

to get into Medicaid." Vencor has one Kentucky home, Hermitage Nursing and Rehabilitation Center in Owensboro, that is now in the process of moving its Medicaid residents out.

A review of U.S. Health Care Financing Administration records shows that 127 homes officially pulled out of the Medicaid program in the past two years—nearly all because they closed their doors entirely, merged with other homes or were threatened with termination because of low quality. Only one home indicated to federal officials that it pulled out of Medicaid because of "dissatisfaction with reimbursement."

But it is likely to happen more. In addition to Vencor, other nursing home operators, both large and small, are weighing whether to opt out of their state's Medicaid programs. Dick Richardson, chief executive officer of Renaissance Healthcare Corp., says his nursing home in Holyoke, Mass., dropped out of Medicaid last year due to low reimbursement.

Mr. Richardson says the relatively small home would lose money if it filled all 61 beds with Medicaid residents. So he evicted his Medicaid residents, dropping the census to five non-Medicaid people. He now has 20 private-pay and Medicare patients and says the home will break even at about 32 private patients. "I know there are going to be other homes up here that do the same," he says. "It's unfortunate for Medicaid patients, but for business it might be good."

Vencor, too, contends that it loses money on Medicaid, which, at Wildwood, pays it \$82 a day for providing the same intermediate level of care for which private patients are charged \$125. But Vencor's average daily take from Medicaid has increased 16% at Wildwood since 1995. And two months ago, the state, sued by Indiana's nursing-home trade group, said it would build a new rate system allowing for more generous payments for sicker patients.

Even with the current Medicaid plan, Wildwood as a whole had an operating profit of \$797,410 on revenue of \$7.5 million in its most recent fiscal year, its filing to the state shows. That 10.7% margin is higher than the average for nursing homes in Indiana and nationwide. According to H-CIA Inc., a Baltimore health-information concern, the national average margin for nursing homes was less than 5% in 1995, the most recent year for which figures are available.

From its base as an operator of specialty long-term hospitals, Vencor rapidly expanded from 1985 to 1995. Its stock, after an initial public offering in 1989, shot up severalfold in a little more than two years. But regulatory changes and competitive pressures have hurt. Three years ago, Vencor's stock stood at \$37; yesterday, it closed at \$29.50 a share, up 18.75 cents in composite trading on the New York Stock Exchange.

Now it is hoping that higher fees from private patients will help it make a comeback. Wildwood now charges \$168 a day for top-level care. And Vencor has ambitions of higher prices still at Wildwood and its other homes.

New federal rules will help: Changes expected May 1 will allow Medicare rates to go as high as \$600 a day for the most intensive level of care, industry analysts say.

What complicates the process of phasing out Medicaid patients is the fact that many start out as paying residents and only later switch to Medicaid. Thus, a nursing-home company that bars Medicaid patients at the door could end up dealing with Medicaid eventually.

At Wildwood, Mr. Dale's story offers an example. After breaking his neck in a fall in 1992, he paid a caretaker \$7 an hour to watch over him at home. When he entered Wild-

wood in 1994, Mr. Dale paid his bills with savings, Social Security and a pension. His daughter, Mrs. Vukovits, says the facility led them to believe that it would gladly allow him to shift over to Medicaid when necessary, and he did so, eventually to supplement his dwindling funds. Even so, she says, he continued to cover a large portion of his \$80-a-day bill at Wildwood by turning over his Social Security and pension income.

Vencor says it never really considered letting people like Mr. Dale stay on. "My philosophy is that if you have to do something you're better off to face up to it and do it," Vencor's Mr. Barr says. "This is like having to go through an amputation. If you have to cut your hand off, do you cut it off a finger at a time or just cut your hand off and go on?"

Families of Wildwood residents say they worried most about the difficulties involved in relocation. Three months earlier, Mr. Dale had been moved from Room 400 to Room 303 to accommodate the renovations. "It doesn't seem like a big move, but it really is," says Mrs. Vukovits. "He went downhill. He fell going to the bathroom. It was a longer distance to the dining room, so he had to start using a wheelchair. He stopped going to activities."

"He was just getting over that," she says, when the evictions were announced.

Mr. Hastings says the evictions were scheduled to occur halfway by halfway over five months. "We didn't want to shock everybody," he says. But when news about waiting lists got around, he says, "People panicked a little bit and left."

Joining in the exodus were some residents who still paid the higher private rates but who realized that they, too, might eventually need Medicaid, and Wildwood's occupancy plunged from 150 to 78. Mr. Hastings says it has rebounded into the 90s.

Most who left found homes through their own searching. Many sought help from Kay Mercer, a 62-year-old stroke victim who had been resident council president. "They followed me here," she says at her new home, the Oaks Rehabilitation and Health Care Center, where several Wildwood residents including Mrs. Nelson and Mr. Biech moved. Mr. Dale moved to another home, where he has adjusted to the new view from his window. "I don't think I bother anybody. I hope," he says one warm spring day, eating lunch.

