

Sen. Baucus

October 8, 1993

TO: Carolyn Gatz
Greg Lawler

FROM: Chris Jennings

SUBJECT: Language Suggested by Senator Baucus' Office

Maureen Testoni of Senator Baucus' office forwarded the attached language as a suggestion for dealing with the urban/rural differential issue. I don't think you will utilize this significantly except to the extent that you tap into the up or down vote language. Specifically, apparently for constitutional reasons, the vote must be a vote of disapproval, much like the mechanism used for the base closure issue.

Also attached, you will find an outline of language Larry Levitt and I believe could serve as the general summation of an agreement we think is workable. The issues I think are particularly important are that the report must be done by July 1, 1995, and secondly that it must have a mechanism to address the problem within eight years of enactment.

If you have any questions, please call me or Larry.

Thanks
Chris

*This is your
copy*

ALTERNATIVE OPTION FOR SENATOR BAUCUS

The attached language represents a significant change from the policy we have previously articulated. Specifically, we suggest:

- A requirement that the National Health Board must report back to Congress on narrowing alliance premium targets by October 1, 1995. This must include recommendations to the Congress on establishing a method that would eliminate premium target differentials due to variations in practice patterns. (See below.)
- A requirement that the method developed by the Board would have to accomplish the narrowing of premium target differentials within eight years after enactment.
- A requirement that the Board's submission would be presented to the Congress for an up or down vote, without amendments. And if the Board's submission is not signed into law, it is required to submit a revised proposal within three months. (Pattern of repeated votes requirement similar to Base Closure legislation.)

As the language describes, we have suggested that it is appropriate for premium targets to vary by input prices and demographic or health status factors.

- **INPUT PRICES:** Labor costs vary significantly by geographic location. Physicians in certain states and sub-state areas must pay their employees higher wages to accommodate differences in cost of living. Hospitals in urban areas, such as Boston and New York City, must also pay nurses and other staff higher wages than hospitals in rural areas. Specific measures of wage differentials currently exist and are used in the Medicare program to determine hospital and physician payment rates by locality.

Provider operating costs -- e.g., office rent, medical supplies, and malpractice insurance -- also vary significantly both within and between states:

- Office space in urban areas is typically more expensive than in rural areas due to such differences as property value and building costs.
- The cost of medical equipment and supplies also varies geographically. In Hawaii and Alaska, for example, transportation costs add significantly to the cost of provider supplies.

- Medical liability insurance is significantly more costly for physicians practicing in Michigan or Florida, for example, than for those in Washington.

These factors are currently accounted for in Medicare reimbursement methodologies, including the Medicare hospital wage index and the Medicare geographic practice cost index.

- **DEMOGRAPHICS AND HEALTH STATUS:** Age differences account for significant variations in health expenditures by region. Expenditures for elderly individuals can be three to four times higher than for younger populations. In addition, prevalence of specific diseases also may vary from area to area. The cost of treating such diseases as AIDS, for example, can be substantial, and should be accounted for when establishing geographically-based premium targets. And, a large body of data shows that low-income persons, regardless of insurance status, are more costly to the health care system than higher income individuals.

Demographic and health status information is available through a variety of data sources. And under the President's reforms, uniform national data will be available through health plans and alliances.

LANGUAGE FOR NARROWING OF PREMIUM TARGETS

The National Health Board provides states and alliances with information about regional differences in health care costs and practice patterns, and appoints an advisory commission to recommend adjustments to the methodology for calculating premium targets.

By July 1, 1995, the Board must submit to Congress a proposed methodology for eliminating differences in alliance premium targets due to variations in practice patterns within eight years of enactment. The proposed method must, at a minimum, take into account regional variations in health care input prices and demographic or health status factors. The method must ensure that the average of the alliance premium targets nationwide remains unchanged.

