(i) extradite its own nationals for bribery of foreign public officials;

(ii) make public the names of natural and legal persons that have been found to violate its domestic laws implementing this Convention; and

(iii) make public pronouncements, particularly to affected businesses, in support of obligations under this Convention.

(3) an assessment of the effectiveness, transparency, and viability of the OECD monitoring process, including its inclusion of input from the private sector and non-governmental organizations.

(D) LAWS PROHIBITING TAX DEDUCTION OF BRIBES.—An explanation of the domestic laws enacted by each signatory to the Convention that would prohibit the deduction of bribes in the computation of domestic taxes. This shall include:

(i) the jurisdictional reach of the country's judicial system;

(ii) the definition of ''bribery'' in the tax code;

(iii) the definition of ''foreign public official'' in the tax code; and

(iv) the legal standard used to disallow such a deduction.

(E) FUTURE NEGOTIATIONS.—A description of the future work of the Parties to the Convention to expand the definition of ''foreign public official'' and to assess other areas where the Convention could be amended to decrease bribery and other corrupt activities. This shall include:

(1) a description of efforts by the United States to amend the Convention to require countries to expand the definition of ''foreign public official,'' so as to make illegal the bribery of:

(i) foreign political parties or party officials,

(ii) candidates for foreign political office, and

(iii) immediate family members of foreign public officials.

(2) an assessment of the likelihood of successfully negotiating the amendments set out in paragraph (1), including progress made by the Parties during the most recent annual meeting of the OECD Ministers; and

(3) an assessment of the potential for expanding the Convention in the following areas:

(i) bribery of foreign public officials as a predicate offense for money laundering legislation;

(ii) the role of foreign subsidiaries and offshore centers in bribery transactions; and

(iii) private sector corruption and corruption of officials for purposes other than to obtain or retain business.

(F) EXPANDED MEMBERSHIP.—A description of U.S. efforts to encourage other non-OECD member to sign, ratify, implement, and enforce the Convention.

(G) CLASSIFIED ANNEX.—A classified annex to the report, listing those foreign corporations or entities the President has credible national security information indicating they are engaging in activities prohibited by the Convention.

(2) MUTUAL LEGAL ASSISTANCE.—When the United States receives a request for assistance under Article 9 from a country with which it has in force a bilateral treaty for mutual legal assistance in criminal matters, the bilateral treaty will provide the legal basis for responding to that request. In any case of assistance sought from the United States under Article 9, the United States shall, consistent with U.S. laws, relevant treaties and arrangements, deny assistance where granting the assistance sought would prejudice its essential public policy interests, including cases where the Responsible Authority, after consultation with all appropriate intelligence, anti-narcotic, and foreign policy agencies, has specific information that a senior government official who will have access to information to be provided under this Convention is engaged in a felony, including the facilitation of the production or distribution of illegal drugs.

(3) SUPREMACY OF THE CONSTITUTION.—Nothing in the Convention requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. CHAFEE (by request):

S. 2317. A bill to improve the National Wildlife Refuge System, and for other purposes; to the Committee on Environment and Public Works.

By Mr. CAMPBELL:

S. 2318. A bill to amend the Internal Revenue Code of 1986 to phaseout the estate and gift taxes over a 10-year period; to the Committee on Finance.

By Mr. CHAFEE (for himself, Mr. BAUCUS, Mr. BREAUX, and Mr. COCHRAN):

S. 2319. A bill to authorize the use of receipts from the sale of migratory bird hunting and conservation stamps to promote additional stamp purchases; to the Committee on Environment and Public Works.

By Mr. HOLLINGS (for himself and Mr. THURMOND):

S. 2320. A bill to amend the Employee Retirement Income Security Act of 1974 to clarify that an individual account plan shall not be treated as requiring investment in employer securities if an employee can withdraw an equivalent amount from the plan; to the Committee on Finance.

By Mr. REID:

S. 2321. A bill to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the design, planning, and construction of the Truckee Watershed Reclamation Project for the reclamation and reuse of water; to the Committee on Energy and Natural Resources.

By Mr. BREAUX (for himself, Mr. NICKLES, and Mr. HELMS):

S. 2322. A bill to amend the Internal Revenue Code of 1986 to change the determination of the 50,000-barrel refinery limitation on oil depletion deduction from a daily basis to an annual average daily basis; to the Committee on Finance.

By Mr. GRASSLEY (for himself, Mr. BAUCUS, Mr. BREAUX, Mr. ROCKEFELLER, Mr. JEFFORDS, Mr. MACK, Mr. KERREY, Mr. MURKOWSKI, Ms. LANDRIEU, Mr. FAIRCLOTH, Mr. HOLLINGS, Mr. BURNS, Mr. HAGEL, Mrs. HUTCHISON, Mr. LEAHY, Mr. HATCH, Mr. GRAHAM, Mr. BINGAMAN, Mr. DOMENICI, Mr. ROBB, and Mr. SANTORUM):

S. 2323. A bill to amend title XVIII of the Social Security Act to preserve access to home health services under the medicare program; to the Committee on Finance.

