all one party's fault. We all have things we could have done better. We all have some responsibility.

I believe our current President is doing an excellent job. As everybody knows, I stood up for the prior President when I thought he was right.

GREATER ACCESS TO AFFORDABLE PHARMACEUTICALS ACT—Continued

Mr. HATCH. Mr. President, today we are discussing the Medicare prescription drug bill, which is basically the two bills we will be voting on tomorrow.

I rise this afternoon to take the opportunity to share my thoughts on Medicare drug coverage. Today and tomorrow, we will be debating two Medicare prescription drug bills—the Medicare Outpatient Prescription Drug Act of 2002, introduced by Senators GRAHAM, MILLER, KENNEDY and CORZINE, and the 21st Century Medicare Act introduced by the Senate tripartisan group which includes Senators GRASSLEY, JEFFORDS, BREAUX, SNOWE, and myself.

There is no question that all of us have the same goal in mind—to provide beneficiaries with Medicare prescription drug coverage, this year. But, unfortunately, we do not agree on how this coverage should be provided. Senators GRAHAM and MILLER believe it should be provided through the Federal Government. On the other hand, the Senate tripartisan members believe drug coverage should be provided through the private market.

During the next day and a half, you will hear about the merits of both bills. You will also hear criticisms of both bills. While these matters certainly need to be debated by the Senate, both of these bills, which will impact the lives of millions of Americans, should have been considered by the Senate Finance Committee before being debated on the Senate floor. I have heard my colleagues on the other side of the aisle saying that the Senate Finance Committee has debated this issue for the last 5 years and the American people are tired of waiting for the Senate Finance Committee to act. I take issue with that argument. Actually, we have had 37 years to fix Medicare. We just celebrated its 37th birthday. And don't forget what happened when we passed a Medicare prescription drug benefit the last time. We repealed it the very next year. So we need to proceed with caution and consider any prescription drug bill very carefully before passing such a measure by the U.S. Senate. We do not want to make the same mistake twice.

Let me just say that making any changes to the Medicare program is not an easy task. I have been in the Senate for over 26 years and I find the Medicare program to be one of the most complicated programs in the Federal Government. There was a recent quote by former Secretary of State Madeleine Albright in the Washington Post, July 20, 2002, where she said, "being Secretary of State is the best job in the world. Better than being President, because you don't have to deal with Medicare."

I think she may have hit the nail right on the head.

The point I am trying to make is simple. We need to spend quality time drafting and debating a Medicare prescription drug benefit. We should not be considering such important legislation on the Senate floor without the Senate Finance Committee having a mark-up. That is just not right and it is downright irresponsible.

We should have let the Finance Committee do its job. But as I said all last week, politics is dictating policy. So here we are, debating one of the most important issues of the 107th Congress without even a Finance Committee hearing on the legislation being considered by the Senate today and tomorrow.

I am extremely disappointed in the way this has been handled by the Democratic leadership. I believe that the Finance Committee members could have approved a bill out in the Committee. It just wasn't the bill that the Democratic leadership wanted to have passed out of Committee.

On that point, I truly believe that we could have reached a consensus in the Finance Committee if we had been given a chance. When Senator KENNEDY and I authored the Children's Health Insurance Program in 1997, there were not more different Members of the Congress. But we did it, and we got the bill