

for the full range of health care services in their communities, from ambulatory to long-term care. Medicare is the single most significant payer for services at these hospitals, and as such, it has an impact on the whole community.

Part of the problem in North Dakota is simply demographics: North Dakota's population is the second oldest in the Nation, and our population is shrinking daily. In fact, in 13 of North Dakota's counties, there were 20 or fewer births for the entire county last year. Admissions to rural hospitals have dropped by a drastic 60 percent in the last two decades, and those patients who do remain tend to be older, poorer, and sicker. This means that rural hospitals tend to be disproportionately dependent upon Medicare reimbursement, to the extent that Medicare accounts for 85 percent of their revenue. Obviously, given this reality, changes in Medicare reimbursement have a major impact on the financial health of rural hospitals.

Another part of the problem is that Medicare has historically reimbursed urban health care providers at a much higher rate than their rural counterparts. Of course, some of this difference can be explained by regional differences in the cost of health care and variations in the health status of older Americans. But this is not the whole explanation. Even after adjusting for these factors, a recent report by health care economists found that, for example, Medicare's per beneficiary spending was about \$8,000 in Miami, but only \$3,500 in Minneapolis. When average Medicare payments for the same procedure are compared, the disparities in payment in different areas of the country are dramatic. The table below compares payments for two of the most common procedures in North Dakota: hospitalization for heart failure and shock, and hospitalization for treatment of pneumonia.

Location in U.S.	Heart Failure and Shock	Simple pneumonia
North Dakota	\$3,079	\$3,383
California	4,774	5,153
New York	4,471	5,237
District of Columbia	6,168	6,588

As you can see, the average payment for these same hospital procedures, in larger and more urbanized States like New York and California, is 150 percent of the Medicare payment for the same procedure in North Dakota. The average Medicare payment for these same procedures is twice as high in the District of Columbia. In my opinion, the difference is largely explained by a Medicare reimbursement system that is skewed in favor of urban area, and past legislation has done little to address that concern, despite efforts by some of us to do so.

I have cosponsored legislation in the Senate, the Area Wage and Base Payment Improvement Act, S. 885, that would address the rural inequity in Medicare reimbursement in two ways.

First, this bill would equalize the "standardized payment" which forms the basis for Medicare's reimbursement to hospitals. You would think something called the "standardized payment" would already be standard, but the fact is that hospitals in rural and small urban areas, including all of North Dakota, receive a smaller standardized payment than large urban hospitals. This bill would raise all hospitals up to the same standardized payment.

Second, S. 885 would increase the wage index for most of North Dakota's hospitals. This is a major area of concern that I hear about from North Dakota hospital administrators. The current wage index, which is an important factor in a hospital's total Medicare reimbursement, is based on an antiquated theory that it costs more to hire hospital staff in urban areas than it does in rural areas. That may have been true once, but it is no longer true today. Today, hospitals in North Dakota are competing with hospitals in Minnesota, Chicago and elsewhere for the same doctors and nurses, and they have to pay competitive wages in order to recruit staff.

I am also a cosponsor of the Rural Health Care Improvement Act of 2001, S. 1030. This legislation introduced by Senator Conrad would, among other things, provide for a new "low volume" adjustment payment for hospitals with a smaller number of patients and establish a revolving loan fund to help rural health care facilities make much-needed capital improvements.

I also want to mention a positive impact of the Balanced Budget Act of 1997. That legislation created the Critical Access Hospital program, which has proven to be critically important to the survival of North Dakota's smallest and most rural hospitals. Twenty-eight of North Dakota's rural hospitals, serving about 181,000 North Dakotans, have now converted to Critical Access Hospital status, which allows them to receive cost-based reimbursement from Medicare. I strongly support continuing this program and making some modest changes to strengthen the program. We also need to reauthorize the Rural Hospital Flexibility program, which provides grants to states to assist small rural hospitals in making the switch to Critical Access Hospitals.

In addition, Congress also must make some other changes to Medicare reimbursement to head off some upcoming reductions in payments. For instance, Medicare reimbursement to physicians and allied health providers is scheduled to be reduced by 12 percent over the next three years because of problems with the payment formula. In addition, reimbursement to home health agencies is scheduled to be cut by 15 percent on October 1, and a 10 percent payment boost for rural home health agencies expires at the end of this year. And skilled nursing homes will be facing a 10 percent reduction in their Medicare

payment rates in 2003 and a 19 percent cut in 2004 unless Congress acts to avert this "cliff" in funding. I support making changes in all of these areas to help address these concerns.