Procedures established in the Health Security Act require that Congress consider the Board's proposed methodology on the basis of an up or down vote without amendments. If the Board's proposed method is not approved by Congress and signed into law by the President, the Board submits a revised proposal within three months. (This process must continue until the Congress passes this initiative -- patterned after Base Closure procedure.)



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FYI As You Requested

Number of Pages to Follow:

11

LANGUAGE FOR NARROWING OF PREMIUM TARGETS

The National Health Board provides states and alliances with information about regional differences in health care costs and practice patterns and appoints an advisory commission to recommend adjustments to the methodology for calculating premium targets.

By July 1, 1995, the Board must submit to Congress a proposed methodology for eliminating differences in per capita alliance premium targets within eight years after enactment.

The proposed method may take into account regional variations in demographic or health status and in health care input prices, based on the availability of accurate proxies for measuring price variation. In taking into account health care input prices the Board must explain (1) what percentage of variation found should be adjusted for and (2) what percentage of the premium should be adjusted.

The method must ensure that the average of the alliance premium targets nationwide remains unchanged.

Procedures established in the Health Security Act require that Congress consider the Board's proposed methodology on the basis of an up or down vote without amendments. As under the Base Closure procedure, the Congress must vote on a resolution of disapproval in order to prevent the Board from implementing their proposed method. If the resolution of disapproval passes Congress and is signed into law by the President, then the Board submits a revised proposal within three months. (This process must continue until the Congress passes this initiative -- patterned after the Base Closure procedure.) If the resolution of disapproval does not pass Congress or is not signed into law within 45 days after the Board submits its recommendations, then the Board must implement its proposed methodology.

TITLE XXIX—DEFENSE BASE CLOSURES AND REALIGNMENTS

PART A—DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

Defense Base Closure and Realignment Act of 1990.
10 USC 2687 note.

SEC. 2901. SHORT TITLE AND PURPOSE

(a) **SHORT TITLE.**—This part may be cited as the "Defense Base Closure and Realignment Act of 1990".

(b) **PURPOSE.**—The purpose of this part is to provide a fair process that will result in the timely closure and realignment of military installations inside the United States.

10 USC 2687 note.

SEC. 2902. THE COMMISSION

(a) **ESTABLISHMENT.**—There is established an independent commission to be known as the "Defense Base Closure and Realignment Commission".

(b) **DUTIES.**—The Commission shall carry out the duties specified for it in this part.

(c) **APPOINTMENT.**—(1)(A) The Commission shall be composed of eight members appointed by the President, by and with the advise and consent of the Senate.

President.

(B) The President shall transmit to the Senate the nominations for appointment to the Commission—

(i) by no later than January 3, 1991, in the case of members of the Commission whose terms will expire at the end of the first session of the 102nd Congress;

(ii) by no later than January 25, 1993, in the case of members of the Commission whose terms will expire at the end of the first session of the 103rd Congress; and

(iii) by no later than January 3, 1995, in the case of members of the Commission whose terms will expire at the end of the first session of the 104th Congress.

(2) In selecting individuals for nominations for appointments to the Commission, the President should consult with—

(A) the Speaker of the House of Representatives concerning the appointment of two members;

(B) the majority leader of the Senate concerning the appointment of two members;

(C) the minority leader of the House of Representatives concerning the appointment of one member; and

(D) the minority leader of the Senate concerning the appointment of one member.

(3) At the time the President nominates individuals for appointment to the Commission for each session of Congress referred to in paragraph (1)(B), the President shall designate one such individual who shall serve as Chairman of the Commission.

(d) **TERMS.**—(1) Except as provided in paragraph (2), each member of the Commission shall serve until the adjournment of Congress sine die for the session during which the member was appointed to the Commission.

(2) The Chairman of the Commission shall serve until the confirmation of a successor.

(e) **MEETINGS.**—(1) The Commission shall meet only during calendar years 1991, 1993, and 1995.

(2)(A) Each meeting of the Commission, other than meetings in which classified information is to be discussed, shall be open to the public.

