

cost savings versus denial of care and the loss of peace of mind.

These overhead figures are particularly troubling when compared to the overhead figures

in a not-for-profit HMO like Kaiser—about 5 percent—and in Medicare—less than 3 percent.

Mr. Speaker, I will provide periodic updates to these figures. In the meantime, caveat emptor.

The table follows:

COMPANIES PROVIDING MANAGED CARE SERVICES

(Dollar amounts in thousands)

Name and period	Enrollees	Gross this yr.	Prior yr.	Net this yr.	Prior yr.	In percent					
						G&A		Health		Profit	
						This yr.	Prior	This yr.	Prior	This yr.	Prior
1. FHP—7/1/93–6/30/94	1.7M	\$2,472,958	\$2,005,854	\$59,310	\$44,166	13.4	13.4	83.2	83.8	2.4	2.2
2. Oxford—1/1/93–12/31/93	217,300	311,938	155,722	14,900	11,289	21.8	21.0	69.8	70.2	4.8	7.2
3. Physicians Health Svcs—1/1/93–12/31/93	158,984	280,230	268,895	11,891	8,561	12.0	10.6	80.7	83.4	4.2	3.2
4. Value Health (9 months)—1/1/94–9/30/94	41M	706,931	499,769	34,009	23,529	10.4	11.6	78.7	78.4	4.8	4.7
5. Foundation Health Corp—7/1/93–6/30/94	3.5M	1,717,821	1,517,339	83,153	61,908	11.6	11.0	77.3	75.9	4.5	4.1
6. Wellpoint—1/1/93–12/31/93	2.3M ¹	2,449,175	2,275,155	165,384	174,758	11.2	12.1	73.0	63.6	6.7	7.7
7. Employees Benefit Plan 1/1/93–12/31/93	1.1M	251,618	240,071	5,656	(10,571)	36.9	31.2	56.1	61.5	5.4	(4.6)
8. Caremark—1/1/93–12/31/93	(?)	1,783,200	1,461,200	77,700	27,300	10.8	10.6	77.9	78.2	4.4	1.9
9. Sierra Health Svcs, Inc.—1/1/93–12/31/93	138,356	258,724	234,373	17,433	13,603	20.8	20.2	72.3	74.3	6.7	5.8
10. MidAtlantic Medical Svc—1/1/93–12/31/93	950,000	646,777	579,355	24,833	13,460	8.4	7.5	86.4	90.0	3.9	2.3
11. Maxicare—1/1/93–12/31/93	308,000	440,186	414,454	5,588	(3,071)	9.3	9.2	89.7	87.5	1.3	–7
12. Healthwise—1/1/93–12/31/93	90,000	119,395	63,526	4,828	3,283	13.2	9.2	76.1	75.6	4.0	5.2
13. United Health Care—1/1/93–12/31/93	36M	2,527,325	1,759,865	194,574	125,657	16.1	17.8	80.8	81.4	12.1	11.1
14. Wellcare—1/1/93–12/31/93	70.2M	75,915	41,380	4,648	2,215	12.7	14.9	77.0	76.3	6.1	5.4
15. Physician Corp of America—1/1/93–12/31/93	472,000	545,967	354,342	40,094	14,437	15.0	14.0	72.8	79.4	7.4	4.1

¹ Medical. ² Pharm. and dental. ³ Not reported.

QUOTES FROM COMPANIES PROVIDING MANAGED CARE SERVICES

1. FHP International Corp, Fountain Valley, CA:

p. 10: "Take Care's percent of revenue spent on health care improved from 82.2% to 80.9%." (emphasis added)

p. 29: "The cost of health care, however, improved to 82.6% as a percent of revenue in the 4th quarter of fiscal year 1993 . . ."

2. Oxford Health Plans, Inc., Norwalk, CN:

p. 22: "The medical loss ratio declined because revenue per member per month increased at a greater rate than medical expenses per member per month. Per member per month revenue increased 8.5% . . . and per member per month medical expenses increased 6.1%."

