cost-effective fashion. The OAA helps seniors help themselves and provides a host of necessary services.

Let us use Meals on Wheels for example. The last numbers we have are from 1995. They show that this program fed 2.4 million people 127 million meals, with about $470 million. What that works out to is less than $4 a meal. That is delivered to their home, and that is about half of that senior's daily food supply.

Mr. Speaker, 41 percent of Meals on Wheels programs have waiting lists, meaning a lot of seniors are not having their needs met with the current level of funding.

Without Meals on Wheels and the volunteers who help run it so cheaply and efficiently, millions of seniors would be forced to leave their own homes for nursing homes. That is not good for them and it is not good for us. Or worse, they would go hungry. But we do not need this as an example. We know this is a successful program.

I have worked with and talked to hundreds and hundreds of these volunteers who are out there volunteering every day helping other seniors. It is a program that works. It is a program that is so efficient, I cannot believe we have not increased the funding for this or reauthorized it.

We have thousands and thousands and thousands of volunteers across this country. Just in one senior center in one tiny part of my district, there are over 800 volunteers that work in programs that are authorized under the Older Americans Act. Multiply those in my district many times over, and then in the State, and across the Nation, and we have thousands.

But a successful program is one that is continually updated in order to work efficiently. We would not buy a car and never put gasoline in it. We would not buy a computer and not buy software for it. So why would we as a government allow a program like the Older Americans Act to go on and on without revising and improving its functions?

We knew in the last Congress there were some problems with the current act. We knew there were some programs that would work more effectively if streamlined and coordinated on the local level. We knew there was an increasing demand on this act to deal with the concerns of the expanding senior population. We knew it was in our best interest to continue to support the programs that successfully allow seniors to live independently, healthy and productive lives. We still know all of those things. Now it is time to act on that knowledge.

The longer we put off action on this matter, the more endangered those precious services become. An increase in the Older Americans Act funding is also essential in order to accommodate the additional individuals and responsibility that come under its care.

If we do not increase the funding now, we cripple OAA's ability to respond to our senior needs just as we enter these baby boom years. OAA funding has not even dealt with inflation nor the number of seniors coming or its expanding duties. Without an increase in funding, we cannot expect to continue to provide the services that we value in our communities in the years ahead.

We must look toward reauthorization as a chance to make needed changes in the Older Americans Act. It is a chance to streamline programs and make what is already government's most cost-effective programs even more efficient.

We can also direct the resources toward current and new programs that they desire most. These adjustments are critical. We cannot afford to wait any longer. We have a responsibility to the seniors of this Nation and to the communities that benefit from the programs like Meals on Wheels, long-term care advocates, and elder abuse prevention that the OAA provides.

Mr. Speaker, it is time to reauthorize the Older Americans Act and turn our knowledge into action.

INCREASING MAXIMUM ALLOWABLE CONTRIBUTION TO EDUCATION SAVINGS ACCOUNTS

The SPEAKER pro tempore (Mr. MCINNIS). Under a previous order of the House, the gentleman from Pennsylvania (Mr. FOX) is recognized for 5 minutes.

Mr. FOX of Pennsylvania. Mr. Speaker, I rise tonight to address my colleagues to encourage them to be involved in what I consider one the most important issues we face in the 105th Congress, and that is of higher education and education savings accounts, the expansion of that for our students, many of whom are graduates from high school and others who may be adults who, in fact, may need to move into a new field and, therefore, higher education will be in their future.

Mr. Speaker, last year in the historic Balanced Budget Act of 1997, the Congress wisely established education savings accounts to be used for higher education purposes. We all know that it is becoming increasingly necessary for the next generation of students to have a college education in order to make a liveable wage. With the cost of higher education continuing to spiral, the Congress needs to find effective ways of helping parents and students afford a college education.

Mr. Speaker, education savings accounts do just that. But under the Balanced Budget Act, the maximum contribution per year is only $500. Even over many years, it is hardly enough to make a dent in the cost for a college degree.

Mr. Speaker, I will introduce legislation tomorrow that will increase the maximum contribution to $5,000 per year. This will ensure that an adequate amount of funds will be available to defray the cost of higher education. We must give parents and students the access for college.

While local school districts, superintendents, principals, teachers, school boards, and parents are doing their best to help students be all they can be by encouraging achievements academically, athletically, and community service, the least we can do here in Congress is to make sure that education beyond college or technical school, junior college, community college, or university degree is possible. We can help that next generation unlock opportunities for a full education that leads to financial security, a rewarding career, and the opportunity give back to society.

So I hope that my colleagues in the House will join me tomorrow in sponsoring the increase to $5,000 maximum contribution for the education savings accounts to help our students of tomorrow make sure they have the future they want for their children and their grandchildren.

GENERAL LEAVE

Mr. McGOVERN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the topic of my special order tonight.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ON MEDICARE CUTS TO HOME HEALTH SERVICES

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Massachusetts (Mr. MCGOVERN) is recognized for 60 minutes as the designee of the minority leader.

Mr. McGOVERN. Mr. Speaker, tonight I join my House colleagues to discuss the home health care cuts contained in last year's Balanced Budget Act. While I have pushed this issue in Congress, and with the Clinton administration since November, time is running out.

☐ 2045

If Congress is going to find the will to fix this problem, all sides are going to need to act quickly and move this issue forward and move it forward now.

Mr. Speaker, a hastily conceived and ill-considered provision in last year's Balanced Budget Act mandated deep cuts in the Federal Government's commitment to home health care. My colleagues and I take to the floor tonight to shed some light on this national crisis.

When the Balanced Budget Act of 1997 was passed into law, it cut Medicare by $115 billion over five years. Between $16 and $17 billion of the Medicare cuts came out of home health care through the institution of a per-beneficiary cap under an interim payment system. The new formula for home health care in the act will cap Medicare payments to home health care

agencies based on costs from four or five years ago, regardless of how efficient or wasteful an agency was at that time.

Now, try going to your local car dealer and telling them that you are only willing to pay 1993 prices for your new car. Rightly so, they would laugh you off the lot. But that is exactly what the Balanced Budget Act does to home health care providers throughout this country in order to save money.

Further, agencies are caught in a Catch-22 under this act. They are forced to cut agency costs back to 1993 levels, but Federal law prevents them from cutting back on the care they provide today.

In addition, eligibility requirements for people to receive home care services have not changed at all. Those who qualified for home health care before the Balanced Budget Act qualify for home health care today, and under law, they must be treated.

How do agencies cut back their costs some 20 percent without cutting back care? Well, in Massachusetts they have been closing their doors to everyone and getting out of the home health care business altogether. The rationale for the cuts in the Balanced Budget Act was that costs in home health care were spiraling out of control because of waste, fraud and abuse. And while we are all against waste, fraud and abuse, the Balanced Budget Act that passed this Congress made no distinction between wasteful providers and efficient ones.

The fact that my home State of Massachusetts has been nationally recognized as a leader in providing efficient home health care was apparently lost on the budget negotiators. The Balanced Budget Act cut wasteful agencies and efficient agencies at nearly identical rates. In Massachusetts and many other States where there is very little fat to trim, these cuts are going right to the bone. And even in traditionally inefficient States, the providers that did the right thing and kept costs down are being punished for that action. It is as if this Congress is saying to these agencies, these efficient agencies, shame on you for being efficient. Shame on you for being cost-effective. Shame on you for putting patients first. It is crazy.

Waste was rewarded in the Balanced Budget Act, and fraud and waste and abuse were not attacked. In fact, HCFA's own statistical data for 1994 shows that Massachusetts has the fourth lowest cost per home health care visit of any State. Further, Massachusetts passed a State initiative to encourage the use of home health care, avoiding the more costly alternative of moving seniors to a nursing home and, thus, saving tax dollars. But under the Balanced Budget Act, we are being punished for our forethought.

I strongly support balancing the budget. I recognize the need to crack down on waste, fraud and abuse. But the version of the Balanced Budget Act that passed was an example of what happens when legislation is negotiated in back rooms and pushed through Congress without appropriate hearings, without committee oversight and without the opportunity for Members to examine closely the bill that they are about to vote on.

We are now beginning to see the effects of that provision, both in my home State of Massachusetts and across this Nation. Just a few months ago the Massachusetts legislature and the Governor of my home State worked together to investigate the impact of the Balanced Budget Act on the State.

In May the Commissioner of the Division of Health Care Finance and Policy in Massachusetts issued a report which stated that the Balanced Budget Act may result in, and I quote, ''a large number of chronically ill patients being admitted to long-term care facilities at significantly greater cost to both the Medicare and Medicaid programs.''

In essence, Congress passed an unfunded mandate on the States last year. By cutting home health care, seniors and the disabled will be placed in nursing homes. While the exact dollar cost to Massachusetts taxpayers is still unclear, I would like to commend my State's leaders for their efforts to shed more light on this issue and bring concrete information to the debate.

Attorneys General from across the Nation have also recognized the depth of the problem in home health care. Nineteen of them have endorsed H.R. 3205, a bill that I have introduced to fix the home health care crisis. At least three independent studies have assessed the impact of the interim payment system enacted in the Balanced Budget Act. The results are chilling. All the studies show that the interim payment system will most deeply harm patients with chronic, complex and incurable illnesses. The studies also show that the agencies that provide these services will be hurt.

According to the report by the Massachusetts Division of Health Care Finance and Policy, the Balanced Budget Act will result in a $111 million cut to Massachusetts citizens needing home health care, and some have estimated that the Balanced Budget Act is threatening 1.5 million doctor-prescribed home health care visits in Massachusetts this year alone.

While only one in 10 Medicare beneficiaries use home health care services, those who do are poorer, sicker, more often female, more likely to live alone and have more mobility problems than the Medicare population generally.

Approximately 25 percent of these, quote, frail elderly in Massachusetts are over the age of 85. These are the people who are currently at risk for premature institutionalization since the enactment of the Balanced Budget Act.

There is also an economic component to this issue. Last year the home health care industry employed 18,000 people and was one of the major employers in Massachusetts. This year the numbers will be far less. To date, in Massachusetts the home health care community has laid off well over 600 staff and these reductions in staffing levels, particularly direct care staff, dramatically decrease patient access to quality care. Many of the people losing jobs are women who are trying to stay off of welfare or who were on welfare at one time. This is a particularly hard time to turn these workers out, given Federal changes under welfare reform.

According to a survey by the Home & Health Care Association of Massachusetts, 60 percent of their member agencies anticipate staff reductions over the next fiscal year. But numbers, of course, do not tell the whole story. And there is an enormous human cost to this crisis.

There is the story of Massachusetts Easter Seals. Massachusetts Easter Seals provides critical assistance to some of my State's most frail residents, and they do a tremendous job. But because of what Congress passed, they are being forced to eliminate their home health care program which served patients suffering from multiple sclerosis, Alzheimers, cancer, as well as those who are disabled or suffer from serious medical problems.

Mr. Speaker, over 500 patients will now be thrust into a shrinking home health care industry. Because of the Balanced Budget Act, very few agencies are looking for new patients, especially those with chronic and severe illnesses or disabilities. And 120 employees are being laid off as a result of Massachusetts's Easter Seals home health care agency closing its doors.

Now we have another victim in Massachusetts. The Assabet Valley Home Health Care Association in Marlborough, Massachusetts was trying to merge with a local hospital because they could not survive under the Balanced Budget Act as a freestanding agency. Two and a half months ago they asked the Health Care Finance Administration for a determination of what their reimbursement level will be under the new formulas in the act.