In closing, I think we as a Nation need to acknowledge that a strong health care system is an important part of our rural infrastructure. Over the years, we have determined that rural electric service, rural telephone service, an interstate highway system through rural areas, and rural mail delivery, to name a few services, make us a better, more unified Nation. We need to make the same determination in support of our rural health care system, and I will be fighting for policies that reflect rural health care as a strong national priority.●

ON CONSTITUTION DAY, THE WORK OF THE SENATE, AND BALANCING THE BUDGET

Mr. CRAIG. Mr. President, I rise to note an interesting coincidence of things that are happening, and not happening, today.

Many Americans are celebrating today as Constitution Day. At 4 p.m. eastern time, on September 17, 1787, the Framers of the U.S. Constitution adjourned the Constitutional Convention in Philadelphia. The Constitution they proposed, after deep debates and tortured compromise, was then submitted to the several States for ratification, and for the judgment of history.

According to the nonpartisan, non-profit organization, Constitution Day, Inc., at 4 p.m. today, "schools across America will be led in the recitation of the Preamble to the US Constitution on a national teleconferencing call conducted by Sprint . . . churches across America will be led in the ringing of their bells to honor the First Amendment, Freedom of Religion . . ." and there will be commemorations from Valley Forge, PA, to a replica of Independence Hall at Knott's Berry Farm, CA.

Little can be said, that has not been said before, about the profound wisdom, foresight, and faith that the Framers of our Constitution brought to constructing the foundational document of our Nation's system of government and laws.

President Coolidge said of the Constitution, in 1929, "The more I study it, the more I have come to admire it, realizing that no other document devised by the hand of man ever brought so much progress and happiness to humanity."

I rise to acknowledge this special day of celebrating our Constitution and I join all Americans in paying tribute to the patriots who produced it.

For many Americans, one of the signs of our deep respect for the Constitution is our acknowledgment that, in exceptional cases, a problem rises to such a level that it can be adequately addressed only in the Constitution, by way of a Constitutional amendment.

Yesterday, President Bush spoke forcefully about the Senate's failure to pass a budget resolution for the fiscal year that starts in just 14 days. He called upon us to do what was needed, urgent, and responsible, and to do it promptly, by sending him this year's defense appropriation and the homeland security bill. And in all this, the need to maintain fiscal discipline becomes evident, as we see a return to deficit spending.

For 4 years in a row, a modern record, the first time since the 1920s, Republican Congresses balanced the Federal Budget. The first Republican Congresses in 40 years made balancing the budget their top priority, and did what was necessary to run the kind of surpluses we need to pay down the national debt and safeguard the future of Social Security.

Today, the Federal budget is again written in red ink. The Congressional Budget Office's recently released budget update projects a \$157 billion deficit for fiscal year 2002, the year about to end. If you don't count the Social Security surplus, the rest of the government will run a \$317 billion deficit.

Under current policies, CBO says the deficit will be about the same next year, in fiscal year 2003. But we don't know today what war against terrorism will demand next year. And, unfortunately, we do know that too many in Congress and too many interest groups are demanding large increases in spending for other purposes.

This year's budget deficit was caused by an economic recession and a war begun by a terrorist attack. Even before taking office, President Bush correctly foresaw the coming recession and prescribed the right medicine, the bipartisan Tax Relief Act of 2001, that has bolstered the economy and prevented a far worse recession.

We will rebound from the recent economic slowdown. And we must do whatever it takes to win the war, that's a matter of survival and of protecting the safety and security of the American people. Beyond that, we must keep all other federal spending under control, so that we return, as soon as possible, to balancing the budget.

Even in the heady days of budget surpluses, I always maintained the only way to guarantee that the Federal Government would stay fiscally responsible was to add a Balanced Budget Amendment to the Constitution. Before we balanced the budget in 1998, the government was deficit spending for 28 years in a row and for 59 out of 67 years. The basic law of politics, to just say "yes" was not repealed in 1998, but only restrained some, when we came together and briefly faced up to the grave threat to the future posed by decades of debt.

The Government is back to borrowing. And for some, a return to deficit spending seems to have been liberating, as the demands for new spending only seem to be multiplying again.

