

L. Johnson, 33, Memphis, TN; Rickey D. Johnson, 36, Memphis, TN; Willie Johnson, 20, Miami, FL; Roberto E. Moody, 30, Seattle, WA; Donald Morrison, 20, San Antonio, TX; Deric Parks, 23, Washington, DC; Harry R. Penninger, 69, Memphis, TN; Albert Perry, 31, Detroit, MI; Artemio Raygoza, 22, San Antonio, TX; Douglas M. Stanton, 33, Chicago, IL; Rodrick Swain, 24, Houston, TX; Ramon Vasquez-Ponti, 56, Miami, FL; Damon Williams, 21, Kansas City, MO; Derrion Wilson, 19, Memphis, TN; Margaret Wilson, 52, Dallas, TX; Dwayne Wright, 28, Detroit, MI; Unidentified Male, 18, Norfolk, VA.

One of the gun violence victims I mentioned, 20-year-old Donald Morrison of San Antonio, was shot and killed one year ago today when an irritated driver followed Donald into a convenience store parking lot and shot him in the head.

Another victim, 33-year-old Greta Johnson of Memphis, was shot and killed one year ago today by her husband before he turned the gun on himself.

We cannot sit back and allow such senseless gun violence to continue. The deaths of these people are a reminder to all of us that we need to enact sensible gun legislation now.

#### HEALTH CARE SAFETY NET OVERSIGHT ACT OF 2000

Mr. HATCH. Mr. President, I am pleased to cosponsor the Health Care Safety Net Oversight Act of 2000, which is an important step toward addressing a critical issue facing our country: the fact that over 40 million Americans lack health insurance.

While it is natural to question the need for any new commission, I believe this legislation is more than warranted given the fact that there is such a substantial number of Americans who are uninsured and there is to date no comprehensive solution to this problem.

Despite the hard work of Community Health Centers in Utah and throughout the Nation, and despite the many, many efforts of others who are working to improve health care delivery in hospitals, emergency rooms and clinics, two facts remain. First, it is deplorable that in a Nation as great as the United States, we still have so many people who lack basic health care services. And second, there is no national consensus on how this problem should be addressed by the public and private sectors.

It is obvious that we need to begin the process toward developing that necessary consensus, and I believe the Health Care Safety Net Oversight Commission's work will help us meet that goal.

I commend Senator BAUCUS and my colleagues for their work which has led to introduction of our bipartisan bill tonight. As the legislation progresses, I do want to work with them to improve a limited number of provisions in the

bill, including the funding source for the Commission.

#### THE MEDICARE BENEFICIARIES' CHOICE STABILIZATION ACT

Mr. SANTORUM. Mr. President, I rise today to address a matter of critical importance to our Nation's 39 million Medicare beneficiaries, 2 million of whom live in Pennsylvania alone. I speak of the current erosion of the Medicare+Choice program, a situation which demands attention by Congress and this administration.

Currently, more than 6.2 million Medicare beneficiaries are enrolled in the Medicare+Choice program, receiving high quality, affordable health care services through HMOs and other private sector health plans. Beneficiaries are choosing these plans because they typically provide a more comprehensive package of benefits (including coverage of prescription drugs), lower out-of-pocket costs, and a stronger emphasis on preventive health care services than the old Medicare fee-for-service system.

As my colleagues well know, for more than ten years Medicare beneficiaries have had access to this array of enhanced health benefits and options through the Medicare's risk contract program, and the success of this program was evidenced by the fact that beneficiaries signed up for Medicare HMO coverage in large numbers. From December 1993 through December 1997, enrollment in Medicare HMOs increased at an average annual rate of 30 percent. In states such as Louisiana, Pennsylvania, Ohio, and Texas, enrollment in Medicare HMOs increased even more rapidly. In December 1997, shortly after the enactment of the BBA, Medicare HMO enrollment stood at 5.2 million, accounting for 14 percent of the total Medicare population—up from just 1.3 million enrollees and 3 percent of the Medicare population in December 1990.

The success of the Medicare HMO program inspired Congress to establish the Medicare+Choice program in 1997 through the enactment of the Balanced Budget Act (BBA). In establishing the Medicare+Choice program, Congress had three goals in mind: (1) to build on the success of the Medicare HMO program; (2) to give seniors and persons with disabilities the same health care choices available to Americans who obtain their health coverage through the private sector; and (3) to further expand beneficiaries' health care choices by establishing an even wider range of health plan options and by making such options available in areas where Medicare HMOs were not yet available. Three years later, however, the Medicare+Choice program has not fulfilled its promise of expanding health care choices for Medicare beneficiaries. Instead, a large number of beneficiaries have lost their Medicare+Choice plans or experienced an increase in out-of-pocket costs or a reduction in benefits.

This disturbing trend is especially harmful to low-income beneficiaries, who are almost twice as likely to enroll in Medicare HMOs as are other Medicare beneficiaries. For many seniors and persons with disabilities who live on fixed incomes, having access to a Medicare HMO means that they can spend their limited resources on groceries and other daily essentials. Beneficiaries also like Medicare HMOs because they provide coordinated care and place a strong emphasis on preventive services that help them to stay healthy and avoid preventable diseases.

Mr. President, when Congress enacted BBA in 1997, plans were still joining the Medicare+Choice program and 74 percent of beneficiaries had access to at least one plan. But today, access dropped to 69 percent, with 2 million fewer beneficiaries having access to a plan. Next year, 711,000 Medicare beneficiaries will lose access to health benefits and choices as a result of Congressional underpayment and burdensome HCFA regulations.

In addition, many Medicare HMOs have curtailed benefits, increased cost-sharing and raised premiums. Average premiums have increased \$11 per month in 2000.

Two major problems are responsible for this outcome: (1) the Medicare+Choice program is significantly underfunded; and (2) the Health Care Financing Administration (HCFA) has imposed excessive regulatory burdens on health plans participating in the program. The funding problem has been caused by the unintended consequences of the Medicare+Choice payment formula that was established by the BBA, as well as the Administration's decision to implement risk adjustment of Medicare+Choice payments on a non-budget neutral basis. Under this formula, the vast majority of health plans have been receiving annual payment updates of only 2 percent in recent years—while the cost of caring for Medicare beneficiaries has been increasing at a much higher rate.

When plans withdraw from communities, beneficiaries are forced to switch plans, or in some cases revert back to the traditional Medicare program, which does not cover additional benefits like eye and dental care, or, more importantly, prescription drugs.

It is in response to this crisis in the Medicare+Choice program that I am pleased to be introducing The Medicare Beneficiaries' Choice Stabilization Act. This legislation will make numerous changes to the way Medicare+Choice rates are calculated and will seek to sensitize the funding mechanisms in the current Medicare system to the difficulties of health care delivery in all communities, and particularly in rural areas.

As the costs of providing care in some areas can be higher than the payments from Medicare, The Medicare Beneficiaries' Choice Stabilization Act will also give plans the opportunity to negotiate for higher payment rates based on local costs.