Until the gentleman from Massachusetts (Mr. MEEHAN) and I intervened last week, they had not received an answer and the prospect of a merger was terminated. One hundred thirty people have lost their jobs. Over 400 people will have to find a new provider of home health care services. The same scenario is occurring all over this Nation, and the efficient nonprofits are repeatedly the first to go.

Mr. Speaker, many of my House colleagues have recognized and are responding to how these costly errors in the Balanced Budget Act are affecting home health care. Over 100 Members of the House from both parties have cosponsored legislation, sent letters to the administration or stood up for home health care in their communities. Several Members of the other body have also begun looking for a solution to this issue.

And this pressure is having an effect here in Congress. Many Members who were most opposed to changing the Balanced Budget Act and who believed that these cuts were necessary are now beginning to change.

In the House, we have seen motion on this issue. I want to commend my colleagues from both sides of the aisle who have pushed this issue forward.

At a Senate Finance Committee meeting in Washington on March, 12, Senators gathered to review the mistakes caused in the Balanced Budget Act as it relates to home health care. After months of pressure, I am pleased to tell you that at a meeting earlier this month, Christopher Jennings, Deputy Assistant to President Clinton for Health Policy, promised me that the White House will work with Congress to solve this crisis and will help move a bill through this Congress for passage.

I want to especially commend the grass roots efforts to solve this crisis for all they have done so far. Every day Members of Congress are hearing from senior citizens or patients in their district, from the medical community and from home health care providers. As an example, just today I received a letter from 22 national organizations that are members of the Consortium for Citizens with Disabilities, which I will enter in the CONGRESSIONAL RECORD.

They endorse my bill and they have asked Congress to change the home health care provisions of the Balanced Budget Act this year.

Clearly people across the Nation are becoming educated on this issue. Home health care is in critical condition. Time is running out. Our most vulnerable citizens are at risk. Congress must act now, if we are to keep people at home with their families.

I believe home health patients should be comfortable, at home, and should stay with their loved ones for as long as possible, not institutionalized in more expensive nursing homes. I believe that those are the family values that this Congress should stand for.

Mr. Speaker, Congress must act to resolve this crisis before we adjourn this year. People are being hurt now, and we cannot afford to wait. I call upon my colleagues and the leadership of this House, and I call upon Speaker GINGRICH to move quickly on this issue to allow us the opportunity to debate this issue on the floor, to bring this issue up so we can correct the mistakes that were made a year ago in this Congress.

Mr. Speaker, I yield to the gentlewoman from Michigan, (Ms. STABENOW), a leader in trying to correct the mistakes in the Balanced Budget Act, who has been very outspoken on behalf of home health care agencies in her district and across this country and somebody who has put patients first.

Ms. STABENOW. Mr. Speaker, I thank the gentleman from Massachusetts (Mr. MCGOVERN) for yielding to me.

I first want to thank him for very quickly moving, when this was brought to our attention, to put in his bill, H.R. 3205.

I was very pleased to be an original cosponsor with him to delay the interim payments system, as he has indicated there are other bills as well that change the formula.

The gentleman from New Jersey (Mr. PAPPAS) has a bill that also would right many of the wrongs, and there are certainly a number of options for us.

I rise also, coming from a State that is extremely efficient. We have, as a State, been serving people in their homes for a little over $3800 per user, which is less than the national average of a little over $4600, $3800 versus $4600. And we know that there are providers that are using as much as $9000 per user, per patient.

One of the difficulties with the way that the Health Care Finance Administration has begun to implement the changes in the balanced budget agreement is by doing it across the board, as opposed to looking at the high-user States or the high-user providers and addressing them.

Instead they are penalizing everyone. In States like Michigan, where we have very dedicated small businesses, nonprofits, visiting nurses associations, Easter Seals, that have been working very diligently to keep costs down and yet provide very high quality care, they are being penalized. We are going to see a reduction of some 27 percent, and we are looking at possibly as high as 80,000 people in my home State over the next 2 years that will not be able to receive service.

This is a critical issue. As you have indicated, this is one that needs to be addressed now. It needs to be addressed tomorrow. As soon as possible. We have changes taking place July 1 that will greatly impact these home health care providers, and we need to make this a top priority.

I want to speak for a moment, if I might, about the kinds of responses and the kinds of conversations I have had with families in my district, not just now around home health care but over the last 2 years representing the people of the 8th district.

□ 2100

When I first was campaigning 2 years ago, I was amazed at the number of homes as you walk down the street that had ramps on the front of their homes. The number of people that were asking me about home health care for their mother, their father, their husband, their wife, another loved one, this is one of the top issues on the minds of the people that I represent.

We all know of loved ones who need care. It is not only better for them and for the family to support them at home, but we know it saves tax dollars. So it is really amazing to me that we would be looking at these kinds of drastic cuts in something that saves money as well as providing quality care for families, for individuals. This just makes no sense at all.

I supported the balanced budget agreement. I want to have the budget balanced. I support going after fraud and abuse, but I can tell my colleagues, in Michigan, with my home care providers, they are not the folks that we ought to be focusing the attention on, because they are providing quality care at very low cost.

I did want to mention one other issue as well, and that is the whole issue of surety bonds. This is something that HCFA can address themselves right now if they choose to do that tomorrow morning. I would call on the administration of HCFA to do this.

We put in place a requirement to protect, for new home health agencies that were opening, requiring a surety bond of $50,000 or 15 percent. The maker of that amendment indicated that she meant whichever was less.

Instead, we are seeing efforts that have gone into place that are requiring people to go for a higher amount, whichever is more, 50,000 or 15 percent, whichever is more rather than whichever is less.

What does that mean? Right now, only 41 percent of the home health care agencies across our country have been able to get a surety bond. The rule regarding having to have a surety bond takes effect July 1.

Time is running out. We have got to see some kind of a response that is reasonable to those that are on the frontlines providing home health care. We have got to make sure that it is done in a timely manner.

So I join with the gentleman from Massachusetts (Mr. MCGOVERN) calling on the Speaker of the House. There are vehicles. We have the gentleman's bill. We have other bills. We do not care if it is a Republican bill. We do not care if it is a Democratic bill. We just need action now because the people at home are going to be feeling the effects. We are going to see businesses closing, home health care not provided. And this is one of the most critical issues facing our families.

So I am pleased to join with my colleagues tonight, calling for action.

Mr. MCGOVERN. Mr. Speaker, I thank the gentlewoman for her comments, and she raises two points that I think deserve to be emphasized again; and that is that if we are truly trying to save money, and that is what one of the goals of the balanced budget act was about, this is not the way to do it.

You do not need to be a mathematician or an expert in health care to know that it is a lot cheaper to provide somebody good quality care at home than to have that person in a long-term nursing care facility or a nursing home.

The other thing that my colleague raises, which I think is very important, and that is this whole issue of how do you encourage efficiency and cost effectiveness. Massachusetts has some

great home health care agencies, visiting nurse associations who have been very good, who have been very efficient.

But the way this whole thing has been put together, in essence, we are punishing those who have been good. It is almost as if we are saying to these people you should have been bad. You should have padded the books. You should not have been cost efficient and effective; because if you violated all of the things that we asked you to do, you would be okay right now, because you would only be trimming the fat.

It is the good agencies that are being put out of business. I think that is sad, and it goes against and it contradicts what this Congress is supposed to be all about. It contradicts what this administration says its goal is in health care.

So I commend the gentlewoman for her comments. We are going to make sure we work together; that something happens. We are all dedicated in this here. We need to convince our leadership in this Congress that this issue is important enough to have a vote now.

I sent a letter to Speaker Gingrich, which I would like to enter into the record now, saying maybe we can bring this up during the technical corrections billion. We need to do this quickly. Clearly, this issue is of such importance that I think it takes precedence even over some of the things we have been doing in this Congress. So I thank the gentlewoman for her comments.

Mr. Chairman, I yield to the gentleman from Rhode Island (Mr. WEYGAND) who has been an effective leader in this issue. I was with him at Warwick, Rhode Island in a health care agency, and it was a great rally with over 200 people all protesting these cutbacks and demanding that Congress fix it.

I yield to my colleague the gentleman from Rhode Island (Mr. WEYGAND).

Mr. WEYGAND. Mr. Speaker, I want to thank the gentleman from Massachusetts (Mr. MCGOVERN) for yielding me this time.

Mr. Speaker, the discussion we are embarking on is very important for a lot of reasons. Home health care is, indeed, without a question, a kind of health care system right now in deep peril.

A lot of times, people will look at the home health care system and think about just the numbers and the dollars and the cents. Something that we fail to recognize often unless you had a family member or friend who has been receiving home health care is that home health care providers provide a lot more than just simply the medical services.

They come into our homes, they come into our families, and they provide a friendship and a warmth and the kind of camaraderie that goes along with the health care system and the provisions that they are giving to our seniors, to our disabled.

They reduce the cost of health care tremendously, as we have heard from the gentlewoman from Michigan (Ms. STABENOW) and from the gentleman from Massachusetts (Mr. MCGOVERN).

The average cost throughout the country is only approximately $4,600 per year. Many States like the gentleman's State and my State have tremendously cut those costs. My State, in 1996, had a cost of approximately $4,000 per year per patient for home health care.

The wonderful thing about home health care is that it prevents many people from going into acute care facilities and long-term care facilities. But if we want to talk about dollars and cents, let us talk about them. Talk about what it costs for an average per patient cost per year; $4,600. In Massachusetts, it is $3,800 per year. In Rhode Island, it is $4,000. In Michigan, I think it is around $3,900 per year.

If that same person is forced into acute care facility or even a long-term care facility, the average cost on a national basis is around $40,000 per year for a Medicaid recipient. That is shared about 50 percent by the State government and 50 percent on the Federal Government. That means, on the Federal side, we would be spending $20,000 out of the Federal budget per year per patient.

It does not take much to determine that home health care is the far better bargain for the taxpayers and the Federal Government. We want to make sure that they stay in home health care versus a far more expensive acute care or nursing home facility. Granted, we have great facilities like that; and where they are needed, they are there for our patients. But it is far better to have someone at home.

At home, they get more assistance from home health care, but they also get assistance from family and friends. The unique thing about it is we are giving them a life of dignity and independence.

A lot of times, we talk about numbers and providers without seeing the faces of these people. The gentleman from Massachusetts (Mr. MCGOVERN), the gentlewoman from Michigan (Ms. STABENOW), and the gentleman from Maine (Mr. ALLEN) and I have all visited, as well as other people on the other side of the aisle, many different people in many different places to try and find out the real problem.

Let me tell you about a young lady that I visited with about a month and a half ago. Her name is Genevieve Weeser. Genevieve lives in Warwick, Rhode Island in the middle of the second congressional district in Rhode Island.

I went over and met with her. Genevieve is 98 years young. She is at home. She is in an apartment that she has, a Federally subsidized apartment unit, and she has friends who assist her. She is 98. She receives one nurse who comes in once a week to try to take care of her medications and monitor her various vital signs to be sure she is okay.

On top of that, she gets some small homemaker service. She has friends who come in and help her. She has family who comes in and helps her. But without that kind of activity, without that kind of home care, she would be, without a doubt, in a far more expensive acute care setting or nursing home.