Public information.

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DEFENSE AUTHORIZATION ACT

P.L. 101-510

Sec. 2902

(B) All the proceedings, information, and deliberations of the Commission shall be open, upon request, to the following:

(i) The Chairman and the ranking minority party member of the Subcommittee on Readiness, Sustainability, and Support of the Committee on Armed Services of the Senate, or such other members of the Subcommittee designated by such Chairman or ranking minority party member.

(ii) The Chairman and the ranking minority party member of the Subcommittee on Military Installations and Facilities of the Committee on Armed Services of the House of Representatives, or such other members of the Subcommittee designated by such Chairman or ranking minority party member.

(iii) The Chairmen and ranking minority party members of the Subcommittees on Military Construction of the Committees on Appropriations of the Senate and of the House of Representatives, or such other members of the Subcommittees designated by such Chairmen or ranking minority party members.

(f) VACANCIES.—A vacancy in the Commission shall be filled in the same manner as the original appointment, but the individual appointed to fill the vacancy shall serve only for the unexpired portion of the term for which the individual's predecessor was appointed.

(g) PAY AND TRAVEL EXPENSES.—(1)(A) Each member, other than the Chairman, shall be paid at a rate equal to the daily equivalent of the minimum annual rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the actual performance of duties vested in the Commission.

(B) The Chairman shall be paid for each day referred to in subparagraph (A) at a rate equal to the daily equivalent of the minimum annual rate of basic pay payable for level III of the Executive Schedule under section 5314 of title 5, United States Code.

(2) Members shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(h) DIRECTOR OF STAFF.—(1) The Commission shall, without regard to section 5311(b) of title 5, United States Code, appoint a Director who has not served on active duty in the Armed Forces or as a civilian employee of the Department of Defense during the one-year period preceding the date of such appointment.

(2) The Director shall be paid at the rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(i) STAFF.—(1) Subject to paragraphs (2) and (3), the Director, with the approval of the Commission, may appoint and fix the pay of additional personnel.

(2) The Director may make such appointments without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and any personnel so appointed may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the annual rate of basic pay payable for GS-18 of the General Schedule.

(3) Not more than one-third of the personnel employed by or detailed to the Commission may be on detail from the Department of Defense.

P.L. 101-510
Sec. 2902

LAWS OF 101st CONG.—2nd SESS.

Nov. 5

(4) Upon request of the Director, the head of any Federal department or agency may detail any of the personnel of that department or agency to the Commission to assist the Commission in carrying out its duties under this part.

(5) The Comptroller General of the United States shall provide assistance, including the detailing of employees, to the Commission in accordance with an agreement entered into with the Commission.

(j) OTHER AUTHORITY.—(1) The Commission may procure by contract, to the extent funds are available, the temporary or intermittent services of experts or consultants pursuant to section 3109 of title 5, United States Code.

(2) The Commission may lease space and acquire personal property to the extent funds are available.

(k) FUNDING.—(1) There are authorized to be appropriated to the Commission such funds as are necessary to carry out its duties under this part. Such funds shall remain available until expended.

(2) If no funds are appropriated to the Commission by the end of the second session of the 101st Congress, the Secretary of Defense may transfer, for fiscal year 1991, to the Commission funds from the Department of Defense Base Closure Account established by section 207 of Public Law 100-526. Such funds shall remain available until expended.

(l) TERMINATION.—The Commission shall terminate on December 31, 1995.

10 USC 2687
note.

SEC. 2903. PROCEDURE FOR MAKING RECOMMENDATIONS FOR BASE CLOSURES AND REALIGNMENTS

(a) FORCE-STRUCTURE PLAN.—(1) As part of the budget justification documents submitted to Congress in support of the budget for the Department of Defense for each of the fiscal years 1992, 1994, and 1996, the Secretary shall include a force-structure plan for the Armed Forces based on an assessment by the Secretary of the probable threats to the national security during the six-year period beginning with the fiscal year for which the budget request is made and of the anticipated levels of funding that will be available for national defense purposes during such period.