By Mr. DURBIN (for himself, Mr. CHAFEE, Mr. LAUTENBERG, Mr. TORRICELLI, Mr. REED, and Mrs. BOXER):

S. 2324. A bill to amend section 922(t) of title 18, United States Code, to require the reporting of information to the chief law enforcement officer of the buyer's residence and to require a minimum 72-hour waiting period before the purchase of a handgun, and for other purposes; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CAMPBELL:

S. 2318. A bill to amend the Internal Revenue Code of 1986 to phaseout the estate and gift taxes over a 10-year period; to the Committee on Finance.

ESTATE AND GIFT TAX RATE REDUCTION ACT OF 1998

Mr. CAMPBELL. Mr. President. It seems that in every Congress the issue of ''death taxes'' comes before this body at some time. Each year we tinker around the edges of the issue, making adjustments here and exemptions there. But the fact is, estate and gift taxes still remain a burden on American families, particularly those who own their own businesses.

Family-owned businesses are hit with the highest tax rate when they are handed down to descendants. In fact, the highest estate and gift tax rate is fifty-five percent—that's far higher than even the highest income tax rate bracket of thirty-nine percent. Estate and gift taxes right now are one of the leading reasons why family farms and small businesses are declining; the burden of the inheritance tax is just too crushing. That hardly seems fair to me. It also seems to suggest that families should spend as much money as they can while they are still alive, since whatever they have managed to save will create a huge tax burden when passed on to their descendants.

That is why today I am introducing the Estate and Gift Tax Rate Reduction Act of 1998, which will gradually eliminate this tax burden. That's right, I said eliminate, not reduce. This bill will phase-out the estate and gift tax by gradually reducing the amount of the tax by five percent each year until the highest rate—55%—reaches zero. Several states have already taken the initiative and phased out this type of tax on their own. I think it's time we follow the example they have set, and eliminate them across the board. At the same time, we will be encouraging better investment, savings and retirement planning by relieving the threat of an impending tax crisis.

This legislation is a companion bill to H.R. 3879, introduced by our colleague in the House, Congresswoman JENNIFER DUNN. I hope my colleagues will support passage of this bill, and will join me in putting a real end to this oppressive and unfair tax.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2318

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Estate and Gift Tax Rate Reduction Act of 1998''.

SEC. 2. FINDINGS.

The Congress finds and declares that—

(1) estate and gift tax rates, which reach as high as 55 percent of a decedent's taxable estate, are in most cases substantially in excess of the tax rates imposed on the same amount of regular income and capital gains income; and

(2) a reduction in estate and gift tax rates to a level more comparable with the rates of tax imposed on regular income and capital gains income will make the estate and gift tax less confiscatory and mitigate its negative impacts on American families and businesses.

SEC. 3. PHASEOUT OF ESTATE AND GIFT TAXES.

(a) REPEAL OF ESTATE AND GIFT TAXES.—Subtitle B of the Internal Revenue Code of 1986 (relating to estate and gift taxes) is repealed effective with respect to estates of decedents dying, and gifts made, after December 31, 2008.

(b) PHASEOUT OF TAX.—Subsection (c) of section 2001 of such Code (relating to imposition and rate of tax) is amended by adding at the end the following new paragraph:

''(3) PHASEOUT OF TAX.—In the case of estates of decedents dying, and gifts made, during any calendar year after 1998 and before 2009—

''(A) IN GENERAL.—The tentative tax under this subsection shall be determined by using a table prescribed by the Secretary (in lieu of using the table contained in paragraph (1)) which is the same as such table; except that—

''(i) each of the rates of tax shall be reduced (but not below zero) by the number of percentage points determined under subparagraph (B), and

''(ii) the amounts setting forth the tax shall be adjusted to the extent necessary to reflect the adjustments under clause (i).

''(B) PERCENTAGE POINTS OF REDUCTION.—

"For calendar year:	The number of percentage points is:
1999	5
2000	10
2001	15
2002	20
2003	25
2004	30
2005	35
2006	40
2007	45
2008	50.

''(C) COORDINATION WITH PARAGRAPH (2).—Paragraph (2) shall be applied by reducing the 55 percent percentage contained therein by the number of percentage points determined for such calendar year under subparagraph (B).

''(D) COORDINATION WITH CREDIT FOR STATE DEATH TAXES.—Rules similar to the rules of subparagraph (A) shall apply to the table contained in section 2011(b) except that the number of percentage points referred to in subparagraph (A)(i) shall be determined under the following table:

"For calendar year:	The number of percentage points is:
1999	1½
2000	3
2001	4½
2002	6
2003	7½
2004	9
2005	10½
2006	12
2007	13½
2008	15.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 1998.

By Mr. REID:

S. 2321. A bill to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the design, planning, and construction of the Truckee Watershed Reclamation Project for the reclamation and reuse of water; to the Committee on Energy and Natural Resources.