Her care has been cut nearly in half now because of the IPS system. She is going to be receiving half the number of visits and half the care. Eventually what will happen is she will end up in the nursing home some place, costing the taxpayers of Rhode Island and the Federal Government far more money than what we would have had with home health care.

Last year, when we made that revision in the budget and we put in a system that we thought would, indeed, try to give us a transition into a new prospective payment system from home health care, it did a lot of things that we were not familiar with, and that is why we need to change it.

First of all, home health care only represents 9 percent of the entire Medicare budget. Yet, it was targeted for over 14 percent of the cuts. It took a large hit. On top of that, it was the manner in which, as we have all heard tonight, that home health care agencies were targeted. It was one swoop across the top.

We had in Rhode Island one VNA already go out of business. It had been in business for 87 years, a nonprofit agency providing quality home health care at a cost of less than $3,600 per year per patient. It had to close its door. Kent County VNA had to lay off 11 people. It cut most of its visits in half.

Do my colleagues know what? All of these good quality, very cost effective agencies have been driven to virtually close their doors, cut down on their employees. Yet, there is a unique part of the IPS system that many people do not know about, that if the gentleman or I started a new agency last year, and only had a 1-year track record and had costs of around $5,000 or $6,000 per year per patient, and we bought up those other agencies, those great cost effective agencies, acquire them somehow, we would now get, not the old rate that they are now required to keep, the 1993 rates or 1994 rates, but if I were a new agency buying up these older agencies, I would get a brand-new rate.

We are, in fact, saying to these new companies, gobble up the most cost effective companies and become fat and wasteful; but to the cost effective nonprofits and the ones that have been providing services for decades, we are closing the door on them. But more importantly, we are closing the door on patients.

Patients come first. It is not about jobs. It is not about agencies. It is about people. What we have done here is drastically wrong.

We have a bill, the McGovern-Weygand bill. We have other bills, the Pappas bill. There are a lot of bills out there that will help correct it. Just last month, in the Committee on the

Budget hearing on the resolution on the budget, I was able to put in amendment to the budget, one of only two amendments that were allowed as a sense of Congress that said the following.

First, the interim payment system for home health care services was adversely affected and has adversely affected home health care agencies and particularly Medicare beneficiaries.

Second, if home health care is threatened and further reduced, the overall health care costs of our people are going to rise. As we push down on home health, the cost of acute care facilities and long-term care facilities is going to go up. It is only a matter of time when the cost for HCFA and Medicare are going to rise if we allow this system to stay in place.

Third, we have asked all the committees of jurisdiction, particularly the Committee on Ways and Means, to come up with a revision on the interim payment system this year in this Congress before we go home so that we can make revisions that are appropriate to take care of the people at home.

Lastly, on the overall picture, we must have in place a prospective payment system no later than October 1 of 1999.

It is going to take the requirements of both parties and particularly the leadership on the Republican side to make this occur. In the Committee on Ways and Means, we need to have the chairman and the subcommittee chairman work with us on both sides of the aisle to come up with a revision.

It is not for us as Democrats or for them as Republicans. This is for people at home that need quality care at a cost effective way. We need to do it now.

I want to thank the gentleman from Massachusetts for having us this evening for this discussion. I particularly want to thank our friends on the other side of the aisle who have done a tremendous job to bring this to the forefront. We cannot let this go. We must provide the kind of dignity and independence that our people deserve.

Mr. MCGOVERN. Mr. Speaker, I thank the gentleman for his comments and his leadership and for reminding this Congress that patients do come first and should come first.

The gentleman gave an example of somebody that he had visited. I had a similar situation. I went on a home health care visit with an agency in my district and visited a gentleman in Hopkinton, a retired fire chief in Hopkinton named Arthur Stewart.

This was in January, and it was a cold wintry day, and he was sitting by his fireplace. He said to me, ''You know, a lot of things I want to do in life are right here, even if it is just poking this darn fire. I would be totally wiped out financially if I had to be in a nursing home or rehab. And I cannot say enough about what the visiting nurses are doing for me. And I just cannot see how shortsighted Congress can be.''

It is people like Arthur Stewart, and there are hundreds, if not thousands, of Arthur Stewarts in Massachusetts and throughout the country who should compel this Congress to fix this mistake.

The gentlewoman from Michigan said it and the gentleman from Rhode Island said it that we need to act now. I mean, this needs to be done now. We cannot put this off until next year. If we do not do something now, the cuts are going to adversely impact these home health care agencies to the point where people are going to lose their care. They are going to be forced into nursing homes. Families are going to be devastated. I mean, this is just not right.

Mr. WEYGAND. Mr. Speaker, if the gentleman will yield just a minute, I know my friend, the gentleman from Maine, wants to speak on this subject as well. One of the things we have just seen come out of HCFA is that the rate of reimbursement that we have right now with this cut, HCFA and the people have acknowledged within Medicare that they are receiving far less, 93 percent actually is what they are receiving in terms of what they should be receiving. They are only receiving 93 cents on the dollar minimum. In many cases, they are cutting more.

□ 2115

The other matter is that the amount of surplus that we have seen generated from these massive cuts far exceeds what was estimated by CBO and everybody else. We are in fact cutting a system so drastically so that we can provide tax cuts to other people. That is the terrible shame that we have before us. We are taking people that are in dire need and we are cutting them to provide tax cuts to other people.

Mr. MCGOVERN. The other irony is that in this Chamber, not a day goes by when someone does not rise and talk about unfunded mandates on States. Ironically, this provision in the Balanced Budget Act is the biggest unfunded mandate on States that we have ever seen. This will be devastating to States if they have to pick up an increased cost of Medicaid to provide for long-term care. Every single governor has an interest in making sure this Congress acts on this issue and acts on it now.

Mr. Speaker, I yield to the gentleman from Maine Mr. ALLEN) who has been a leader on campaign finance reform, who has been a leader on this issue as well.

Mr. ALLEN. I thank the gentleman for yielding. I just want to say to the gentleman from Massachusetts Mr. MCGOVERN), the gentleman from Rhode Island Mr. WEYGAND), the gentlewoman from Michigan Ms. STABENOW) and the gentlewoman from Texas Ms. JACKSON-LEE) that what you are all doing in terms of home health care is very important, not just for the people in your district, for people all around the country. The gentleman from Rhode Island was right. This is at the end of the day not just about a few agencies and not just about the Federal Government. This is about some of our most vulnerable citizens.

I have been thinking about this issue a little bit and thinking of so many people that I run into in Maine. I have to say that of the people who come through my office, probably 25 percent of them are concerned in one way or another with health care. When I go out to seniors events or senior centers or talk to senior groups throughout the State of Maine, health care is always right at the top of their agenda. For most people that I talk to who are on that borderline, where the question is, can I continue to stay and live at home, or do I need to move into some sort of facility, almost all of them want to stay at home as long as they can. That seems to be an almost universal desire. The service that allows them to stay at home is some form of home health care. So I find, I believe, that not only is home health care critically important to how well we manage costs at the Federal budget level, but it is also critically important to all of those people, unlike us, for whom this is a real issue in terms of their health, their quality of life and their future.

Last year we took aggressive action to balance the Federal budget and through the Balanced Budget Act deal with the rapid growth and perceived fraud and abuse in Medicare's home health benefit.

I wanted to say a few words about some of the conversation that is going on. If we look back at the Balanced Budget Act, we were trying to get control of runaway costs in part of our health care system. It was not irrational to do that. We have to control fraud and abuse. We have to control the explosion of costs in our health care system. I want to go back and just look at what was going on. I think all of us have seen some figures about the growth of home health care in different States around the country. In every State, it has been significant. There has been significant growth. But the growth has varied dramatically from State to State. You can think about that growth in several ways.

First in terms of the number of home health care agencies. In just the last 4 years, in some States there has been a 20 percent increase or a 40 percent increase. But in some States, the increase has been several hundred percent in just 4 years, an explosion in the number of health care agencies. Second, you can look at the number of visits to an individual patient. In some States it is a fairly modest increase and in some States it is a very rapid increase. Third, you can look at the cost per visit. Again in some States it is fairly modest and in other States it is a dramatic increase in the cost of visits. So what the Congress did was to say, ''Wait a minute, put the brakes on, let's try to deal with this, because if we can't get control of home health

care costs, we are in big trouble in terms of what is happening to the Federal budget.''

So we took some action. But that action has included unintended consequences for people who are receiving home health care benefits and for the agencies that provide that service. We have to weed out fraud and abuse in this system. We have to find ways to cut costs in the Medicare system. But it is wrong to make cuts at the expense of our most vulnerable citizens, our homebound seniors who are relying for health care services provided in their home.

I want to talk about three of those services right now, or three of the changes we made. First, the removal of blood drawing as a Medicare covered service, what is called venipuncture. That is one. Second, there is a requirement of surety bonds. The gentlewoman from Michigan referred to that. That is an added cost for home health care agencies. Sometimes it may be appropriate, but other times it is simply an added expense which is not covered. And, third, the new interim payment system. Those three, I believe, are changes we have made where we have really gone too far and we need to fine-tune those changes. That is really what the McGovern bill does and why I am a cosponsor.

I want you to think about Maine for a moment, not just because it is the State I represent but because it highlights some of the issues that we have here. If you are in Portland, Maine, you are closer to New York City than you are to the northern communities in Maine. If you drive an hour north to Augusta, the capital city, you are still closer to New York City than you are to the northern Maine towns of Mattawamkeag and Fort Kent. It is a very big State. It is a rural State, like so many in this country, and you cannot have a hospital on every corner. So what you have is home health care agencies across the State which have sprung up to provide services to seniors, many of them in rural areas, and for many of whom a trip to the hospital is quite a hike. So I think it is unreasonable to require seniors to take a one-hour or two-hour trip to a hospital just to have blood drawn once a week when you can have a home health care nurse moving through a community providing this kind of service to many people who need it. And for many people, the drawing of blood, the testing of that blood is essential to monitoring their medications. Really it is a very important health care service. It is too expensive for them. It is too inconvenient for them. I believe we need to support the restoration of venipuncture as a Medicare covered home health benefit.

The second issue, the gentleman from Rhode Island referred to it in particular, the new Interim Payment System, IPS, bases Medicare reimbursement rates on agency and regional costs in 1993. Let us look at that for a moment. We have, in Maine especially, nonprofit agencies which have been around for a long period of time which, of necessity, have had to hold their costs down. You look at the cost per visit or the number of visits of those agencies, and then compare them to some of the newer, for-profit agencies around the country, and there is a dramatic contrast. That dramatic contrast is one that represents a case where we should say to the nonprofit, well-established, low-cost agency, ''You are doing a great job. Keep it up.'' But what have we said? No. We have said in 1998 through this IPS system, ''You've got to go back to the cost you had in 1993 or 1994 and we're going to base what you get paid now on what your costs were then, not on what the costs are across the region, but on what your individual costs were back then.'' There is a problem there. Because if you have inflated costs, if you are a new agency, a for-profit agency or an agency which for whatever reason has inflated costs, you are going to get compensated for your current costs. If we are going to be cost-effective, what we need is a formula that will reward cost-efficient agencies, those agencies that provide quality care at an appropriate price. We need a formula that does that. That is why I support the McGovern bill, the Medicare Home Health Equity Act of 1998. It provides a fairer formula for reimbursement to efficient home health agencies.