(2) Such plan shall include, without any reference (directly or indirectly) to military installations inside the United States that may be closed or realigned under such plan—

(A) a description of the assessment referred to in paragraph (1);

(B) a description (i) of the anticipated force structure during and at the end of each such period for each military department (with specifications of the number and type of units in the active and reserve forces of each such department), and (ii) of the units that will need to be forward based (with a justification thereof) during and at the end of each such period; and

(C) a description of the anticipated implementation of such force-structure plan.

(3) The Secretary shall also transmit a copy of each such force-structure plan to the Commission.

(b) SELECTION CRITERIA.—(1) The Secretary shall, by no later than December 31, 1990, publish in the Federal Register and transmit to the congressional defense committees the criteria proposed to be used by the Department of Defense in making recommendations for the closure or realignment of military installations inside the United States under this part. The Secretary shall provide an

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SS. Nov. 5

Nov. 5 DEFENSE AUTHORIZATION ACT

P.L. 101-510 Sec. 2903

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opportunity for public comment on the proposed criteria for a period of at least 30 days and shall include notice of that opportunity in the publication required under the preceding sentence.

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(2)(A) The Secretary shall, by no later than February 15, 1991, publish in the Federal Register and transmit to the congressional defense committees the final criteria to be used in making recommendations for the closure or realignment of military installations inside the United States under this part. Except as provided in subparagraph (B), such criteria shall be the final criteria to be used, along with the force-structure plan referred to in subsection (a), in making such recommendations unless disapproved by a joint resolution of Congress enacted on or before March 15, 1991.

Federal Register, publication.

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(B) The Secretary may amend such criteria, but such amendments may not become effective until they have been published in the Federal Register, opened to public comment for at least 30 days, and then transmitted to the congressional defense committees in final form by no later than February 15 of the year concerned. Such amended criteria shall be the final criteria to be used, along with the force-structure plan referred to in subsection (a), in making such recommendations unless disapproved by a joint resolution of Congress enacted on or before March 15 of the year concerned.

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(c) DOD RECOMMENDATIONS.—(1) The Secretary may, by no later than April 15, 1991, April 15, 1993, and April 15, 1995, publish in the Federal Register and transmit to the congressional defense committees and to the Commission a list of the military installations inside the United States that the Secretary recommends for closure or realignment on the basis of the force-structure plan and the final criteria referred to in subsection (b)(2) that are applicable to the year concerned.

Federal Register, publication.

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(2) The Secretary shall include, with the list of recommendations published and transmitted pursuant to paragraph (1), a summary of the selection process that resulted in the recommendation for each installation, including a justification for each recommendation.

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(3) In considering military installations for closure or realignment, the Secretary shall consider all military installations inside the United States equally without regard to whether the installation has been previously considered or proposed for closure or realignment by the Department.

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(4) The Secretary shall make available to the Commission and the Comptroller General of the United States all information used by the Department in making its recommendations to the Commission for closures and realignments.

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(d) REVIEW AND RECOMMENDATIONS BY THE COMMISSION.—(1) After receiving the recommendations from the Secretary pursuant to subsection (c) for any year, the Commission shall conduct public hearings on the recommendations.

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(2)(A) The Commission shall, by no later than July 1 of each year in which the Secretary transmits recommendations to it pursuant to subsection (c), transmit to the President a report containing the Commission's findings and conclusions based on a review and analysis of the recommendations made by the Secretary, together with the Commission's recommendations for closures and realignments of military installations inside the United States.

Reports.

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(B) In making its recommendations, the Commission may make changes in any of the recommendations made by the Secretary if the Commission determines that the Secretary deviated substantially

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Sec. 2903

from the force-structure plan and final criteria referred to in subsection (c)(1) in making recommendations.