TRUCKEE RIVER WATERSHED RECLAMATION PROJECT LEGISLATION

Mr. REID. Mr. President, I introduce today a bill to authorize the Truckee River Watershed Reclamation Project. The water in Nevada is a precious resource that should not be wasted and we need to reuse what we can of this commodity. The Title XVI program in the Bureau of Reclamation is aimed at reclaiming the water for use within the community. The projects that are within this watershed project will in fact be utilized in multiple municipal functions throughout the Truckee River Basin communities.

Specifically, the North Valleys Reuse Project would be to reclaim the wastewater from Reno and Sparks and convey that water to subdivisions extending to the north of Reno for irrigation purposes so that the groundwater can be preserved for domestic and other potable uses. Once the new effluent reuse system is operational, groundwater currently used for irrigation can then be a reliable source in a region with limited resources. Additionally, the Spanish Springs Valley Reuse Project would use treated wastewater with excessive total dissolved solids to be channeled for irrigation and environmental watering. The treated wastewater would be returned to the valley where numerous parks, golf courses, pastures could be irrigated with effluent reducing the quantity of groundwater pumped and improving the quality of the aquifer. Another aspect of this reclamation effort is the protection of the scarce resource during emergency conditions, increases the reliability of domestic water supply in the event of a toxic spill into the Truckee River through a series of optional programs in cooperation with the regional and community resource planners. When this project is authorized and appropriated for the counties can begin their feasibility studies of their projects and programs within its Regional Water Management Plan.

Mr. President, as the ranking member on the Energy and Water Development Appropriations, I have the opportunity to examine closely the Bureau of Reclamation's programs and I appreciate the assistance the Bureau gives to communities throughout the arid west. The first project initiated by the Bureau of Reclamation was in Nevada called the Newlands Project and Nevada communities have benefited from the Federal assistance in water management. Now, the Bureau of Reclamation Title XVI program can be of immeasurable value to the communities in the Truckee River Watershed to preserve and reclaim some of this precious resource.

By Mr. GRASSLEY (for himself, Mr. BAUCUS, Mr. BREAUX, Mr. ROCKEFELLER, Mr. JEFFORDS, Mr. MACK, Mr. KERREY, Mr. MURKOWSKI, Ms. LANDRIEU, Mr. FAIRCLOTH, Mr. HOLLINGS, Mr. BURNS, Mr. HAGEL, Mrs. HUTCHISON, Mr. LEAHY, Mr. HATCH, Mr. GRAHAM, Mr. BINGAMAN, Mr. DOMENICI, Mr. ROBB, and Mr. SANTORUM):

S. 2323. A bill to amend title XVIII of the Social Security Act to preserve access to home health services under the Medicare Program; to the Committee on Finance.

HOME HEALTH ACCESS PRESERVATION ACT OF 1998

Mr. GRASSLEY. Mr. President, I rise today in support of the Home Health Access Preservation Act of 1998, which I am introducing today. I have been deeply involved in home care issues throughout my career, and that involvement has deepened in the past year. It was 1 year ago that the Special Committee on Aging, which I chair held a hearing on fraud and abuse of the Medicare home health benefit. That led to a roundtable, where we brainstormed on solutions to that problem. That discussion led to turn to a bill, the Home Health Integrity Preservation Act of 1998, which I was proud to cosponsor with Senator BREAUX.

In March of this year, the Aging Committee held another hearing on home health. This hearing focused on the Balanced Budget Act provisions affecting seniors' access to home care. At this hearing, we learned of the serious problems being caused by the Health Care Financing Administration's surety bond regulations, as well as by the Interim Payment System for home health. Like the earlier hearing, this hearing led to two pieces of legislation. The first was Senate Joint Resolution 50, which would have vetoed the surety bond regulation. I was pleased that this effort brought the administration to the bargaining table, and I believe that the surety bond problem will be solved as we work together.

The second piece of legislation to come out of that hearing is the bill I am introducing today. It addresses a major piece of unfinished business in the home health area, and that is the Interim Payment System. What's wrong with that system? In short, it bases payment on an individual home health agency's historical costs from Fiscal Year 1994. That means that if the agency had high cost per patient in that year, it can receive relatively high payment this year. However, if the agency had low costs in that year, its payments this year is severely limited.

This approach would be fine if the Health Care Financing Administration knew that the higher-cost agency had sicker patients this year, but the sad truth is that HCFA has no idea. So the interim system has been a windfall for

some agencies, but crushing for agencies with low historical costs. In Iowa, we are blessed with many efficient providers, but this system seems to prove the old adage that ''No good deed goes unpunished.'' In many cases, the providers who are suffering—and more importantly, whose patients are suffering—are those who most want to keep in the Medicare program.

Another feature of the system is that it treats older and newer home health providers in completely different ways. In some areas of the country, new agencies simply cannot compete with older agencies, while in other areas (such as Iowa), it is the older agencies that are at the disadvantage. This kind of arbitrary distinction just doesn't make sense.