I really believe that the bottom line is this. We have got to root out fraud and abuse in this system. We have got to contain costs, but we have to be smart about it. When it comes time, as it has, to look back at what we did last year and fine-tune that product and make it work better for home health care agencies and for seniors who are homebound, we need to do it. We have no business penalizing reputable providers and the seniors that their programs serve. That is why I am very glad to be here tonight with all my colleagues and to urge the Republican leadership in this House to bring this issue up, because time is a-wasting, our home health care agencies are hurting, our seniors need the assistance, there is no time to waste, we can do it now, we have got the time, and we should move ahead.

Ms. STABENOW. If the gentleman will yield, I just wanted to emphasize one point that the gentleman from Maine said so eloquently again, and that is the fact that we are talking about States and areas that have long-established, well-run home health providers who it does not make sense in my mind to be asking them to do a surety bond when they have a record of what they have been providing and what they have been receiving and billing for and so on, and it does not make sense when there has been an explosion in some areas, and certainly we need to be concerned about those explosions of areas as it relates to costs and number of visits and so on. Why do we not just focus on those? Let us focus on the problem areas and not in turn require everyone to have to take a cut when we know that some are doing an outstanding job operating well below the national average. I think it is just a point that we need to reemphasize over and over again. We want to go after waste, fraud and abuse, of course we want to do that, but let us do it in a way that makes sense. I am sure that in Texas as well, we are talking about a situation where we need to be focusing on those, in fact, who are abusing the system and not focusing on those who have been providing quality service at low cost.

Mr. MCGOVERN. I could not agree with the gentlewoman more. In fact this, what we are talking about today, is not fraud, waste and abuse, because we all are in agreement that we need to crack down on these agencies that are engaged in fraud, waste and abuse. I do not think anybody in this Chamber is in favor of fraud, waste and abuse. Those agencies that abuse the system deserve to be held accountable. But as the gentlewoman points out in Michigan and the gentleman from Maine points out in Maine and in Massachusetts, we have some agencies that are models, that are cost effective, that put patients first, that are good. These agencies are being punished in essence for being good. That is not fair and that is not right, and a lot of people are going to suffer if we do not do something about it.

Mr. Speaker, I yield to the gentlewoman from Texas (Ms. JACKSON-LEE) who has been a passionate spokesperson for so many issues impacting working families and senior citizens. I am delighted that she is here tonight.

Ms. JACKSON-LEE of Texas. I thank the gentleman from Massachusetts very much for yielding and for his leadership on this issue, recognizing the extreme importance of confronting the issue of health care in general and the home health care agencies.

Frankly I would like to speak on behalf of our neighbors, because that is what we are speaking about. We are speaking about the American people, but we are speaking about our neighbors that are in our neighborhoods, that own these home health care agencies in particular. It is extremely important that we recognize that we are doing damage to those people that we know, the small businesses, the people who take care of our neighbors. It is extremely important that your legislation comes quickly to the floor of the House.

We realize that Congress, as we all have stated, needed to take care of fraud, waste and abuse. When we began about the first Congress that I was here, the 104th Congress, we were talking about Medicare. Everyone was talking about fraud, waste and abuse. Those who wanted to completely overhaul Medicare wanted to do extremist type cutting to the Medicare system, when in fact the fraud, waste and abuse

was a mere, or a simple $89 billion that we could have handled easily without totally remodeling the Medicare system. The same thing happens with the home health care agencies. We know that we have to take care of those issues. But does it mean that because there are rising costs, does it mean that the system is broken? Or does it mean that more people are availing themselves of home health services in an effort to stay in better health and remain with their families? That is the philosophical question that we should ask. If we are trying to make sure that we keep the good home health care agencies, so many of whom have come to my office, I have met with them, we visited at the Beale Senior Citizen Village when I gathered, home health care agencies from around the southern region where my district is located, people as far to the south as different areas and then well into Houston came to meet with me to talk about how they were being mistreated, if you will, and not being able to take care of their patients.

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And they asked a real question:

Is the rising cost a basis of abuse or fraud, or is it because we have been doing such a good job that in fact we have been having rising costs because so many people are using it?

I do believe there are certain issues that we need to emphasize, and that is, as you have said, I say to the gentleman from Massachusetts (Mr. MCGOVERN), there are effective, safe and caring home health care agencies, and my concern is what do we do when we lose those facilities in our neighborhood, what about the teacher who comes home during the lunch hour, who comes home at dinner time, who stays up all night to take care of her elderly parent? What is going to happen to that person who at some point in time has been able to access a home health care professional? What happens when that working single parent with that elderly parent in their home has no resources, no sort of assistance from a home health care agency because the resources, the Medicare process, has totally torpedoed, if you will, those particular neighbors and small business out of the system?

You are very right that the poor, sicker and certainly those with less, the less ability to be mobile, are the ones that use the home health care system, and again I would like to emphasize these are our friends.

One of the issues that has been discussed with me, of course, is in whole question of the interim payment system, and I would like to just briefly explain what the difficulty is, as my other colleagues have already mentioned.

Prior to the Balanced Budget Amendment, the home health care agencies were reimbursed after services were provided. Beginning in October 1, 1999, the agencies will be paid before services are rendered and at a level significantly lower than that in place before the Balanced Budget Amendment.

The prospective payment system is a monumental change for the Medicare system. Setting aside temporarily the merits of the new payment system, a very logistical problem has developed. Congress enacted a 2-year interim payment system for home care that will be effective until the prospective payment system is implemented in October 1999.

Under the IPS, home health care agencies are reimbursed according to a new beneficiary limit. The problem is, as my colleague from Maine has already said, that home health care agencies have been provided with little or no guidance as to what this per beneficiary limit is. What the agencies do know is that the new limits do not accurately reflect the amount agencies spend to provide services.

In fact, as they have said to me, they are flying in the blind, and when you fly in the blind, you are apt to make mistakes. When you are apt to make mistakes, what happens? The regulatory agencies come down on you, our neighbors, the small business.

So, in fact we are in a catch 22. It is extremely important that we recognize that the new per beneficiary limits will reduce per-visit and per-patient costs, however patients' health may be compromised. We cannot establish unrealistic arbitrary cost-cutting measures without experiencing reduced quality and quantity in the home health system. At the same time again we are asking our friends, our neighbors, the small businesses, people who take care of our family members, we are asking them to make decisions and to make guesstimates and not do their work well.

Another point that I would like to mention that was a very strong point of discussion amongst my many agencies that visited with me on this issue, and that is why I am so grateful for this opportunity and your leadership, and that is the venipuncture, the removing of blood. Many people do not think of that as a serious element, if you will. Well, the recovering of blood gives all kinds of data to the physician, and the home bound person is in need of the ability for blood to be taken so that diagnosis can be made on whether their blood sugar level is up or down, what is going on with hypertension, what kind of infection they may be having, and necessarily that person is home bound and is in need of that service. The venipuncture service that was mentioned by my colleague is another one that was excluded from the availability of the home health agency.

And I received a call from a constituent whose mother is in her nineties, lives with him in Houston. She is home bound but happy that, thanks to her doctor's ability to monitor certain medication and blood levels through venipuncture she is able to remain at home with her son. She is not, if you will, incarcerated in the hospital. My good friends who run hospitals, you know that I respect you a great deal. But how many of our senior citizens say I want to be at home, I am well enough, I want to be at home?

Well, Mr. Speaker, this home bound, elderly person, their son called me and said because of the changes made by the Balanced Budget Amendment her venipuncture coverage was drastically reduced and her ability to remain at home may be compromised. We should do all that we can to encourage our seniors to stay at home, and if their families are capable of taking care of them with assistance from home health care agencies, removing this coverage, it just skews the whole system, takes away the independence that these senior citizens are enjoying, the comfort of their home and the low cost.

Another constituent called and said I am desperate, I will even pay for the service in order for them to be able to utilize it at home, and of course we know that when you interfere with the Medicare system and offer to pay, that will not work because these home health care agencies are related very closely to the Medicare structure and system.

So my concern is that we do move H.R. 3205, but more importantly that we emphasize how much home health care saves us as compared to the $40,000 a year we pay if you were home bound, not at home but in a nursing home.

I think the important as well is we care for our friends in the nursing homes, we respect them, but I cannot tell you how valuable the home health care professionals have been to our communities, how important it is to make sure that these agencies continue, and that they exist and that they continue to service in our neighborhoods.

I would hope that Speaker GINGRICH listens to the letter that you have sent and that we all join in pressing forward on both this legislation, the venipuncture legislation that we tried to reform the interim payment system that will be moving to the October 1, 1999, where we will be asking our home health care agencies to guess at what they will need and to take moneys ahead of time, which necessarily cuts down on the kind of treatment that the recipients need to get.

We need to thank those who brought health care costs down, and I do not think we are thanking them right now. We are putting a lot of burdens on them. In fact, they are frightened, they are fearful of closing their doors, they are fearful of having to lay off their employees, they are fearful of no longer being the kind of citizens that they have been by contributing to the community as businesses that are active at the partnerships and chambers. They are just plain fearful, and I, for one, want to see us do something about it.

And so I thank the gentleman from Massachusetts for his leadership on this, and hopefully we can push this

after the district work recess that we will be venturing onto. I would like to see this done before we leave here in August, and hopefully we will have that opportunity.

Mr. MCGOVERN. Mr. Speaker, I appreciate the comments of my colleague from Texas. As always, they are right on target, and again I hope that we can press this issue to a vote shortly after the July 4th recess.

This is and should be a bipartisan issue. One of my chief cosponsors on this bill is the gentleman from Utah (Mr. COOK) a Republican who has been very helpful in advocating passage of this bill. This should not be a partisan issue, and I hope we can move on it very quickly.

Let me summarize my remarks today and what everybody has so patiently and so importantly said here today by saying that I think that this issue comes down to three important points:

One, we need to find ways to provide incentives for high quality and good quality home care. The fact of the matter is that the way the Balanced Budget Act was constructed and the way the provisions with regard to home health care have been constructed the opposite is true. We actually provide incentives for home health care agencies and visiting nurse associations to be bad, to not be cost efficient, to not be effective, to not put patients first. Well, that is wrong. I mean that goes against everything that all of us believe.

So we need to fix the Balanced Budget Act so that we turn that around, so that we reward and recognize the good agencies and we do not reward the bad agencies.

Secondly, I think the issue here is that we need to prevent another unfunded mandate on States. I mean, as I said before, every Governor in this country should be up in arms over what is about to be thrust on them. If we do not do something, then more and more patients in States all across this country, who right now enjoy good quality home health care, are going to be thrust prematurely into long-term nursing care. Nothing wrong with nursing homes and nursing care in this country, but it is much better, it is much better for the patient, it is much more cost effective for the taxpayers if we can keep them at home, if we can keep them with their families.

If we do not do something, there is going to be a greater cost that Medicaid is going to have to bear, and that means that States are going to have to contribute more, and again I would encourage all those Governors out there and all the State legislators to weigh in with their respective Members of Congress so we can get this bill passed quickly.

Thirdly, I think that this issue is about family values. I mean every time I turn on C-Span or every time I am on the floor, someone is getting up and talking about family values, how we have to put families first and how important it is to provide families with opportunities and security. Well, this is about family values, allowing a loved one to stay at home, you know, with their son or daughter. Allowing family units to stay together is important and is something we should try to preserve.