That is why, on Constitution Day, it is important to me to be a cosponsor of S.J. Res. 2, and to call again for Congress to adopt a Balanced Budget Amendment to the Constitution and send it to the states for ratification. I also stress that this amendment would not count the Social Security surplus in its calculation of a balanced budget. Those annual surpluses would be set aside exclusively to meet the future needs of Social Security beneficiaries.

On Constitution Day, I call on the Senate to do today's work: Send the President a Defense appropriations bill, send the President a homeland security bill, and pass a budget that holds the line on new spending. And, on Constitution Day, I call on the Senate to safeguard the future, by again taking up a balanced budget amendment to the Constitution.

ADDITIONAL STATEMENTS

HONORING FREEDOM SERVICE DOGS

• Mr. ALLARD. Mr. President, I wish to honor the Freedom Service Dogs on the occasion of its 15th anniversary of serving people with mobility impairments by providing them with service dogs.

Freedom Service Dogs was founded by Mike Roche, a Colorado paramedic, and P.J. Roche, a dog trainer. They started the service to help Colorado citizens be more mobile by training dogs to open doors, turn on lights, pull wheelchairs, pick up dropped items, tug clothing on and off, and alert for help when needed.

Not only does Freedom Service Dogs provide people with increased confidence and social acceptance, it also saves the lives of hundreds of good dogs abandoned in animal shelters by training them to help those impaired.

Freedom Service Dogs is a charitable organization that relies on the support of the community to provide free services to those in need.

I congratulate Freedom Service Dogs for 15 years of service and commend this group and the communities that support them for creating a model organization that serves the needs of mobility impaired Coloradans.●

TRIBUTE TO TIM MONTGOMERY

• Mr. HOLLINGS. Mr. President, the people of South Carolina could not have been more proud of Gaffney, SC, native Tim Montgomery this past week. He set a world record in the 100 meters at the IAAF Grand Prix Final in Paris with a time of 9.78 seconds, one-hundredth of a second faster than the old record.

It may surprise some of my colleagues in this body that South Carolina could produce the fastest runner in the world. They look at the races for Senate that Senator THURMOND and I have been involved with, and have

probably concluded our state produces only marathoners.

But the new generation of South Carolinians excel in speed. Mr. Montgomery has demonstrated great talent as a sprinter, as the 2001 USA Outdoor champion and a gold medalist in the 2000 Olympic 4x100 relay. No question, his hard work culminated in his perfect run this past week, making him the best of the world's best.

I know every track fan in our nation joins those of us in South Carolina in congratulating Mr. Montgomery and wishing him continued success in the future.●

IN REMEMBRANCE OF THE VICTIMS OF THE KATYN FOREST MASSACRE

• Mr. TORRICELLI. Mr. President, I rise today to honor the memory of the victims of the Katyn Forest Massacre in 1940.

On September 17, 1939, Soviet troops invaded Poland in accordance with the German-Soviet agreement. While Polish troops fought bravely, they ultimately were overwhelmed by the Soviet forces.

In an effort to eliminate potential threats to Soviet control of Poland, Soviet troops, under Stalin's orders, committed what some have called one of the most heinous war crimes in history. Over 15,000 Polish soldiers, officers, intellectual leaders, prisoners of war and other Polish citizens were executed. Between four and five thousand Polish bodies were buried in a mass grave in the Katyn Forest. There were no trials, no justice for these innocent victims.

While the Soviet government denied complicity, on February 19, 1989 it finally released documents confirming their role in this massacre. However, an admission of complicity does not ease the pain of a nation whose entire population was affected by this horrible event.

I am hopeful that as more people learn of the Katyn Forest Massacre, we will be able to come to terms with this tragedy and the pain that it has caused so many. We must continue to honor the memories of those who were lost that day, so that we will not be destined to repeat this century the horrors which so often affected the last.●

TRIBUTE TO STORAGETEK

• Mr. ALLARD. Mr. President, I wish to recognize the outstanding achievements of StorageTek, A Colorado technology firm recently named "Company of the Year" by ColoradoBiz Magazine.

StorageTek, headquartered in Louisville, CO, is an innovator and frontrunner in virtual storage solutions for tape automation, disk storage systems, and storage networking. With 22,000 customer locations in forty countries, StorageTek employs more than 7800 people worldwide. Their customers include finance, insurance, and telecommunications leaders, as well as