For months, I have worked with a bipartisan group of Finance Committee members on fixing the Interim Payment System. This bill is the product of those efforts. Believe me, if this were an easy issue to tackle, I would have introduced this bill months ago. Instead, we have gone to great lengths to get input from home health providers, as well as from a broad range of Senate colleagues. Those efforts have paid off, and I am gratified to be introducing the bill with seventeen original cosponsors, and maybe more by the end of the day.

The bill has a number of features, but its basic approach is to abandon our reliance on individual agencies' historical costs. Instead, it would pay all agencies—old or new—based on a 50/50 blend of national and regional average rates from the 1994 base year. This 50/50 blend is the only approach that can win support from all parts of the country. In addition, the bill seeks to provide supplemental payments for patients with long stays as home care recipients. We think it is essential that agencies be compensated for taking these neediest patients.

The bill is budget-neutral, which in my opinion it has to be in order to have a chance of passage. There is a great deal of concern, which I share, about the automatic 15 percent cut in all home health payment that will occur in October 1999. We did consider an attempt to address that cut in this bill, but the cosponsors have learned from the Congressional Budget Office that, under its methodology, such language would send the bill's costs skyrocketing. We think that this would doom the bill's chances of enactment this year. We do believe that there is a crisis that needs to be addressed this year, and thus we have not included the 15 percent provision in the bill. I will urge the Senate to revisit that issue next year, when we'll have more information on home health cost growth or decline, but for now it cannot be addressed.

If there was any doubt about the need for action to rectify the Interim Payment System, I believe that it has vanished with the administration's recent indications that prospective payment will not be ready in October 1999, as mandated by Congress. Just this morning, at a hearing of the House Ways and Means Subcommittee on Health, the administrator of HCFA confirmed that the Year 2000 computer problem has made meeting the deadline totally impossible. In fact, at HCFA's suggestion, we have written the per-beneficiary limit numbers into the bill itself, so that HCFA will not need to issue a regulation in order to implement the bill. HCFA just doesn't think it could issue a regulation doing so, in light of its Year 2000 problems. The fact is that we do not know when prospective payment will be ready. We had better do what we can now, to make sure our agencies can hang on until that day.

Let me make a comment about political realities. Our focus was on creating something that could actually pass this year, and so the bill is a product of compromise. In talking with home health providers, I find that many of them understand the need to be realists. I wish that the big national associations were equally reasonable. It is already the middle of July. This bill's moderate approach is the only one that has any chance of moving this year. If there really is an emergency in home health, which I believe, then everyone needs to get serious right now. Let me be more explicit: I call on the home health industry to recognize that this approach is as good as it's gong to get, and to support it. I call on HCFA to make fixing this system a top, near-term priority. And I call on my colleagues here in Congress to unite around a moderate, feasible formula. Our Nation's seniors and disabled are waiting for us.

Mr. BAUCUS. Mr. President, today I am introducing a bill, along with Senator GRASSLEY, Senator ROCKEFELLER and Senator BREAUX, the Home Health Access Preservation Act of 1998. Essentially, our legislation is geared at reforming the home health interim payment system.

Several years ago, because home health care costs were rising at such a rapid, alarming rate, Congress, in the Balanced Budget Act of 1997, decided to do something about it. What did we do? We passed a provision called the interim payment system as a transition interim system for home health care agencies to live under until we move to a prospective payment system.

What does all that mean? It is this: In the first 15 years of Medicare, home health care constituted about 2 percent of the total Medicare budget. Medicare, as we know, is the program that is financed almost entirely out of payroll taxes. Those dollars go to Uncle Sam, and Uncle Sam then pays hospitals and doctors for health care for senior citizens. Part A is hospital care; Part B is doctor's care for senior citizens. Again, only 2 percent of Part A of Medicare—that is the hospital part—was for home health care.

In 1997, however, the total amount of Medicare Part A dollars—that is, the hospital dollars that go out to senior citizens—was about 15 percent. That is a rise from 2 percent up to 15 percent, a staggering increase in home health care.

Why did that happen? Basically, because hospitals were moving patients out of hospitals. They were moving some of the patients into home health care settings. In addition to that, it was a lot cheaper to provide some services out of the hospitals. And, on top of that, seniors prefer to have care at home rather than sometimes in the hospital or perhaps in a nursing home. Home health care has risen dramatically.

Well, as a consequence, there has been extra pressure on the Medicare trust fund. And that is why Congress, in 1997, decided to pass this provision, changing the way we reimburse home health care and moving to a system to try to get a handle on all this rising cost.

The old way that Medicare paid home health care was called cost-based reimbursement. Essentially, a home health care agency would get reimbursed, get paid, for the costs that that home health care agency incurred in treating patients—basically cost-plus; that is, the agency would get whatever it cost and was able to add on just a little bit to stay in business.

As a consequence, several phenomena developed.

In some States, there was a proliferation of home health care agencies. They just sprung up all over because they are cost based. In addition to getting more patients to get reimbursed more, they provide more services to the public.