So, you know, this issue that we are talking about today is about saving money for taxpayers, it is about family values, it is about putting patients first, it is about what this Congress should stand for, and I hope that we can convince Speaker GINGRICH to make this one of his priorities. I hope that we can convince Speaker GINGRICH to put this on the schedule to direct the appropriate committees to act on this now. I mean I hope that we can convince Speaker GINGRICH and the Republican leadership in this Congress that this is not a partisan issue, that it is in their interests that we fix this mistake and we fix it now before anybody else in this country has to suffer.

And so I thank the gentlewoman from Texas for her comments, and I will yield to her.

Ms. JACKSON-LEE of Texas. Your passion has captured the real key. There is a massive constituency for this legislation, and it goes across party lines. It is to keep families together, it is to keep senior citizens and the disabled at home in a loving environment, and it is, of course, to applaud and respect the many small businesses like home health care agencies who go into neighborhoods knowing their neighbors, providing the service, providing the warmth, and the nurture, and good health care at a reasonable cost.

What more can we ask for? I think it is extremely important.

I appreciate the gentleman and his concepts of trying to get this to the floor very quickly.

Mr. MCGOVERN. Mr. Speaker, I thank again my colleague from Texas for her remarks, and I would just conclude by saying that I am going to do everything I can, and I hope all those watching will do everything they can to urge this Congress to move quickly on this legislation. We cannot afford to let this year go by, this session go by without acting. If we do, then people are going to suffer, more and more home health care agencies and visiting nurse associations are going to close.

That is not what we want, that is not what we should stand for, and we need to redouble our efforts in the coming months to make sure that this legislation gets to the floor for a vote.

And again I would urge the Speaker, if he is listening, to please listen to what we are saying here today, to do the right thing and to move this issue and move it quickly.

I thank my colleague from Texas.

Mr. DELAHUNT. Mr. Speaker, I am pleased to join with my friend, Mr. MCGOVERN, and our other colleagues in this special order on the home health care crisis.

The Balanced Budget Act has had a devastating effect on home health care programs in many parts of the country. But the impact has been especially severe in Massachusetts and other New England states, which already provide more visits, at a lower cost per visit, than agencies in other states.

In Massachusetts, the new per beneficiary limit means a loss this year alone of $100 million. That translates into 1.5 million fewer home visits for the elderly and disabled.

On April 30, the South Shore Visiting Nurses Association was forced to eliminate 50 positions as a direct result of the $4 million in cuts it was forced to absorb. Home care providers across our state are facing cuts this year of 25 percent.

What does all this mean for the people who need these services? Listen to some of the letters I have received:

From a woman in Quincy:

I take care of my elderly mother. She has Alzheimer's Disease and has had several minor strokes. At the present time I am fortunate enough to have home health care for her three mornings a week through Quincy Visiting Nurses. Without this assistance, my mother would probably be in a nursing home. I cannot praise the nurses and aides that I have dealt with enough. My mother is unable to dress herself, take a shower by herself, or make her own breakfast. This is what her home health aide does three mornings a week. I do the same on the other four mornings. The release that I feel having three mornings of not having to do these deeds helps me keep my sanity. I am a full-time teacher in Quincy and I also work two other part-time jobs.

From a man in Harwich:

My wife is 78 and has Alzheimer's Disease. I am also 78 years of age and have spinal stenosis. I am her care giver and wish to continue to care for her at home and not in a nursing home. . . . Presently we have the assistance of two [home health] aides, two hours in the morning and one hour in the afternoon which is covered by Medicare. . . . With over 100,000 Massachusetts residents with Alzheimer's Disease or related neurological disorders and other related elderly problems, we are not alone, but it feels that way with no future long term home health care.

From a husband and wife in Whitman:

We read with dismay of the federal cuts affecting home health care. For those of us in our older years, being able to stay in our own home is the only bright light on the horizon. Anything else is unthinkable.

From a woman in Weymouth:

I take care of my mother and have for the past eight years. The last four years have been 24 hours a day, seven days a week. We have [a home health care aide who] comes in twice a day for a total of four hours. . . . My mother has Progressive Supranuclear Palsy which is a devastating neurological disease. It takes everything but your mind. She is literally a prisoner in her own body. The rest of the family has chosen to give up on my mother, thinking the way a lot of people do, that she should be put in a nursing home. Congressman Delahunt, would you want to be put in a nursing home if the only people that understood your needs were the aide and your daughter? . . . My mother still wants to be alive and if she was to go into a nursing home she would die. She communicates with us sometimes by blinking . . . or breathing a certain way. Sometimes it takes a long time to figure out what she wants. In a nursing home they wouldn't do that. I promised her I would never put her in one, and I vow to keep that promise no matter what. I'm not well myself and these cut-

backs might kill us both. . . . I appreciate you taking the time to read this letter and know you will do all you can to stop these cut-backs, for all those in need of home-care, for someday we may all need to depend on this system for love, care, and support because we have no one else to turn to or that cares.

And finally, Mr. Speaker, one of the letters I have received from nurses and physicians. This one comes from an emergency physician from Hingham:

As an emergency physician . . . I deal with the human side of health care financing decisions on a daily basis. . . . Most medical problems, recognized early enough, can be treated effectively in an outpatient setting. . . . At the present time . . . I am able to safely send elderly patients home with close nursing follow up rather than to admit to the hospital. I am afraid the proposed Medicare cuts will severely jeopardize this sensible medical option. There is also a human side to this issue. Frail, elderly patients do better in their own familiar home surroundings. I can attest by my own personal experience with my mother that her medical health and quality of life were markedly enhanced by having her medical care at home. Although she had multiple medical problems, she did not require a single hospital visit or admission in the last eight months of her life.

These are but a few of the letters I have received from my constituents about this situation. In addition, I ask unanimous consent, Mr. Speaker, to place in the RECORD a series of articles that appeared recently in the Mariner Community Newspapers based in Marshfield, Massachusetts, and a transcript of the calls from readers that were recorded on their response line.

Mr. Speaker, this testimony speaks far more eloquently than I can about the plight of those affected by this situation. But what is to be done about it?

I know that a number of bills have been introduced to try to fix this problem. I have cosponsored H.R. 3205, which was introduced by the gentleman from Massachusetts (Mr. MCGOVERN) and the gentleman from Utah (Mr. COOK), which would delay implementation of the per beneficiary limit for one year. The extra time would enable home health agencies to minimize disruptions in services by gradually reducing costs.

Mr. Speaker, I voted against the Balanced Budget Act, largely because of the cuts it inflicted on the Medicare program. I continue to believe that those cuts were a terrible mistake. The least we can do now is help cushion the blow.

[From the Weymouth (MA) News, June 10, 1998]

LOSING PATIENTS OVER HOME HEALTH CARE CUTS

(By Alison Cohen)

Millie and Mattie B. started their life-long love affair when she asked her aunt to see if Mattie would take her to the high school prom.

''I didn't have a date and there were four boys living across the street,'' Millie said. (The couple did not want their identities revealed.)

She watched from her front windows while her aunt dutifully went across the street.

''I could see him come to the window—he'd been shaving—and then I saw him nod his head yes, so I knew I was set,'' Millie said.

Mattie smiles and gives his take on the request.

''I had the only car on the street, a '34 Lafayette.'' he said. ''That's why she asked me.

That was more than 50 years ago and their dancing days are behind them now. Mattie, who turned 77 last week, spends his days in a wheelchair, the result of 12 years battling Parkinson's disease.

Someone once said growing old isn't for sissies. Mattie and Millie are living proof. As Parkinson's progressively immobilizes Mattie's once-powerful body, it takes all his strength to get through what used to be the simplest tasks. It's only one of many medical problems that leave him weak and vulnerable.

Millie, 75, wears a weight-lifter's truss around her waist. The weight she lifts is Mattie.

More than once she's been forced to pick him up off the floor after he's fallen. Once she suffered a slipped disc in the process and permanently weakened her back. Every night she transfers him from his wheelchair to the bed. Now her spine curves and the discs along her lower back project out like ragged mountain peaks.

''I got this taking care of him,'' she says, as she shows the nurse her ravaged back.

Worse yet, Mattie's voice dwindled to a mere whisper about six months ago. By the end of the day, he's exhausted from trying to communicate and she's exhausted from trying to hear what he's saying.

''It's frustrating,'' he says.

Parkinson's is a chronic, progressive disease. Millie doesn't want to think what the future holds if she becomes too frail to help her husband get in and out of his wheelchair.

''I hate to think about it,'' she says. ''I don't think about it.''

Another challenge lurks in Mattie's near future. After four years serving his country in time of war and 37 years toiling to maintain Boston's schools. Mattie has discovered the federal government wants to balance Medicare's budget by imposing a cap on the amount of money home health care providers can receive for taking care of him and other patients.

The cost-containment method chosen by the Health Care Financing Administration (HCFA), a division of the U.S. Department of Health and Human Services, caps reimbursement for each patient at a percentage of the agency's 1993-94 budget. Although South Shore agencies have yet to receive official notification of their maximum reimbursement level per patient, similar agencies in other parts of the country have been told they must serve even the most challenging patients for no more than $1,500 to $4,000. (See related story.)

According to Meg Doherty, executive director of Norwell Visiting Nurse Association, some of the patients on her roster cost as much as $50,000 a year to maintain at home. And the fallout is already happening. On May 7, Easter Seals of Massachusetts announced it could not afford to provide home health care services with such unreasonable cuts.

Life, for Mattie, already has dwindled to the size of the small summer cottage on the South Shore they winterized and moved to four years ago when it become impossible for him to maneuver the stairs in their South Boston home. Getting outside is a production—Mattie must move from his wheelchair to a walker to traverse the step separating the dining room from the back entry and a shallow flight of stairs leading outdoors.

Getting to bed is an even greater challenge. Together they position his wheelchair near his bed. Millie struggles to push him up out of the chair as best she can.

''I fall right in,'' he says. ''She straightens my legs out and covers me with the blankets.''

Most of his days are spent watching television and talking with Millie. On weekends, he looks forward to spending time with the two of their six children who live nearby.

The man who once prided himself on his ability to ''fix anything,'' now relies on a cadre of home health aides who come five days a week to assist him with the activities he once took for granted, things like showering, shaving and getting dressed. On the weekends, he must ask his son to handle that duty. A visiting nurse comes once a week to check his blood pressure and monitor his health.

It's hard to put a price tag on continuity of care. Sometimes symptoms are subtle. An older patient doesn't experience the crushing chest pain that alerts middle-aged men they are having a heart attack.

''I start to lose my breath,'' explains Adolph Wacker, 84, a home health care patient.

A visiting nurse checks Wacker once a week, looking for clues that would show whether trouble is looming.

Wacker had five heart attacks, including a cardiac arrest, within a 15-month span. He also has a pace maker to regulate his heart rhythm. The hands that once deftly wielded butcher's knives tremble uncontrollably from Parkinson's disease. Wacker also suffers from diabetes. He's tethered to an oxygen pump because of chronic obstructive lung disease that leaves him vulnerable to pneumonia.

His rapid decline made it necessary for Wacker and his now-deceased wife, Stephanie, to leave his Connecticut home and move in with their daughter, Barbara Steiglitz.

''It was obvious he couldn't go home and care for my mother any more,'' Steiglitz says.

Steiglitz couldn't do it alone, either. A registered nurse, Steiglitz works three days a week for a long-term care facility in Dorchester. Although her mother, who suffered from advanced Parkinson's disease, could be left alone for short periods of time at first, it didn't last long.

