

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 <sup>1</sup>	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

<sup>1</sup> Medical. <sup>2</sup> Pharm. and dental. <sup>3</sup> 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.