3. Physicians' Health Services, Trumbull, CN:

p. 16: "Health care expenses as a percentage of premium revenue decreased to 82.9% . . . due to the combined impact of premium rate increases and decreases in inpatient hospital utilization."

5. Foundation Health:

p. 18: "The improvement in the company's HMO medical loss ratio from FY 1992 to FY 1993 resulted from strict underwriting controls and appropriate setting of premium rates, strong utilization review controls and favorable provider reimbursement rates, including an increase in capitation arrangements with physicians." (p.18)

10. Mid Atlantic Medical Services, Rockville, MD:

p. 2: "To this end, we began a review of M.D.IPA's groups and their profitability. Those groups that were marginally profitable or unprofitable were either brought up to par, or not renewed." (M.D. IPA is their federally qualified HMO)

14. The Wellcare Management Group, Kingston, NY:

p. 16: "Medical expenses increased . . . representing a 3.3% increase on a member per month basis, but decreased as a percentage of premiums earned (the medical loss ratio) to 80.2% in 1993..primarily as a result of favorable medical utilization and cost controls."

15. Physician Corporation of America, Miami, FL:

p. 29: "This 5% increase in the weighted average medical costs per member was due to (i) medical cost increases of 7% for commercial members, 27% for Medicare members, and a 6% decrease for Medicaid members, and (ii) the significant increase in Medicaid membership as a percentage of overall mem-

bership which has lower per member medical costs than the Company's other membership. As a result of these factors, the Company's medical loss ratio improved to 72.8% from 79.4%" (emphasis added).

TEMPLE B'NAI B'RITH OF WILKES-BARRE CELEBRATES 150TH ANNIVERSARY

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 9, 1995

Mr. KANJORSKI. Mr. Speaker, it is my distinct pleasure to recognize the sesquicentennial of the Temple B'nai B'rith of Wilkes-Barre. I am pleased to join in the celebration commemorating the congregation's 150 years of leadership and community participation in the Wyoming Valley.

Although historical records cannot determine the exact organizational beginning of the temple, it is known that the first Jewish families emigrated to the Wyoming Valley as early as the 1830's. Because the records show its founding to be somewhere between 1840 and 1848, B'nai B'rith has chosen to observe its founding year as 1845. With the support of all denominations, the first temple was erected in Wilkes-Barre and dedicated in 1884. It was northeastern Pennsylvania's first permanent synagogue. An orthodox temple until 1860, the B'nai B'rith became a pioneer in reform Judaism in the United States.

In 1960, a new temple was built across the river in Kingston with modern architecture and furnishings. In 1972, along with most of the Wyoming Valley, the building was devastated by the floods of Hurricane Agnes. The sanctuary was filled with more than 8 feet of water. Many irreplaceable records and objects were lost. Luckily, temple members saved the sacred Torahs just before the Susquehanna River spilled its banks. As was the case throughout the Wyoming Valley following the disaster, the community joined together and helped rebuild and refurbish the temple.

Mr. Speaker, I am extremely proud of the ecumenical unity and spirit which has become a tradition in northeastern Pennsylvania. B'nai B'rith is an active participant in the many inter-

faith projects which promote the understanding and tolerance for which our area is known. As we pay tribute to B'nai B'rith's founders during this celebration, we also pay tribute to its 275 families who continue to strengthen the tradition of Reform Judaism and who play an active role in the ecumenical spirit and community in the Wyoming Valley.

VICTIM RESTITUTION ACT OF 1995

SPEECH OF

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1995

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 665) to control crime by mandatory victim restitution.

Mr. CUNNINGHAM. Mr. Chairman, I rise in strong support of H.R. 665, the Victim Restitution Act. This bill, which is part of our Contract With America, will help to bring real justice to the millions of Americans victimized by crime each year.