''She wandered,'' she said. ''She would get to the end of the driveway and wouldn't know how to get back to the house—and there's a swamp across the street and conservation land goes almost to Norwell.''

At the end, both Stephanie's mind and body failed badly.

''She needed total care,'' Steiglitz said. ''She was in diapers, she was senile and she could barely walk.''

Steiglitz put together a patchwork of family care, home health services and what Wacker himself calls ''my private baby-sitter'' to keep the two of them safe and healthy.

Stephanie Wacker died Sept. 27, just a week shy of their 59th wedding anniversary.

Wacker says they met when a fire alarm went off.

''She asked me what happened,'' he recollected. ''We got to talking, I walked her home. We started dating and a year later we got married.''

The two were very close, he says. It remains a marvel to him, perhaps because his father died when he was two, his mother when he was seven.

''My brothers and sisters took care of me until I was 16. Then I was on my own,'' he explains. ''We got married when I was 24.''

Wacker is a favorite with his caregivers.

Home Health Aide Anne Marie Foley comes two mornings a week. She helps Wacker get up and dressed, brings him downstairs and makes his breakfast. The two of them swap recipe tips.

''He's an incredible cook,'' Foley says. ''His soups are wonderful. I'm trying to get him to write a cook book.''

A male home health aide, Frank Serra, comes once a week to help Wacker shower. Although Wacker would like to have a shower more frequently, especially in the hot, humid season, Medicare won't cover the costs because he isn't incontinent.

The combination of lung disease and Parkinson's makes him increasingly frail.

''I try to walk up to the end of the driveway and back for exercise,'' he says. ''I have to stop twice on the way up. And I can't talk and walk at the same time or I run out of breath.''

Falling is an ever-present risk because Parkinson's disease affects both balance and gait.

''He fell in February and cracked his sternum,'' says his daughter. ''I really have to hire someone to be here when I'm not home.''

Wacker is philosophical about his own failing health.

''As long as you know your own capabilities, you get along pretty good. You have to accept the idea you can't do what you used to do. If you don't you go nuts and you end up in the hospital any way.''

As Wacker's health inevitably deteriorates, his daughter promises to advocate for the services he needs, and as long as there is a Medicare certified home health care agency providing services in * * *, he'll continue to get what he needs.

That's the kicker.

Home health agencies aren't run on volunteer power. Without a realistic reimbursement schedule to pay the nurses, therapists and home health aides for services delivered those agencies say they cannot continue in business.

The U.S. Congressional delegation from Massachusetts hopes to derail the new system before it drives any more home health care agencies out of the business. Rep. James P. McGovern, D–Worcester, and Sen. Edward M. Kennedy have filed companion bills in the House and Senate to address the problem.

The bills will delay the effective date of the caps until Oct. 1, 1998, to allow time for agencies to adjust to the system. Additionally, the bills change the base year for calculating benefit limits from 1994 to 1995.

''This change means that payments will more accurately reflect the type of home care that is currently delivered,'' explains Kennedy.

In testifying about his bill, McGovern has said that the one in 10 Medicare beneficiaries who use home health care services are ''poorer, sicker, more often female, more likely to live alone, and have more mobility problems than the Medicare population generally. Approximately 25 percent of these ''frail elderly'' in Massachusetts are over age 83.''

[From the Scituate (MA) Mariner, June 18, 1998]

PAYING THE PRICE FOR MISMANAGEMENT

(By Alison Cohen)

According to many home health care providers and advocates, Medicare officials created a classic example of the law of unintended consequences when they embarked on their campaign to root out fraud, waste and overutilization in the home health care system.

The federal government decided large increases in home health care were caused by waste and fraud following a two-year investigation, known as Operation Restore Trust. That study focused on the five states that account for 40 percent of Medicare payments; California, New York, Florida, Texas and Illinois.

The subsequent report by the Office of the Inspector General of the U.S. Department of Health and Human Services said that one-fourth of home health agencies in those states received nearly half the Medicare payments for home health care. The report placed the blame on for-profit, closely held corporations where owners engaged in a web of interlocking companies that referred patients among themselves. Texas was cited as the biggest offender.

A similar study conducted in Massachusetts and Connecticut in 1997 uncovered no such pattern of fraud.

According to Julie Deschenes, legislative and public affairs coordinator for the Home & Health Care Association of Massachusetts, ''No fraud was uncovered in the 20 Massachusetts agencies that were audited.''

Deschenes said the worst that federal auditors could find were examples of technical billing errors, mostly stemming from failure of an attending physician to update medical records to reflect the need for the higher level of services patients were receiving and for which Medicare had been billed.

Rather than conducting audits to identify and penalize agencies guilty of intentional fraud or overutilization, Congress believed the solution to spiraling costs nationwide and wildly disparate costs among the states should be a standardized, flat rate according to diagnosis. This system, known as the ''prospective payment system,'' is similar to the system Medicare uses in paying for hospital care.

When the federal Health Care Financing Administration (HCFA) said it couldn't develop the complex formula necessary to reward efficiency by providers as quickly as Congress wanted, the interim payment system based on per patient caps was set in motion. This payment plan—set to run through Oct. 1, 1999—basically freezes spending at 1993–94 levels, before Operation Restore Trust began.

The projected caps fall hardest on frugal, non-profit agencies and rewards those that spent lavishly at taxpayers' expense. Home health care agencies in Massachusetts consistently deliver care cheaper than the national average both in terms of Medicare's cost per visit and per patient. Relying on data provided by HCFA itself, The Wall Street Journal reported earlier this year that Massachusetts' home health care providers served 119,000 patients in 1995 at an average cost of $50 per visit, which was 19 percent below the national average of $62. The average annual cost per patient worked out to $4,730, or less than six percent above the national average of $4,473.

Across New England, the regional cost per visit undercut the national average by 15 percent and the annual average cost per patient was only $4,400.

Donna (who didn't want her last name used) has been a home health care worker for more than 20 years and says she can't understand with those kind of figures why Massachusetts people have to suffer. She says she's outraged by what's happening.

''We're the ones on the front lines and we're the ones who have to deal with the patients,'' she said. ''Do you know what it's like when you have to tell them this is you're last day with them. Some of these people have been my clients for a long time.''

Donna spoke of a 50-year-old patient she has been assisting. The man, a father of two young children, is primarily bed-ridden, he has to be fed and has come to rely on home health care workers to maintain some semi-balance of a normal life.

''I was overcome on my last day with him,'' she said. ''I felt awful. It was so hard to tell him it would be my last day helping him. You feel so much guilt. What am I supposed to say, 'gee, good luck?' How could this be happening?''

If there is fraud and over-spending, Donna says she is all for fixing it. But if Massachusetts and several other states have been spending reasonably, she can't see why others can't pay the price.

HCFA identified the big spenders among the states as Louisiana, Oklahoma, Texas, Tennessee, Utah and Mississippi. On average, home health care providers in these states spent $5,488 per patient in 1995, or almost 23 percent more than the national average. The biggest offender was Louisiana with an average cost per patient of $7,867, almost 76 percent more than the national average.

Officials at the Texas Association of Home Care have justified their higher costs, saying they have a high rate of poor elderly who have never had proper health care.

Costs are driven up by the increasing number of Americans considered ''frail'' or the ''old old''—those aged 85 or older. Additionally, medical technology has improved survival rates for individuals who survive head and spinal chord injuries and degenerative diseases such as Alzheimer's, Multiple Sclerosis, heart failure and severe diabetes.

The resulting ''per beneficiary limit'' guarantees, in HCFA's own words, that 90 percent of all home health agencies will be reimbursed at a rate below the cost of delivering services. Providers say it will put them on the road to financial ruin. How quickly they arrive at that destination depends on the number of high-cost patients an agency serves. These are the patients with degenerative, progressive diseases such as Multiple Sclerosis, Muscular Dystrophy, Parkinson's Disease, Alzheimer's Disease, advanced diabetes and other conditions that require intensive levels of care.

Apparently loathe to slash services to America's most vulnerable citizens, the frail elderly and persons with disabilities, Congress and HCFA announced to recipients of home health services and their advocates that no patient was to be denied services, terminated from care or have the level of care reduced unless medically justified. That puts home health care providers in a Catch-22 bind: they cannot reduce costs through reductions in services or cutbacks in direct care staff. Already several home health providers have chosen to abandon ship rather than risk bankruptcy.

Cynics might find this governmental ''solution'' to spiraling costs reminiscent of the village pacification campaign of the Vietnam War years. That official ''solution'' led to an American officer explaining. ''It became necessary to destroy the town in order to save it.''

According to Deschenes, home health care is being asked ''to assume an unfair proportion of Medicare cuts.'' While home health care consumes only 9 percent of total Medicare expenditures, it is targeted to assume 14 percent of the total five-year cut and close to 18 percent of the provider cost enacted in the Balanced Budget Act of 1997. A recent HCFA forecast has increased the home health ''savings'' to $20 million, or 25 percent more than the original estimate by the Congressional Budget Office at the same time that the population of older Americans continues to grow.

Home health care providers and people who receive the care aren't buying this theory that no one will lose benefits. It just doesn't add up, they say.

Community Newspaper Company's Reader Response line was flooded with calls last week regarding the potential cuts in home care. More than half the calls came for people who were losing some form of care, or family members of those who were expected to lose their care.

A Marshfield resident told the story of her grandmother who has already been denied additional care. Her grandmother has been cut back to one visit per day from a home

health aide and now the family is forced to provide care that was once handled by professionals. It is now up to grandchildren to come at night and put their grandmother to bed, change her and put her in diapers.

''It is devastating to her,'' the woman said in her call. ''She cries every night when she sees us coming. She's so humiliated her grandchildren have to do this. It's a disgrace to see what these poor old people have to go through. These people have worked all their lives and this is what it has come down to. It's just ridiculous.''

Experts say saving money in home health care may even be counter-productive. If home health services dry up, patients will be forced into more expensive nursing home placements or extended hospital stays. The pocket may change, but taxpayers will still be paying the bill.

While home health care isn't cheap, it certainly provides a cost-savings when compared to a year's stay in a nursing home which Deschenes estimates at $60,000 per year. More importantly, it allows older American and disabled citizens to remain linked to their families and their communities.

The importance of that connection to home, family and community can't be quantified, but it is of immeasurable value to all of us in determining our quality of life. That message came through loud and clear in the messages on the Reader Response line during the past week.

A number of callers said they feared they might be forced to put their mother, father or elderly relative in a nursing home. And they held out little hope for their ''golden years,'' as one caller put it.

How can this be?'' questioned a Weymouth resident. ''I won't be able to care for my husband if we can't maintain the current level of care, that would be devastating to us, both financially and emotionally. We have been together for 55 years. I can't bear the thought of being separated like that. We are getting along fine at home right now, but that could all change. Please don't let it.''

Edward J. Flynn, executive director of South Shore Elder Services, Inc., says if the current policy remains unchanged, its primary victims will be the nation's elders. In a recent newsletter, Flynn urged Congress and HCFA to reconsider the cuts and clarify eligibility criteria.

CALLS FROM CNC READER RESPONSE LINE

1. John Murphy, Weymouth. Why isn't Sen. Kerry speaking out loudly on what government is doing to cut reimbursement to health care providers? Where is the senator on this issue? He should be at the forefront of the battle to protect Medicare.