(3) The Commission shall explain and justify in its report submitted to the President pursuant to paragraph (2) any recommendation made by the Commission that is different from the recommendations made by the Secretary pursuant to subsection (c). The Commission shall transmit a copy of such report to the congressional defense committees on the same date on which it transmits its recommendations to the President under paragraph (2).

(4) After July 1 of each year in which the Commission transmits recommendations to the President under this subsection, the Commission shall promptly provide, upon request, to any Member of Congress information used by the Commission in making its recommendations.

Reports.

(5) The Comptroller General of the United States shall—

(A) assist the Commission, to the extent requested, in the Commission's review and analysis of the recommendations made by the Secretary pursuant to subsection (c); and

(B) by no later than May 15 of each year in which the Secretary makes such recommendations, transmit to the Congress and to the Commission a report containing a detailed analysis of the Secretary's recommendations and selection process.

Reports.

(e) REVIEW BY THE PRESIDENT.—(1) The President shall, by no later than July 15 of each year in which the Commission makes recommendations under subsection (d), transmit to the Commission and to the Congress a report containing the President's approval or disapproval of the Commission's recommendations.

(2) If the President approves all the recommendations of the Commission, the President shall transmit a copy of such recommendations to the Congress, together with a certification of such approval.

(3) If the President disapproves the recommendations of the Commission, in whole or in part, the President shall transmit to the Commission and the Congress the reasons for that disapproval. The Commission shall then transmit to the President, by no later than August 15 of the year concerned, a revised list of recommendations for the closure and realignment of military installations.

(4) If the President approves all of the revised recommendations of the Commission transmitted to the President under paragraph (3), the President shall transmit a copy of such revised recommendations to the Congress, together with a certification of such approval.

(5) If the President does not transmit to the Congress an approval and certification described in paragraph (2) or (4) by September 1 of any year in which the Commission has transmitted recommendations to the President under this part, the process by which military installations may be selected for closure or realignment under this part with respect to that year shall be terminated.

10 USC 2687 note.

SEC. 2904. CLOSURE AND REALIGNMENT OF MILITARY INSTALLATIONS

(a) IN GENERAL.—Subject to subsection (b), the Secretary shall—

(1) close all military installations recommended for closure by the Commission in each report transmitted to the Congress by the President pursuant to section 2903(e);

(2) realign all military installations recommended for realignment by such Commission in each such report;

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P.L. 101-510
Sec. 2905

LAWS OF 101st CONG.—2nd SESS.

Nov. 5

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(D) provide outplacement assistance to civilian employees employed by the Department of Defense at military installations being closed or realigned, and may use for such purpose funds in the Account or funds appropriated to the Department of Defense for outplacement assistance to employees; and

(E) reimburse other Federal agencies for actions performed at the request of the Secretary with respect to any such closure or realignment, and may use for such purpose funds in the Account or funds appropriated to the Department of Defense and available for such purpose.

(2) In carrying out any closure or realignment under this part, the Secretary shall ensure that environmental restoration of any property made excess to the needs of the Department of Defense as a result of such closure or realignment be carried out as soon as possible with funds available for such purpose.

(b) **MANAGEMENT AND DISPOSAL OF PROPERTY.**—(1) The Administrator of General Services shall delegate to the Secretary of Defense with respect to excess and surplus real property and facilities located at a military installation closed or realigned under this part—

(A) the authority of the Administrator to utilize excess property under section 202 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483);

(B) the authority of the Administrator to dispose of surplus property under section 203 of that Act (40 U.S.C. 484);

(C) the authority of the Administrator to grant approvals and make determinations under section 13(g) of the Surplus Property Act of 1944 (50 U.S.C. App. 1622(g)); and

(D) the authority of the Administrator to determine the availability of excess or surplus real property for wildlife conservation purposes in accordance with the Act of May 19, 1949 (16 U.S.C. 667b).