Too often, our criminal justice system ignores the victims of crime. Americans are justifiably outraged by a system that guarantees cable television and other creature comforts to criminals, while leaving the victims of crime facing recuperation from injuries or massive financial loss. Insurance rates are increased by a need to provide health care for victims of crime or compensating victims for losses from theft. Meanwhile, no mechanism exists to insure that criminals bear a financial penalty for their actions. This bill will change Federal criminal proceedings to insure that the victims are compensated by their assailants.

The Bureau of Justice Statistics has reported that from 1973 through 1991, there were 36.6 million people injured as a result of violent crime. In 1992, almost 34 million Americans were victims of crime. Crime against people and households resulted in an estimated \$19.1 billion in losses in 1991. Each year, injuries from crime cause some 700,000 days of hospitalization. The human costs of crime are real and growing.

While we have seen a growing awareness of this problem in recent years, we still fail to adequately compensate the victims of crime. This bill requires full financial restitution.

H.R. 665 instructs Federal courts to award restitution to crime victims and allows courts to order restitution to people harmed by unlawful conduct. Although victims may receive temporary relief from insurance, the criminal must ultimately pay the amount. If a victim receives compensation from a civil suit, that amount must be reduced by the amount of the restitution order.

For the first time, we establish that criminals must comply with restitution orders made by the court as a condition of probation, parole, or supervised release. H.R. 665 gives judges the authority and leeway to take any action necessary to insure that victims receive proper compensation.

Under H.R. 665, Federal judges must order compensation when sentencing for convictions of Federal crimes. The judge may also order compensation to any other person who was physically, emotionally, or financially harmed by the unlawful conduct.

Judges are given the leeway to consider indirect costs to victims, such as lost income, child care, and other expenses arising from the need to be in court. The judge is not to consider the income or resources of the offender or victim when determining the amount of compensation.

Mr. Chairman, H.R. 665 is an important component in our battle to restore common sense to our judicial system. It will act as a deterrent to crime and more importantly, shows that Congress is serious about recognizing and addressing the needs of the victims of crime. I urge passage by the House.

TURKEY ESCALATES WAR ON FREE EXPRESSION

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 9, 1995

Mr. SMITH of New Jersey. Mr. Speaker, last October, a Helsinki Commission delegation met with Turkish officials and others in Ankara. With one exception, each and every official, including the Speaker of Parliament, produced a copy of the pro-Kurdish newspaper *Ozgur Ulke* and waved it in the air as proof that, despite what critics alleged, free expression was alive and well in Turkey.

Last week, Mr. Speaker, Turkish officials decided that the costs of allowing the paper to air its pro-Kurdish sentiments outweighed its value as a token of free expression. On February 3, a Turkish court forced the paper to shut down. This blatant assault on free speech comes within a week of the decision to prosecute Turkey's most widely known author, Yasar Kemal, for publicly stating his thoughts on the government's handling of the Kurdish situation. He now faces charges of separatist propaganda, and now, even those who favor the government's uncompromising hardline towards the Kurds are beginning to question whether the government hasn't gone too far.

Mr. Speaker, *Ozgur Ulke's* closure culminates an orchestrated campaign which began as soon as the newspaper appeared to fill the void left when a likeminded predecessor was forcibly closed. Censorship of the

paper included violent attacks that left 20 reporters and distributors killed by unidentified death squads. At least four others have been kidnapped. The tortured, bullet-ridden body of one reporter was found weeks after he had disappeared. At least 35 journalists and workers of the newspaper have been imprisoned and 238 issues seized. The campaign against the newspaper went into high gear on November 30, 1994, when Prime Minister Ciller issued a secret decree, which was leaked and published, calling for the complete elimination of the newspaper. On December 3, 1994, its printing facility and headquarters in Istanbul and its Ankara bureau were bombed. One person was killed and 18 others were injured in the explosions.