Others didn't fare so well. Two days after Wildwood resident Jane Van Duyn moved into another nursing home, the 57-year-old woman with severe multiple sclerosis slipped into a coma. She died within the week. Her husband, Ed Van Duyn, says he can't blame her death on the move, since she was already quite weak, but he notes that the disease leaves its victims vulnerable to stress and even slight temperature changes. "Every trauma they get sets them back."

Asked about the death, Mr. Barr said, "We're dealing with old people who are fragile, who already have been moved out of their own home, and are in a different home, and there certainly is absolutely no easy way to deal with displacing them again."

Residents and families say that a final insult was that they had to pay expenses connected with the eviction, including the \$45 telephone reconnection charges. Mr. Van Duyn says Vencor refused even to pay the \$200 ambulance fee for moving his wife. Mr. Barr says Vencor would reconsider this decision.

Residents and their families say they were too overwhelmed at first to fight back. But Lou Ann Newman, Mrs. Nelson's daughter, wrote to Vencor and state agencies on Feb. 6 asking for an investigation. "This matter was handled in a most cold, calloused and

unprofessional way," she wrote. She says she didn't get a response.

Mr. Hastings, the administrator, who was familiar with Mrs. Newman's letter, says, "If I was in her position, I'm sure some people thought it was cold and callous because we were throwing them out."

Vencor's Mr. Barr says a regional official overseeing Wildwood was reprimanded for not responding to the letter. Last week, that official resigned. Mr. Barr adds: "I don't want to be defensive of a comedy of errors here because it appears that there were some bad judgments made here. And I'm in a situation right now where I'd like to go up and choke the administrator [Mr. Hastings] and pound his head on the floor a couple of times and tell him not to do it again. I don't want him to use the kind of bad manners that it looks like we used here by not thinking through the whole process with these patients."

On a recent tour of Wildwood, the upbeat Mr. Hastings pointed to the renovations and said, "What you're seeing is only going to get better." Among his ideas, which the company says are preliminary: a day-care center for the elderly, a hospice for patients expected to die within six months and the novel idea of overnight stays for patients who usually live elsewhere. "With the midnight care, you could drop off your father at dinner and pick him up in the morning," Mr. Hastings said. "We're looking for a niche we could fill."

In Room 006, Ms. Arthur was waiting to move. Weeks ago, she packed her belongings into six boxes and stacked them in the bathroom. But she has no immediate family, and she says her guardian had been out of town. The adjoining rooms—formerly occupied by her friends, Mrs. Mercer, Mrs. Nelson, Mr. Dale, Mr. Biech—were vacant.

Holding her big white purse, Ms. Arthur sat in a corner beneath the bare walls, and said she didn't know why she had to leave. "Everyone I've talked to, they've had tears in their eyes. Many here had to go and I miss them so. They were wonderful," she says. "If there was anything I could do to turn it different, I would. I like it here very, very much. It's good. Oh me, why? All these fine buildings and fine furniture. Whatever the cause, I can't figure."

Mr. GRAHAM. Mr. President, I submit the bill and ask for its immediate referral.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

#### ADDITIONAL COSPONSORS

S. 263

At the request of Mr. MCCONNELL, the name of the Senator from Wyoming (Mr. ENZI) was added as a cosponsor of S. 263, a bill to prohibit the import, export, sale, purchase, possession, transportation, acquisition, and receipt of bear viscera or products that contain or claim to contain bear viscera, and for other purposes.

S. 358

At the request of Mr. DEWINE, the name of the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 358, a bill to provide for compassionate payments with regard to individuals with blood-clotting disorders, such as hemophilia, who contracted human immunodeficiency virus due to contaminated blood products, and for other purposes.

S. 1260

At the request of Mr. GRAMM, the name of the Senator from Kentucky (Mr. McCONNELL) was added as a cosponsor of S. 1260, a bill to amend the Securities Act of 1933 and the Securities Exchange Act of 1934 to limit the conduct of securities class actions under State law, and for other purposes.

S. 1314

At the request of Mrs. HUTCHISON, the name of the Senator from Idaho (Mr. KEMPTHORNE) was added as a cosponsor of S. 1314, a bill to amend the Internal Revenue Code of 1986 to provide that married couples may file a combined return under which each spouse is taxed using the rates applicable to unmarried individuals.

S. 1334

At the request of Mr. BOND, the name of the Senator from Kansas (Mr. BROWNBACK) was added as a cosponsor of S. 1334, a bill to amend title 10, United States Code, to establish a demonstration project to evaluate the feasibility of using the Federal Employees Health Benefits program to ensure the availability of adequate health care for Medicare-eligible beneficiaries under the military health care system.

S. 1389

At the request of Ms. SNOWE, the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of S. 1389, a bill to amend title 39, United States Code, to allow postal patrons to contribute to funding for prostate cancer research through the voluntary purchase of certain specially issued United States postage stamps.