In some other States, home health care agencies were very efficient; that is, they did their work, and they did not try to provide extra services, nor did they get extra reimbursement.

We are in a position now where the interim system that Congress passed in 1997 is causing problems, and significant problems, for all home health care agencies, in particularly those rural areas. Why is that? It is because the provision we passed, the interim payment system, provided that home health care agencies would be paid on whatever their costs were in 1994.

Well, that means that those home health care agencies that were very efficient in 1994, compared with those who were very inefficient in 1994, are adversely affected. Why is that? That is because, if the payment is based upon 1994 levels, and it is locked in at 1994 levels, and you are a very efficient home health care agency—you are cutting costs—then you are paid less.

On the other hand, if you were a very inefficient home health care agency in 1994, and you are locked into whatever Uncle Sam was paying you in 1994, you can continue to be inefficient. Well, that is obviously not fair. It is not fair to those home health care agencies who were doing a pretty good job.

In addition, there is another problem. The movement from cost-based reimbursement over to what is called a prospective payment reimbursement—that is, paying home health care agencies a certain payment for a given procedure regardless of what else is going on with the agency—is based on the assumption that the efficient home health care agencies, the efficient providers—hospitals are also paid on a prospective payment system—that is, the efficient ones will survive, they will do well; the inefficient, those that are getting the same dollars but are inefficiently run, poorly run, will fail, they will not be able to make it.

That is good—the theory is—because the efficient survive and the inefficient don't. The theory goes on to hold that, well, that is OK for patients, for people, because when the inefficient fails, there is a nearby efficient hospital, or nearby efficient home health care agency in this case. So patients are still well served. They just go to the other, nearby, efficient home health care agency.

That is a false assumption, Mr. President, for rural areas, because in rural areas of America, when an inefficient fails—or for some other reason that home health care agency cannot make ends meet—when it fails, there is no other nearby home health care agency, there is no nearby alternative provider because they are just too many miles apart.

We, Mr. President, are introducing legislation designed to fix this problem until we finally move to a more permanent compensation system for rural health care agencies. Essentially, what it does is, we say to a State, we are going to have a single rate per State, not differential among States, but per State. We also get rid of the cap on agency-specific costs, because we move to a 50–50 blend of regional as well as national averages.

That is, I think, a fair compromise between those who want fixed costs based on a national rate and those who want the rate to be based upon the particular characteristics of the region.

I think this helps. I think it goes a long way to solving the problem that many home health care agencies have. This, by the way, is in addition to the surety bond problem facing home health care agencies, another matter which we are addressing separately.

But I hope this interim measure that we are now reforming will be reformed along the way to provide for, in the bill, making sure that a lot of people get health care who otherwise would not have it available.

Mr. ROCKEFELLER. Mr. President, I rise today to join a number of my colleagues, and most especially Senators GRASSLEY, BAUCUS, and BREAUX, in introducing the ''Home Health Care Access Preservation Act of 1998.'' This legislation seeks to prevent many reputable home health agencies from going out of business and it will ensure that patients continue to have access to quality home care in the future.

I would like to talk about the importance of health care in the lives of our Nation's seniors and why we must take action to protect their access to home care. Some people question why we need to make these changes. I think they ask because when we talk about providing care, sometimes we forget that it is about taking care of someone. Home care is not just about giving people their pills and checking their blood pressure. It's about giving people who need a little help the ability to stay at home, surrounded by their family and friends. It's about preserving the dignity of people who've worked hard their entire lives to provide for their families and serve the community they live in.

Mr. President, our seniors should not lose their right to live life in the way they want because of their age. They want to stay at home. They can get the care they need at home. We can provide it for them. And if we can do it, I think we should.

There are also financial reasons to provide home health care. When managed properly, home health care can save the health system money. Homes care can often be substituted for more expensive care provided in hospitals and nursing homes.

Last year, the Congress made needed reforms to the Medicare Program through the Balanced Budget Act, including moving to a prospective payment system (PPS) for home care. Everyone, including the home health industry, agrees that the Medicare Program should move away from a retrospective payment system and PPS to encourage all providers to be more cost-effective.

The move toward PPS was included among many other reforms to Medicare. We, however, knew that we couldn't move directly into PPS—we needed time and more information to create a workable system. Therefore, the Interim Payment System (IPS) was also established in the BBA to transition home care from fee-for-service to prospective payment. But, in making these changes, the future viability of home health care has been threatened.

Already, at least four home health agencies have gone out of business in my home State of West Virginia. In rural states like West Virginia, sometimes there is only one agency to provide these services in the area. We cannot afford to lose providers without endangering the well-being of our citizens.

Therefore, it is imperative that we again take action to make sure that the home health care problems we're facing today do not become a crisis that we'll have to face in the near future. This legislation will help do just that.

This bill attempts to accomplish three critical goals:

1. Keep agencies viable by providing a badly needed bridge between the old home health payment system and the new system due to be implemented in the next several years.