(2XA) Subject to subparagraph (C), the Secretary of Defense shall exercise the authority delegated to the Secretary pursuant to paragraph (1) in accordance with—

(i) all regulations in effect on the date of the enactment of this Act governing the utilization of excess property and the disposal of surplus property under the Federal Property and Administrative Services Act of 1949; and

(ii) all regulations in effect on the date of the enactment of this Act governing the conveyance and disposal of property under section 13(g) of the Surplus Property Act of 1944 (50 U.S.C. App. 1622(g)).

(B) The Secretary, after consulting with the Administrator of General Services, may issue regulations that are necessary to carry out the delegation of authority required by paragraph (1).

(C) The authority required to be delegated by paragraph (1) to the Secretary by the Administrator of General Services shall not include the authority to prescribe general policies and methods for utilizing excess property and disposing of surplus property.

(D) The Secretary of Defense may transfer real property or facilities located at a military installation to be closed or realigned under this part, with or without reimbursement, to a military department or other entity (including a nonappropriated fund instrumentality within the Department of Defense or the Coast Guard).

(E) Before any action may be taken with respect to the disposal of any surplus real property or facility located at any military installa-

Nov. 5

Nov. 5

DEFENSE AUTHORIZATION ACT

P.L. 101-510
Sec. 2906

tion to be closed or realigned under this part, the Secretary of Defense shall consult with the Governor of the State and the heads of the local governments concerned for the purpose of considering any plan for the use of such property by the local community concerned.

(c) **APPLICABILITY OF NATIONAL ENVIRONMENTAL POLICY ACT OF 1969.**—(1) The provisions of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) shall not apply to the actions of the President, the Commission, and, except as provided in paragraph (2), the Department of Defense in carrying out this part.

(2)(A) The provisions of the National Environmental Policy Act of 1969 shall apply to actions of the Department of Defense under this part (i) during the process of property disposal, and (ii) during the process of relocating functions from a military installation being closed or realigned to another military installation after the receiving installation has been selected but before the functions are relocated.

(B) In applying the provisions of the National Environmental Policy Act of 1969 to the processes referred to in subparagraph (A), the Secretary of Defense and the Secretary of the military departments concerned shall not have to consider—

(i) the need for closing or realigning the military installation which has been recommended for closure or realignment by the Commission;

(ii) the need for transferring functions to any military installation which has been selected as the receiving installation; or

(iii) military installations alternative to those recommended or selected.

(3) A civil action for judicial review, with respect to any requirement of the National Environmental Policy Act of 1969 to the extent such Act is applicable under paragraph (2), of any act or failure to act by the Department of Defense during the closing, realigning, or relocating of functions referred to in clauses (i) and (ii) of paragraph (2)(A), may not be brought more than 60 days after the date of such act or failure to act.

(d) **WAIVER.**—The Secretary of Defense may close or realign military installations under this part without regard to—

(1) any provision of law restricting the use of funds for closing or realigning military installations included in any appropriations or authorization Act; and

(2) sections 2662 and 2667 of title 10, United States Code.

SEC. 2906. ACCOUNT

(a) **IN GENERAL.**—(1) There is hereby established on the books of the Treasury an account to be known as the "Department of Defense Base Closure Account 1990" which shall be administered by the Secretary as a single account.

(2) There shall be deposited into the Account—

(A) funds authorized for and appropriated to the Account;

(B) any funds that the Secretary may, subject to approval in an appropriation Act, transfer to the Account from funds appropriated to the Department of Defense for any purpose, except that such funds may be transferred only after the date on which the Secretary transmits written notice of, and justification for, such transfer to the congressional defense committees; and

10 USC 2667
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P.L. 101-510
Sec. 2903

LAWS OF 101st CONG.—2nd SESS.

Nov. 8

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(C) proceeds received from the transfer or disposal of any property at a military installation closed or realigned under this part.