On January 6, 1995, policemen started to wait outside the printing plant to confiscate the paper as soon as it was printed. Copies were taken directly to a prosecutor who worked around the clock to determine which articles were undesirable. Often some three to four pages of the paper, mostly articles about security force abuses, were censored and reprinted as blank sections. Since December, five reporters, who were detained and later released, spoke of being tortured by police attempting to force confessions against the newspaper's editorial board.

Mr. Speaker, last week, the State Department issued its annual human rights report, and only China had as many pages devoted to it as Turkey. While the report indicated that human rights conditions in Turkey had worsened significantly over the past year, the publication of *Ozgur Ulke* was cited as a positive example of press freedom. Responding to the report, an official spokesperson dismissed its report as biased and based on one-sided information. The spokesperson, repeating assertions made whenever Turkey is criticized for human rights violations, insisted that significant improvements had taken place and other important reforms were being undertaken. Given the countless times we have heard such assertions, it is a wonder that Turkey is not a model of freedom and democracy.

Mr. Speaker, now that Turkish officials do not have copies of *Ozgur Ulke* to wave at visiting delegations, they will likely search for other props to convince skeptics of their good intentions. I would suggest, Mr. Speaker, that instead of tolerating certain types of expression in order to placate foreign observers, Turkish officials should take real steps to bring policies in line with stated human rights commitments. Free expression and other rights cannot be viewed simply as products of public relations campaigns. If Turkish officials are unwilling to work seriously towards implementing such rights to bring their laws into conformity with international standards, then they cannot expect their pronouncements on human rights to be viewed sympathetically. In this context, Turkish denunciations of the State Department human rights report are as puzzling as they are absurd.

TRIBUTE TO LAWRENCE J. SCHWARTZ

HON. BOB FILNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 9, 1995

Mr. FILNER. Mr. Speaker and colleagues, I rise today to honor a good friend and commu-

nity leader who passed away this week—Lawrence Schwartz, or Larry to all of his many friends.

I count Larry as one of my closest personal friends and mentors. He was, first and foremost, an educator—like myself, a history professor. He taught U.S. history and political science at San Diego City College from 1966 to 1987, when he left to become president of the San Diego Community College Guild, Local 1931, of the American Federation of Teachers.

As the nation's chief negotiator, Larry established a degree of civility in negotiation that has carried through to today. Faculty salaries at San Diego community colleges increased by 40 percent between 1987 and 1991, due in large part to Larry's rapport and negotiation with administrators.

He never lost touch with students, however. They recognized that Larry's deep involvement with the issues of the day gave depth, conviction, and meaning to his teaching. They responded to the substance of Larry's courses precisely because he gave life to traditionally dry and purely academic exercises.

We both had roots in New York, and our lives converged again in the 1960's when we joined the civil rights movement. Larry was active for years in Democratic political campaigns and served as a delegate to the National Democratic Convention in 1972. He served on the local executive board of the American Civil Liberties Union. He led protests against the Vietnam war.

He was held in high esteem by his students, well respected by his peers, and recognized statewide for his work. He was dearly loved by his friends and his family. My thoughts and prayers are with his wife, Rosalie, and his children.

Educator, union negotiator, activist, husband, father, and friend—Larry had a special bond with everyone he met. He believed, as I do, that one person can make a difference—and his life was a living example of that belief.

We need many more people like Larry Schwartz. He will be missed.

HONORING MORRIS L. SIMON

HON. VAN HILLEARY

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 9, 1995

Mr. HILLEARY. Mr. Speaker, I rise today to honor the memory of Mr. Morris L. Simon, cofounder of the *Tullahoma News* in Tullahoma, TN, and honorary lifetime vice chairman of the University of Tennessee Space Institute Support Council. It is both an honor and a privilege to ask that this body join me in tribute to Morris L. Simon, an extraordinary man who made a very significant impact on the lives of numerous people in middle Tennessee and who served his fellowman so admirably through the years.