2. Louise Cipriano, Weymouth. I was informed by my healthcare, I have a home health aide now and my insurance pays for it, in September, I will be 65 and I'll be on Medicare and Medex and they said they wouldn't cover me because I'm a chronic patient. I'm unable to walk or stand, I have severe rheumatoid arthritis and osteoporosis. I can't even wash my face. I need a complete sponge bath. I can't get in the shower and my husband also is disabled with his hip. He had a serious operation and hip replacement. He would have to take care of me and they would not send anyone to give me personal care with this new Medicare thing. I am a chronic case they said and unless I need a nurse they cannot send me Medicare help. Please don't let this happen to us. It would be devastating. I don't think we could take it.

3. Nancy W. Clapp, Marshfield. I am adamantly opposed to the Medicare cuts and I would like to see the congressmen if necessary establish a fraud squad to sort out Medicare's problems which would quickly pay for itself and look for some other way to balance the budget and not on the backs of those who need help most.

4. Karen Ruginski, So. Weymouth. I work for ZNA Associates in the office and I see (health care) cuts on these patients and I also have a father-in-law who is very ill with lung cancer and can barely do anything on his own. I have a handicapped child and I need to go out and help my father in law, because he's so ill and no one else can who's home. So it's very difficult for us and if the home health care agencies could provide more care and get more benefits from Medicare and the other insurance carriers, this burden wouldn't be so difficult. I'm hoping they'll make changes to this. Home health care is definitely needed. They're discharged early from the hospital and they need care at home.

5. June Sutcliff, Weymouth. I'd like to add my voice saying Congress needs to find other ways to reduce expenses. Home care should be the last place they cut. Some of the pork barrel projects we read about should be eliminated first.

6. Thomas F. and Elaine Cahill, Pembroke. We totally object to cuts in home health care. Our own family has suffered on account of that and we are totally against it.

7. Lynn White, Hanover. My brief comment is that even if people get worse and deteriorate under this plan, the Medicare has made it that it will make no difference. The amount of money spent will be the same. So what this says is that the federal government doesn't care whether people deteriorate or not, because they've set their budget and locked in their cuts. Visiting nurses all these years have kept people stable, and now without them people will be unstable but it will make no difference as far as cost to the government.

8. Ann Martin, Braintree. I'm calling to protest Congress's attempt to cut Medicare's health care program. Please tell them not to do this. Because most of us can't afford outrageous home health care. 843–7325.

9. Joan Golden, Hanover. I'm calling with regard to the Healthcare cuts. My grandmother is 92 years old living in a nursing home and because of healthcare cuts she may be in jeopardy of being taken out of the nursing home, and they're saying she can be put into the community or in a lesser scaled facility. It's just disgraceful because she spent her whole life putting money into this system and now everthing she had is gone and we're depending on the system. I'm scared. I'm her granddaughter, I don't know what I'm going to do if she doesn't have that facility to depend on. It's a very scary thing, and like you said it's the people who need it the most. Thanks and I hope we can do something for the number of people who I'm sure are in the same predicament.

10. Mary S. McElroy, N. Weymouth. I would like to say to my congressmen—Have the courage to stop sending billions of dollars to the Middle East for Israel and Egypt. Spend the money on our senior citizens who have paid taxes in this country and deserve decent health care. We get nothing back from Egypt or Israel, take care of our own before we keep throwing our money away. Have some courage.

11. Lorraine McGrath, East Weymouth. I am a former supervisor of home health care services. My comment is briefly that the entire purpose of home care is to keep patients out of hospitals and nursing homes and at home as long as possible and to cut down on trips to emergency rooms etc. I wonder if the government has done any study on the cost of these patients being hospitalized and re-hospitalized numerous times or placed in nursing homes. The cost of hospitalization and nursing home placement is far more than home care has ever been. I think they're putting the cart before the horse because while they think they're going to save money here, they're really going to pay more in the long run with more frequent hospitalizations and long term care placement.

12. Joan Kyler, Marshfield. I want to comment I have two elderly parents who are in a nursing home and it seems ridiculous to me that because of Medicare and Medicare cuts, and because they didn't have enough money to afford to stay in their home, the state is willing to pay $5,000 to $6,000 a month per person as opposed to keeping them in their own home, with home health care. I don't care how good a nursing home is, it's not a place I really want my parents to be. It's our future as well, and in another quarter century you and I may be in a nursing home. That's something I shudder to think of.

13. Sandra Sweetzer, Duxbury. In regard to cutting home health care aid to the elderly, I take care of my mother, she's a diabetic. She's had a heart attack. She's almost wheelchair bound now. She's on a walker, I have to learn now to give insulin shots and mix insulins. I'm not a nurse. I don't know how to take a blood pressure. I do the best I can and pretty soon the home health aid nurse who comes once a week said she won't be coming anymore and I think this is a crime. It'll force people into nursing homes who should still be at home. It's terrible.

14. Mary O'Neil, Scituate. I just read your article in the Scituate Mariner about the cutbacks and I think it's disgusting. I know of some people who have been hurt by it. I just wanted to let you know.

15. Ann Tarallo. My husband Joseph and I are really appalled at any cuts that are being made to home care and Medicare. I firmly believe there are other things that can be cut, so that these don't have to be.

16. Annabelle Burlinback. I'm replying to the response line against the ill-advised cuts in home health care.

17. Tina Degust, Marshfield. I read your article in the paper and I just wanted to let you know it's affecting two people I know. My grandmother who has the home health care and also my father-in-law. It's absolutely terrible what's happening, to see just the horrible things that are going on. My grandfather now only receives one aide during the day and in turn all the kids and grand-kids have to come at night to put my grandmother to bed. She actually cries every night to see us coming in because she has no legs and we have to change her. She's in diapers, and she's so humiliated by this. Not to mention my father-in-law who now has two home health aides coming in also, who's cut back to absolutely nothing, will have nothing during the week and his wife (my mother-in-law) has only one kidney. Right now she needs a serious operation on the one kidney that she has because it's not functioning right, and they expect her to put him to bed. He's had a stroke and he's paralyzed on one side. It's absolutely devastating to see what these poor old people have to go through. It's affecting two sides of my family. Something really has to be done, these people shouldn't have to go through this, they've worked all their lives. My grandfather's a veteran. It's just ridiculous.

I guess what I'm trying to say is that these people shouldn't have to go to nursing homes, they should be able to live in their houses until whenever the time comes for them to go and they should be able to live in comfort and not have to worry about who's coming to change them and take care of them. They should be able to have the help they need and not have to worry about it

every day who's going to be able to put them into bed and who's going to have to change them and the embarrassment. They should be able to leave the world with a little bit of dignity. They just worked too hard for their houses and everything they have. I think it's just absolutely devastating. I can't imagine how this is going to affect my family alone. I have my father-in-law and my grandmother. And my grandfather who has a colostomy and is 78 years old, he has to help lift my grandmother to put her into bed. It's just a matter of time before it takes its toll on him and then what's going to happen to my grandmother. It's just really sad and not fair.

19. Rev. STEVE HARVESTER, Church Hill United Methodist Church, Norwell. I'm calling to say the elderly and frail members of my congregation would, in most cases, rather die than be put in a nursing home. Home health care is their spiritual survival line and I hope and I pray that our congressmen will do everything in their power to keep home health care alive and well.

20. Louise Penny, Rockland. I think it's very necessary that they do not cut home health care.

21. Beverly Thomas, Marshfield. My husband is receiving a home health aide two times a day, seven days a week. It's about the only way we can manage and I certainly would encourage the legislators to do what they can to help people who need to receive this kind of assistance.

22. Jacqueline Harrington, Scituate. I am begging our congressmen to do something about these Medicare cuts to our most fragile people who need the care the most. I'm in the field so I know what I'm talking about. They can't be left out on the limb, there's got to be some other way to do it. Please find a way.

23. Mary Anne Spilache, Abington. I work for Home Health and Childcare in Brockton as a home health aide and I don't think it's right that they're making all these cuts on these poor elderly. They need so much of our help. That's all I've got to say.

24. Jo Duvall, Hingham. I'm calling in response to the article in the Hingham Journal yesterday and I wanted to definitely join you in speaking out against the ill-advised cuts in home health care. As a health care worker I'm finding this devastating to my patients and I certainly hope that something can be done about this as soon as possible because it's going to be very detrimental to our whole society.

25. Pat Peters, Abington. I'd like to express my opinion on the way the government is treating the elderly by cutting back on their services. I'm a home health aide and I don't understand if you leave elderly people who are sick and need services by themselves, and you don't provide them, ultimately they're going to fall or end up in nursing home and that's going to cost the government more. I think this is a real tragedy.

26. Joseph McCue, Hingham. How are senators acting on this question? Is it a feat a complete or do we send the information to the lady that has one the cutting?

27. Eunice and George Pope. We are now receiving home health care services that will be cut off shortly due to the Medicare cutback. I would like to speak to someone and complain further if someone would return my call. [redacted].

28. Gus Duffy, Scituate. I want to lend my support to people trying to get home health care and keep it from being cut, and express the opinion that without a Democratic congress, you're not going to have any luck, because they're going to balance the budget on the backs of the poor and serve the wealthy. Get the Republicans out and you'll be in good shape.

29. Dolores Murphy, Rockland. I read your article and I guess I could sum it up with ''There but for the grace of God go I.'' And hopefully make an impact.

30. Bill Parr, Weymouth. I think cuts for home health care are despicable since there's so much government waste. They should look at their own inefficiencies to be cut versus home health care that's serving a wonderful service.

31. Elizabeth Greenwald-Centani, Hingham. The reason why I am especially interested in this article is that I am a home health worker, a nurse, and I also have an elderly mother who suffers from Alzheimer's. I've been impacted in both ways. And I was very pleased that your article brought up both situations, both scapegoating of home health agencies and the plight of the elderly.

32. Ralph and Polly Gosnick, Marshfield. We want to be recorded in favor of efforts you are putting forward, and want our congressmen to know that we are opposed to the cuts.

33. Mary Alice Flynn, Scituate. I think that the plan they have on cutting the budget back on the helpless people who are citizens and who have served our country so well over the years is reprehensible, and I feel it's imperative that it be turned around. I thank you for your efforts on this behalf.

34. Sophia Jackson, Weymouth. I think they should stop spending so much money on investigating sex scandals that make no difference to us and put the money where it belongs, for the elderly.

35. Christine Whitehouse, Marshfield. I have been affected by the Medicare cuts and I would be interested in what you hope to offer. I would like to write a letter as well, so any information you could be of assistance for I'd appreciate.

36. Suzanne Naustilius, Marshfield. I wanted to call after reading the article in the newspaper to say that I am very much opposed to cutting federal spending in the area of Medicare home health, and I would like you to add my name to any kind of letter or whatever kind of program you're going to undertake, to try to give this message to our congressmen and senators.

37. Dolores L. Johnson, Hanover. I've been a volunteer for the South Shore Visiting Nurses Association for several years. They've been forced to move to Braintree from Hanover. The whole thing disgusts me. I am writing today to my senators and representatives.

38. Dorothy R. Field, Kingston. Our seniors should come first. I work in a nursing home and some of our clients are devastated, having to leave their homes when all they need is a home health care worker to come by and see to their needs.