2. Level the playing field in the home care industry, ensuring that efficient, low cost providers are able to continue providing services as Medicare transitions to a new payment system.

3. Make certain that patients with chronic health needs have continued access to quality care.

Many members of the home health industry are particularly concerned about this issue of providing quality health care to patients with chronic conditions. Under current law, caring for the chronically ill pushes home health agencies closer to the brink of bankruptcy. We share that concern and realize that IPS does not address this issue. As a result, our bill creates supplemental payments to compensate home health agencies for the added costs they incur caring for the chronically ill.

While this bill would address the immediate concerns faced by the home health care industry, and is an important step toward protecting access—there is still more that needs to be done. While the BBA intended for IPS to be a temporary system, it now looks like it may be in place longer than we expected. I have recently learned that HCFA may have to postpone the implementation of the prospective payment system. They will have their hands full restructuring their computer systems to prepare for the year 2000. I remain concerned that if we do not move to PPS quickly, all agencies will face an additional 15 percent across the board cut. Certainly, this will place an undue financial burden on the agencies and force many to close their doors.

Mr. President, I am not advocating going back in time and undo the BBA. However, we must address the inequities that resulted from its enactment, particularly when it comes to making certain our seniors get the care they need. To do this, we must level the playing field so that all reputable home health care agencies can remain competitive. Our legislation will accomplish this by providing a bridge between the old Medicare payment system and the new one.

We have to remain watchful of the situation to make sure that home health care continues to be a viable option for so many in need. We have a commitment to those who came before us and sacrificed so much to make this Nation what it is today. I believe that we have to honor that commitment, and I urge my colleagues to do so by supporting the Home Health Care Access Preservation Act.

Mr. JEFFORDS. Mr. President, I rise to once again express my concern over the plight of Medicare beneficiaries who are in need of home health care services. I am pleased to cosponsor the Home Health Access Preservation Act of 1998, with my colleagues on the Senate Finance Committee, as an attempt to address these concerns. The Interim Payment System which was enacted by this Congress for the reimbursement of home health care services is not

achieving the policy goals that Congress wants nor is it not serving the best interest of American citizens.

The act is appropriately titled because, without a correction, access to home health services for Medicare's most vulnerable beneficiaries will be seriously damaged. Since the new reimbursement system has been implemented, no fewer than 1,200 agencies have left Medicare program and most of these 1,200 have been forced to cease operations. Although many of our health policy actions are based upon allowing the market to determine the optimum efficiency of our health care system, we must recognize that not all areas and all sectors are prepared for a rapid change in how these forces operate. The problem of access to home care is particularly troublesome in rural areas and inner cities where these services are sorely needed.

My home State of Vermont is a case in point. Home health agencies and their patients are facing a true crisis. There are only 13 agencies in the State, all not-for-profit, each serving a distinct and separate area. The system was developed to meet the needs of our largely rural State, and all of these agencies have a long tradition of providing quality care to our citizens. We cannot accept the loss of a single agency without serious consequences for patients and other sectors of care.

I want to emphasize that today we are proposing a revision to the home health reimbursement system because of our deep concern for the welfare of those frail elders and disabled individuals who have come to depend upon home care for their very existence. Yes, we are concerned about fiscal responsibility. We remain determined to eliminate fraud and abuse within the Medicare program. Of course, we must find a way to preserve the Medicare Trust Fund for future generations. But it is not acceptable to seek these goals by any mechanism that will impose an even greater burden on those who are most in need of our help.

The Home Health Access Preservation Act of 1998 is budget neutral. It does not change the fact that home health agencies will have to work hard to remain financially viable and allocate their resources carefully. The Act does, however, level the playing field for home health agencies. Under the present IPS system, agencies in close proximity to one another are expected to operate competitively under highly divergent payment limits. Furthermore, under the current IPS system, the most efficient agencies and those that care for the most difficult cases, are hit hardest by the reduction in reimbursement. Thus the Act does provide some relief for agencies in the worst predicament.

Finally, it is important to recognize that the Home Health Access Preservation Act represents an interim resolution to our most pressing concerns. The implementation of a prospective payment system as directed by Congress represents the preferred solution. Thus, the bill requires the Secretary to provide regular quarterly updates to Congress on progress toward the development of the prospective payment system for home health care. But for now, Congress must pass legislation to ensure that home care remains an option for Medicare beneficiaries. We also must pledge to work with the Health Care Financing Administration and the home health industry to replace the interim payment system with a permanent system which better meets the needs of patients and is fair to health care providers.

This Congress struggles with many challenges, but I doubt that there are many that are of greater significance than home health care. Access to home care affects a significant number of persons, has a serious influence on their mental and physical health, and its financial impact is measured in billions of dollars. We must act. We must act quickly to curtail the negative consequences of the payment system as it exists today.