(b) **Use of Funds.**—(1) The Secretary may use the funds in the Account only for the purposes described in section 2905(a).

(2) When a decision is made to use funds in the Account to carry out a construction project under section 2905(a) and the cost of the project will exceed the maximum amount authorized by law for a minor military construction project, the Secretary shall notify in writing the congressional defense committees of the nature of, and justification for, the project and the amount of expenditures for each project. Any such construction project may be carried out without regard to section 2802(a) of title 10, United States Code.

(c) **Reports.**—(1) No later than 60 days after the end of each fiscal year in which the Secretary carries out activities under this part, the Secretary shall transmit a report to the congressional defense committees of the amount and nature of the deposits into, and the expenditures from, the Account during such fiscal year and of the amount and nature of other expenditures made pursuant to section 2905(a) during such fiscal year.

(2) Unobligated funds which remain in the Account after the termination of the Commission shall be held in the Account until transferred by law after the congressional defense committees receive the report transmitted under paragraph (3).

(3) No later than 60 days after the termination of the Commission, the Secretary shall transmit to the congressional defense committees a report containing an accounting of—

- (A) all the funds deposited into and expended from the Account or otherwise expended under this part; and
- (B) any amount remaining in the Account.

10 USC 2907
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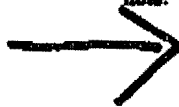
SEC. 2907. REPORTS

As part of the budget request for fiscal year 1993 and for each fiscal year thereafter for the Department of Defense, the Secretary shall transmit to the congressional defense committees of Congress—

(1) a schedule of the closure and realignment actions to be carried out under this part in the fiscal year for which the request is made and an estimate of the total expenditures required and cost savings to be achieved by each such closure and realignment and of the time period in which these savings are to be achieved in each case, together with the Secretary's assessment of the environmental effects of such actions;

(2) a description of the military installations, including those under construction and those planned for construction, to which functions are to be transferred as a result of such closures and realignments, together with the Secretary's assessment of the environmental effects of such transfers.

10 USC 2907
note.



SEC. 2908. CONGRESSIONAL CONSIDERATION OF COMMISSION REPORTS

(a) **TERMS OF THE RESOLUTION.**—For purposes of section 2903, the term "joint resolution" means only a joint resolution which is introduced within the 10-day period beginning on the date on which the President transmits the report to the Congress under section 2903(e), and—

- (1) which does not have a preamble;

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P.L. 101-510
Sec. 2908

LAWS OF 101st CONG.—2nd SESS.

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the case may be, to the procedure relating to a resolution described in subsection (a) shall be decided without debate.

(e) **CONSIDERATION BY OTHER HOUSE.**—(1) If, before the passage by one House of a resolution of that House described in subsection (a), that House receives from the other House a resolution described in subsection (a), then the following procedures shall apply:

(A) The resolution of the other House shall not be referred to a committee and may not be considered in the House receiving it except in the case of final passage as provided in subparagraph (B)(ii).

(B) With respect to a resolution described in subsection (a) the House receiving the resolution—

(i) the procedure in that House shall be the same as if a resolution had been received from the other House;

(ii) the vote on final passage shall be on the resolution of the other House.

(2) Upon disposition of the resolution received from the other House, it shall no longer be in order to consider the resolution originated in the receiving House.

(f) **RULES OF THE SENATE AND HOUSE.**—This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a resolution described in subsection (a), and supersedes other rules only to the extent that it is inconsistent with such rules; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure in that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

10 USC 2687
note.

SEC. 2909. RESTRICTION ON OTHER BASE CLOSURE AUTHORITY

(a) **IN GENERAL.**—Except as provided in subsection (c), during the period beginning on the date of the enactment of this Act and ending on December 31, 1995, this part shall be the exclusive authority for selecting for closure or realignment, or for carrying out any closure or realignment of, a military installation inside the United States.