39. Alice and David Katema, Holbrook. We're very concerned about the possibility of cutting the budget by cutting Medicare home health programs. We feel that if you don't need them today you may need them tomorrow. Everybody's getting older and we're all so concerned that they may not be there when we need them. We also want to have the legislature think about the fact that if they don't spend at that level, they may need to spend more at another level which is hospital care.

40. Mary McDonald, Hingham. Thank you for the opportunity of leaving a message for the congressmen. I'm an RN who provides infusion therapy in the home. In have come across and my company has had to deny providing antibiotic therapy, just basic therapy, for these patients in their home because Medicare doesn't cover that cost. I just don't understand where the cost cutting comes in. We are hurting our most fragile population in that to send a nurse out to them to teach them how to do procedures themselves, a lot of times we can get them independent. To me that's a bigger cost-cutting measure than keeping them in the hospital and having them take up a bed. So, send that message to the congressmen. I appreciate that you afford us this opportunity. I would just like someone to explain how this is cutting costs by denying people benefits.

41. Marilyn Keegan, Holbrook. I am calling in response to Congress's attempt to balance the federal budget by cutting Medicare's home health care program. This is positively absurd. We pay taxes all our lives and then if we end up in the position where we need help, you are suggesting we are not able to receive it. My brother-in-law just died. He was bedridden with cancer of the legs along with other cancers. His wife died years ago, he had no children. He positively needed help with home health care and it was minimal. Along with anything friends and neighbors could do, this helped him to live as normal a life as he could. Would it have made more sense to put him in a nursing home and the government would have had to pay that expense rather than the much lesser expense of home health care. What Congress is proposing in the face of making these kinds of cuts is both inhumane and unnecessary. Many of these infirm and elderly have fought for their country and served their fellow man in many capacities. How can we turn our backs on them when they are in need. Please do not stop Medicare's home health care program. It is a real necessity.

42. Ruth Spiegel, Holbrook. My mother lives with me, she is 87 years old and handicapped. She's diabetic, she can't do anything for herself and for several years through Medicare the home health agency was taking care of her. They terminated her March 19 of this year and I would appreciate it if something could be done for her. Her name is Sally Barman.

43. Pam Bernard, Kingston. I'm very concerned about this. I have three elderly people who need this service. One is 95, one is 91. They've been cut back to five days, then to three days, then no days. Some of these people can't afford to have private duty care come in. Very concerned about it.

44. Mrs. Robert C. Wright, Hingham. I think it's unconscionable what Congress has done to cut Medicare to the bone. They just cut $17 billion more out, gave millions of dollars more than was asked for the road and bridge construction bill and they're balancing the budget on the backs of the poor and elderly and people who really need help. They will take care of other countries in all directions but don't take care of their own. I think something has got to be done about this because people are suffering.

Mr. MENENDEZ. Mr. Speaker, I want to thank Congressman MCGOVERN for reserving time this evening to afford us an opportunity to discuss a critical situation for many of our states' home health agencies.

As we all know, last year's Balanced Budget Amendment contained language which would move Medicare home health payments to a prospective payment system, effective October 1, 1999. Until that date an Interim Payment System (IPS) for the home health agencies was to be put into place.

Unfortunately, the formula which has been approved to implement this IPS has unfairly penalized those states, like New Jersey, who have been prudent with their funds. New Jersey ranks fourth nationwide in terms of visits per beneficiary, averaging just 43 visits per person, compared to the national average of 73.9 visits per person.

New Jersey's home health agencies provide support services for over 50,000 patients and

families each year. The new iPS implemented by HCFA will cut Medicare reimbursement to most agencies in New Jersey anywhere from $500,000 to several million dollars per agency in 1998 alone. Cumulatively, Medicare home health payments to New Jersey's agencies in 1998 will be over $25 million less than in 1997. For patients in New Jersey, cuts of this magnitude will mean they will receive fewer visits.

Mr. Speaker, who are these patients who will suffer because of this formula? According to the Institute for Health Care Research and Policy at Georgetown University, home health patients are more likely to report fair or poor health. Twenty-five percent of users are 85 years of age or older, and 69% of all users of home health services have incomes below $15,000. These people are the among the neediest of our neighbors for whom a home health visit may well mean the difference between life and death.

The problem with the current IPS is that it singles out the most efficient providers and subjects them to the deepest cuts. This is neither fair nor prudent. Where is the equity in asking responsible agencies to accept deeper cuts than those states whose home health agencies have billed Medicare for more dollars? What is the sense in driving fiscally responsible home health agencies out of the provider market because of these inequitable cuts?

There are several bills which have been introduced to correct the IPS formula. I am a cosponsor of H.R. 3657, introduced by my colleague from New Jersey. The Medicare Home Health Equity Act of 1998 would level the playing field and recognize—not penalize—those home health agencies which have been prudent in their use of Medicare dollars.

We need to address this problem now. Many of our home health agencies are in critical condition while they wait and hope that Congress will treat them fairly. The agencies in my state are not asking for preferential treatment; they are merely asking for fairness.

Again, I thank the gentleman from Massachusetts for taking time tonight to focus attention on this very important issue.

Mr. FROST. Mr. Speaker, I rise to express my strong concern with the current situation of home health care agencies across the country, and particularly of those in the State of Texas. Last summer Congress passed the Balanced Budget Act of 1997 and in doing so reduced Medicare payments to home health agencies. While the intent was to curb waste and abuse within the home health industry, it has now become quite clear that the BBA is negatively affecting thousands of home health agencies and those who use their services.

I have serious concerns that these provisions affecting payment to home health agencies will force hundreds of agencies in the State of Texas out of business and thereby forcing patients into nursing homes and hospitals. It was reported in the Forth Worth Star Telegram on June 23, 1998 that half of Texas' home health care agencies will soon being filing bankruptcy. It is imperative that Congress fix the problem with the home health care payment system, before this story in a newspaper becomes a reality.

H.R. 3205, a bill introduced by my colleague from Massachusetts, Mr. MCGOVERN, will fix part of the problem by delaying the implementation of the interim payment system for home health agencies. I support this bill, and urge my colleagues to work for its passage.

The Texas Association for Home Care informed my office that in one day alone, twenty agencies reported to them that they were going out of business. This needs to stop. Congress needs to find solutions to the problems it created for this industry and for the thousands of people it serves.

Mr. MANTON. Mr. Speaker, I rise to voice my support for improving the already high quality home health care services for Medicare beneficiaries. I thank my colleague, Congressman MCGOVERN, for organizing this important and timely Special Order to address the need to fix a major formula issue for the home health care industry and those who rely on its services.

The Balanced Budget Act of 1997, signed into law last year, moved Medicare's home health benefit package payment system to a prospective payment system (PPS). Although this system has worked well in the past for hospitals, it has not yet been implemented into the home health care industry, in turn, an interim payment system (IPS) was put into play until the PPS was ready. The IPS formula has since created problems for home health care providers and patients by unfairly burdening and penalizing home health businesses who are most cost effective.

The impact this situation will have on home health in New York is astounding. Because providers in New York are currently having their 1998 reimbursements based on 1993 experience, it will be a tremendous blow to the services the New York home health care industry has delivered so well to its patients in the past. Should the IPS continue, New York home care providers would see a $130 million reduction in 1998 reimbursements.

To remedy this unfortunate situation, a number of pieces of legislation have been introduced, including H.R. 3651 and H.R. 3567. Introduced by my good friend and colleague, Congressman ENGEL, H.R. 3651, The Medicare Home Health Agency Efficiency Act of 1998 proposes to change the existing formula and make adjustments to the IPS which would treat efficient ag4ncies more fairly. In addition, H.R. 3567, The Medicare Home Health Equity Act of 1998, introduced by congressman McGovern, would help reinstate equitable reimbursements and allow home care agencies to make a less rocky transition the PPS.

Mr. Speaker, the Balanced Budget Act of 1997 did a fantastic job addressing the waste and abuse within the home health care industry. I encourage my colleagues in joining me by taking one more step in improving the quality services the home health care industry has provided for so many Medicare beneficiaries by cosponsoring these vital pieces of legislation.

Too many individuals rely on home health care for their livelihood. It would be devastating to both the home health care industry, the patients they serve, if the number of home care businesses continue to be unfairly burdened through the Interim Payment System contained in the Balanced Budget Act of 1997.

Once again, I would like to thank Congressman MCGOVERN and my other colleagues who have gone to great lengths to guarantee the Medicare beneficiaries of our nation receive the quality, affordable home health care services they deserve.

Mr. MCGOVERN. Mr. Speaker, I submit the following letter:

U.S. HOUSE OF REPRESENTATIVES,
CONGRESS OF THE UNITED STATES,
Washington, DC, May 20, 1998.

Hon. NEWT GINGRICH,
Speaker of the House, U.S. House of Representatives, Washington, DC.

DEAR SPEAKER GINGRICH: With the support of the administration, Congress worked to pass the Balanced Budget Act of 1997 (BBA) last summer and in doing so reduced Medicare payments to home health providers across the nation by over $16 billion. The expressed intent of these cuts was to curb waste and abuse within the home health industry. Sadly, it is now clear that the provisions in the Balanced Budget Act do not end such abuse, and actually punish non-wasteful home health providers across the nation. Because of a funding formula buried in the BBA, previously efficient and waste-free providers have been given a Medicare spending ''cap'' that is below financially manageable levels, and, as a result, many agencies in Massachusetts are facing insolvency.

One of the many examples of this phenomenon is Massachusetts Easter Seals, which has provided quality home health care to disabled citizens in my state for over fifteen years. In Massachusetts, Easter Seals is an acknowledged leader in devising and efficiently implementing coordinated treatment plans for people with disabilities and complex medical conditions. In fact, when audited by Operation Trust in 1997, Easter Seals, like most home health providers in Massachusetts, passed with flying colors.

Massachusetts Easter Seals will no longer offer home health services because of the Balanced Budget Act of 1997. Faced with a projected deficit in excess of one million dollars, the Board of Directors has chosen to exit home health care as of August 31, 1998. This means that over 500 individuals, the majority of whom have disabilities or chronic medical conditions, will be forced to seek care elsewhere in the Massachusetts home health market—which is already downsizing dramatically. In the future, individuals with disabilities or chronic conditions may well be unable to access appropriate home health services. The net result will be that many Massachusetts citizens will be institutionalized at high personal cost and greater expenditure of public funds.

Pressure to correct these unintended consequences is growing in Congress. At a recent Senate hearing, twelve Senators from both parties gathered to discuss the problems this law created for home health care. They agreed that a ''mistake'' had been made in the Balanced Budget Act and were prepared to look at ways to solve the crisis. I have called for a hearing in the House of Representatives, and on February 12, 1998, I introduced a bipartisan bill, H.R. 3205, ''The IPS Technical Correction Act of 1998.'' This bill, which would ease the crisis in home health, currently has over 40 cosponsors from both parties. Senators Kennedy and Jeffords introduced the Senate companion, S. 1643, and support is growing in the Senate as well.

I would like to request that you include H.R. 3205 for the House Calendar on technical corrections day. Seniors, the disabled, and the medically complex individuals in our nation are paying for this poorly-drafted provision to cut waste and abuse in the home care industry. I support ending abuse and pledge to work with you toward this goal, but patients should never be the ones to suffer from such attempts. I look forward to working with you to provide needed and efficient home health care to our nation, and I thank you in advance for your attention to my request.

Sincerely,

JAMES P. MCGOVERN,
Member of Congress.