By Mr. DURBIN (for himself, Mr. CHAFEE, Mr. LAUTENBERG, Mr. TORRICELLI, Mr. REED, and Mrs. BOXER):

S. 2324. A bill to amend section 922(t) of title 18, United States Code, to require the reporting of information to the chief law enforcement officer of the buyer's residence and to require a minimum 72-hour waiting period before the purchase of a handgun, and for other purposes; to the Committee on the Judiciary.

THE BRADY WAITING PERIOD EXTENSION ACT OF 1998

● Mr. DURBIN. Mr. President, today I with my colleagues Senators CHAFEE, LAUTENBERG, TORRICELLI, REED, DODD, and BOXER introduce the ''Brady Waiting Period Extension Act of 1998.'' It is vital that we enact this measure this year if we are to ensure Americans that the popular Brady Bill will continue to be one hundred percent effective.

Almost 5 years ago, Congress passed the Brady Bill. That law contained a provision that required a 5 day waiting period before a person can buy a gun. Unfortunately, on November 30 of this year, the waiting period will be eliminated when we begin using the national instant check system for gun purchasers.

I fully support the use of an instant check system to determine if a putative firearm purchaser is legally barred from owning a gun because of a criminal record. But I believe that it must be coupled with a cooling off period.

Let me briefly explain what his legislation would to. It would require that anyone who wishes to buy a handgun must wait three days. There are two exceptions to this requirement. First, if a prospective purchaser presents a written statement from his of her local chief law enforcement officer stating that the handgun is needed immediately because of a threat to that person's life or that of his family, then the cooling off period will not apply. Second, if a prospective purchaser lives in a state that has a licensing requirement—and there are 27 such states—then the federal cooling off period will not apply.

I think that both of these are common sense exceptions. Obviously people who have a legitimate and immediate need of a handgun for self-defense should be able to buy one. And in the states that have licensing or permit systems, the process of getting a permit acts as a state cooling off period.

This measure also requires that when a person applies to buy a gun that the gun shop owner send a copy of the application to the local chief law enforcement officer. In addition, it alters the amount of time that the state or federal government has to investigate a potential purchaser who has an arrest record. Under the law that will go into effect on the first of December this year, if a person with an arrest record applies for a gun, law enforcement will have three days to determine if that arrest resulted in a conviction. The measure we introduce today would give law enforcement five days.

Mr. President, let me walk you through the process of buying a gun if this law were in place.

If you are in a state that does not have a permit system in place, then you go into a store and fill out a purchase form. A copy of that form will be sent to the Insta-Check point of contact for your state and a copy will also be sent to the chief law enforcement officer for where you live. You will then need to wait three days whereupon, assuming that you do not have a criminal record or any of the other disqualifying characteristics, you will be able to pick up your gun.

If on the other hand, when the Insta-Check is run, the FBI learns that you were arrested, then you will have to wait at least 5 days. That five days will be used to determine if the arrest resulted in a conviction. If it did not, then after 5 days you can get your gun. It you were arrested and convicted then you cannot get your gun and may be prosecuted.

Enacting this law is only sensible. A cooling off period may be the only barrier between a woman and her abusive husband whose local restraining order doesn't show up on a computer check or the only obstacle in the way of a troubled person planning to commit suicide and take others with them. A cooling off period will prevent crimes of passion and spontaneous suicides. The list of people who have bought guns and used them within a few hours or a day to kill themselves or others is far too long.

A recent study by the Center to Prevent Handgun Violence demonstrates a disturbing trend that reinforces the need for a cooling off period. Normally, 4 to 5% of all crime guns traced by the police were used in murders. But the

study found that 20% of all guns traced within 7 days of purchase were used in murders. That is a startlingly high incidence of guns being bought and used very soon thereafter to commit a murder.

But this measure has a second, equally important justification.

That the Insta-Check system is in very good shape, but it will never be perfect. For example, it will not have a lot of mental health records. And it is unlikely to have information like restraining orders entered in domestic violence cases. Letting local law enforcement know about a potential gun purchase is a good idea—the local sheriff may know that a person trying to buy a gun has a restraining order while the FBI's Insta-check computer might not. In short, then, this bill will help serve as a fail safe mechanism for the Insta-Check system. I for one do not want to learn a year from now that someone got a gun and used it to harm someone else when a simple check of local records in addition to the Insta-Check would have revealed that the purchaser had a history of mental instability.

Making the Brady waiting period permanent is not about more government. It's about fewer gun crime victims. I hope that we can all agree on this goal.

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

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2324

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be referred to as the ''Brady Waiting Period Extension Act of 1998''.

SEC. 2. ESTABLISHMENT OF MINIMUM 72-HOUR HANDGUN PURCHASE WAITING PERIOD.