S. 1413

At the request of Mr. LUGAR, the name of the Senator from Pennsylvania (Mr. SANTORUM) was added as a cosponsor of S. 1413, a bill to provide a framework for consideration by the legislative and executive branches of unilateral economic sanctions.

S. 1464

At the request of Mr. HATCH, the name of the Senator from New York (Mr. D'AMATO) was added as a cosponsor of S. 1464, a bill to amend the Internal Revenue Code of 1986 to permanently extend the research credit, and for other purposes.

S. 1525

At the request of Mr. SPECTER, the name of the Senator from Michigan (Mr. ABRAHAM) was added as a cosponsor of S. 1525, a bill to provide financial assistance for higher education to the dependents of Federal, State, and local public safety officers who are killed or permanently and totally disabled as the result of a traumatic injury sustained in the line of duty.

S. 1578

At the request of Mr. MCCAIN, the name of the Senator from Nebraska (Mr. KERREY) was added as a cosponsor of S. 1578, a bill to make available on the Internet, for purposes of access and retrieval by the public, certain infor-

mation available through the Congressional Research Service web site.

S. 1618

At the request of Mr. MCCAIN, the name of the Senator from Wisconsin (Mr. FEINGOLD) was added as a cosponsor of S. 1618, a bill to amend the Communications Act of 1934 to improve the protection of consumers against "slamming" by telecommunications carriers, and for other purposes.

At the request of Mr. MCCAIN, the name of the Senator from Washington (Mr. GORTON) was withdrawn as a cosponsor of S. 1618, *supra*.

S. 1619

At the request of Mr. MCCAIN, the name of the Senator from Michigan (Mr. ABRAHAM) was added as a cosponsor of S. 1619, a bill to direct the Federal Communications Commission to study systems for filtering or blocking matter on the Internet, to require the installation of such a system on computers in schools and libraries with Internet access, and for other purposes.

S. 1677

At the request of Mr. CHAFEE, the name of the Senator from Tennessee (Mr. THOMPSON) was added as a cosponsor of S. 1677, a bill to reauthorize the North American Wetlands Conservation Act and the Partnerships for Wildlife Act.

S. 1724

At the request of Ms. COLLINS, the name of the Senator from Arkansas (Mr. HUTCHINSON) was added as a cosponsor of S. 1724, a bill to amend the Internal Revenue Code of 1986 to repeal the information reporting requirement relating to the Hope Scholarship and Lifetime Learning Credits imposed on educational institutions and certain other trades and businesses.

S. 1862

At the request of Mr. DEWINE, the name of the Senator from Montana (Mr. BURNS) was added as a cosponsor of S. 1862, a bill to provide assistance for poison prevention and to stabilize the funding of regional poison control centers.

S. 1894

At the request of Mr. THURMOND, the name of the Senator from North Carolina (Mr. FAIRCLOTH) was added as a cosponsor of S. 1894, a bill to amend the Alcoholic Beverage Labeling Act of 1988 to improve a warning label requirement.

S. 2033

At the request of Mr. ABRAHAM, the name of the Senator from Arizona (Mr. KYL) was added as a cosponsor of S. 2033, a bill to amend the Controlled Substances Act with respect to penalties for crimes involving cocaine, and for other purposes.

SENATE CONCURRENT RESOLUTION 65

At the request of Ms. SNOWE, the name of the Senator from Arkansas (Mr. BUMPERS) was added as a cosponsor of Senate Concurrent Resolution 65, a concurrent resolution calling for a United States effort to end restriction

on the freedoms and human rights of the enclaved people in the occupied area of Cyprus.

SENATE CONCURRENT RESOLUTION 88

At the request of Mr. ASHCROFT, the name of the Senator from Montana (Mr. BURNS) was added as a cosponsor of Senate Concurrent Resolution 88, a concurrent resolution calling on Japan to establish and maintain an open, competitive market for consumer photographic film and paper and other sectors facing market access barriers in Japan.

## NOTICES OF HEARINGS

## COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. JEFFORDS. Mr. President, I would like to announce for information of the Senate and the public that a Executive Session of the Senate Committee on Labor and Human Resources, will be held on Wednesday, May 13, 1998, 9:30 a.m., in SD-430 of the Senate Dirksen Building. The Committee will consider H.R. 2614, The Reading Excellence Act and Presidential Nominations.

## COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. CRAIG. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Forests and Public Land Management of the Senate Committee on Energy and Natural Resources.

The hearing will take place Thursday, June 4, 1998, at 2:00 p.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on S. 1253, the Public Land Management Improvement Act of 1997.

Those who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. For further information, please call Amie Brown or Mark Rey at (202) 224-6170.

## COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. CRAIG. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Forests and Public Land Management of the Senate Committee on Energy and Natural Resources.

The hearing will take place Thursday, June 11, 1998, at 2:00 p.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on S. 1253, the Public Land Management Improvement Act of 1997.

Those who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. For further information, please call Amie Brown or Mark Rey at (202) 224-6170.