Section 922(t) of title 18, United States Code, is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking ''before the completion of the transfer, the licensee'' and inserting ''after the most recent proposal of the transfer by the transferee, the licensee, as expeditiously as is feasible''; and

(ii) by inserting ''and the chief law enforcement officer of the place of residence of the transferee'' after ''Act'';

(B) in subparagraph (B)(ii)—

(i) by striking ''3'' and inserting ''5''; and

(ii) by striking ''and'' at the end;

(C) in subparagraph (C), by striking the period at the end and inserting ''; and''; and

(D) by adding at the end the following:

''(D) if the firearm is a handgun—

''(i) not less than 72 hours have elapsed since the licensee contacted the system;

''(ii) the transferee has presented to the transferor a written statement, issued by the chief law enforcement officer of the place of residence of the transferee during the 10-day period ending on the date of the most recent proposal of such transfer by the transferee, stating that the transferee requires access to a handgun because of a threat to the life of the transferee or of a member of the household of the transferee; or

''(iii) the law of the State in which the proposed transfer will occur requires, before any licensed importer, licensed manufacturer, or licensed dealer completes the transfer of a handgun to an individual who is not licensed under section 923, that an authorized State or local official verify that the information available to the official does not indicate that possession of a handgun by the transferee would be in violation of the law, and the authorized State or local official has provided such verification in accordance with that law.''; and

(2) by adding at the end the following:

''(7) In this subsection, the term 'chief law enforcement officer' means the chief of police, the sheriff, or an equivalent officer of a law enforcement agency, or the designee of any such officer.

''(8) A chief law enforcement officer who is contacted under paragraph (1)(A) with respect to the proposed transfer of a firearm shall, not later than 20 business days after the date on which the contact occurs, destroy any statement or other record containing information derived from the contact, unless the chief law enforcement officer determines that the transfer would violate Federal, State, or local law.

''(9) The Secretary of the Treasury shall promulgate regulations regarding the manner in which information shall be transmitted by licensees to the national instant criminal background check system under paragraph (1)(A).''.

● Mr. LAUTENBERG. Mr. President, I am pleased to join with Senator DURBIN in introducing the Brady Waiting Period Extension Act of 1998.

This legislation will build on the incredible success of the original Brady Act, which I cosponsored. Since that law went into effect in February 1994, our hard-working law enforcement officers have prevented more than 240,000 felons, domestic abusers, and mentally ill people from buying guns. In 1997 alone, 69,000 prohibited purchases were stopped. Because of the Brady Act, and the Domestic Violence Gun Ban which I authored, over 6,000 criminals convicted of domestic violence offenses were prevented from buying a gun last year.

These laws are working. They are saving countless lives, helping to protect women and children, and making our streets safer. Just imagine how much more gun violence there would have been, if these gun purchases had not been stopped.

And the Brady Act does more than just stop handgun purchases—it helps the police put violent criminals behind bars. Consider just a few examples:

The Brady Law stopped a handgun sale in Colorado to a man who was wanted for armed robbery in the State of Washington. As a result of the Brady check, he was arrested in Colorado and extradited back to Washington.

In Utah, an individual trying to purchase a handgun from a pawn dealer was arrested by the Salt Lake City Police Department on a felony warrant held by the State of Colorado for aggravated sexual abuse of a child.

Incredibly, criminals continue to try to buy guns at gun stores. But thanks to the Brady Law, they do not get the deadly tools of their trade, and lives are saved.

The legislation I am introducing today will build upon this success. As my colleagues know, the five-day waiting period for handgun purchases will expire in November of this year, and be replaced with a computerized background check system. While we all hope that this computerized system will work well, there are some potential problems. The Department of Justice and the FBI have done a good job centralizing most crime record, but some information, like restraining orders and mental health records, will not be available through the system.

Our bill will ensure that no criminals slip through the system, by requiring that the Brady forms be sent to the chief law enforcement officer where the buyer resides. This requirement will give local police the opportunity to look through local records and determine whether the buyer is a prohibited purchaser.

This legislation will also provide a 72-hour waiting period for handgun purchases. By maintaining a brief ''cooling off'' period, we can help prevent crimes of passion and suicides. When you consider that 20 percent of funds used in murders are purchased in the week before the crime, this provision will help save lives.

Mr. President, these are sensible provisions that will help reduce gun violence in our nation. And make no mistake about it, there is much work to be done.

In the United States, firearm violence is currently the second leading cause of injury-related death, behind automobile-related fatalities. This violence is increasing at an alarming rate. By the year 2003, firearm fatalities are projected to become the United States leading cause of injury-related death.

Violence is taking a terrible toll on our children. Homicide is the third leading cause of death for youths 5 to 14 years old and the vast majority of these homicides were committed by firearms.

Mr. President, our nation can do better. We can and we must stop the gun violence on our street. The Brady Waiting Period Extension Act will help us toward that goal, and I urge my colleagues to support it.●

ADDITIONAL COSPONSORS

S. 358

At the request of Mr. DEWINE, the names of the Senator from Oklahoma (Mr. INHOFE), the Senator from Missouri (Mr. BOND), and the Senator from Connecticut (Mr. LIEBERMAN) were added as cosponsors 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. 389

At the request of Mr. ABRAHAM, the name of the Senator from Alabama (Mr. SHELBY) was added as a cosponsor of S. 389, a bill to improve congressional deliberation on proposed Federal