(b) **RESTRICTION.**—Except as provided in subsection (c), none of the funds available to the Department of Defense may be used, other than under this part, during the period specified in subsection (a)

(1) to identify, through any transmittal to the Congress or through any other public announcement or notification, a military installation inside the United States as an installation to be closed or realigned or as an installation under consideration for closure or realignment; or

(2) to carry out any closure or realignment of a military installation inside the United States.

(c) **EXCEPTION.**—Nothing in this part affects the authority of the Secretary to carry out—

(1) closures and realignments under title II of Public Law 101-526; and

(2) closures and realignments to which section 2687 of title 10, United States Code, is not applicable, including closures and

Nov. 5

DEFENSE AUTHORIZATION ACT

P.L. 101-510
Sec. 2908

(2) the matter after the resolving clause of which is as follows: "That Congress disapproves the recommendations of the Defense Base Closure and Realignment Commission as submitted by the President on _____", the blank space being filled in with the appropriate date; and

(3) the title of which is as follows: "Joint resolution disapproving the recommendations of the Defense Base Closure and Realignment Commission."

(b) REFERRAL.—A resolution described in subsection (a) that is introduced in the House of Representatives shall be referred to the Committee on Armed Services of the House of Representatives. A resolution described in subsection (a) introduced in the Senate shall be referred to the Committee on Armed Services of the Senate.

(c) DISCHARGE.—If the committee to which a resolution described in subsection (a) is referred has not reported such resolution (or an identical resolution) by the end of the 20-day period beginning on the date on which the President transmits the report to the Congress under section 2908(c), such committee shall be, at the end of such period, discharged from further consideration of such resolution, and such resolution shall be placed on the appropriate calendar of the House involved.

(d) CONSIDERATION.—(1) On or after the third day after the date on which the committee to which such a resolution is referred has reported, or has been discharged (under subsection (c)) from further consideration of, such a resolution, it is in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the resolution (but only on the day after the calendar day on which such Member announces to the House concerned the Member's intention to do so). All points of order against the resolution (and against consideration of the resolution) are waived. The motion is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the respective House shall immediately proceed to consideration of the joint resolution without intervening motion, order, or other business, and the resolution shall remain the unfinished business of the respective House until disposed of.

(2) Debate on the resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 2 hours, which shall be divided equally between those favoring and those opposing the resolution. An amendment to the resolution is not in order. A motion further to limit debate is in order and not debatable. A motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the resolution is not in order. A motion to reconsider the vote by which the resolution is agreed to or disagreed to is not in order.

(3) Immediately following the conclusion of the debate on a resolution described in subsection (a) and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on final passage of the resolution shall occur.

(4) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as

MEMORANDUM

TO: Greg

November 3, 1993


FR: Chris

RE: Baucus problem/misc. updates

Greg, I talked with Ira about the Baucus' problem. He had already talked with Steve R. about it (after Baucus had called HRC and Steve) and said he was ok on the changes. Just the same, I told him I thought it was important he fully understood the changes and I went over them with him.

Attached for your use are the letters that Baucus has sent over recently. I hope they are sufficient in helping you make the change. Please stop by or call if you need any further information.

Re Veterans, we did not reach closure on the issue of a revolving fund (size, how crafted, etc.) during our multi-hour meeting. This one is going to be bucked up for a meeting between Ira, Leon P. and Secretary Brown on Friday. I tried to push for earlier so that we could get closure sooner, but schedules of the principles conflict. I'll keep you apprised OR you are more than welcome to attend -- it sounds like it will be at or around 1:30.

Thanks


MAX BAUCUS
MONTANA

WASHINGTON, DC
(202) 224-2831

MONTANA TOLL FREE NUMBER
1-800-332-8108

United States Senate

WASHINGTON, DC 20510

Ira: Are you signed off on these changes?

October 19, 1993

Ira Magaziner
Task Force on National Health Care Reform
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

yes Jim

Dear Ira:


I was very disappointed to see that the language in the draft bill drastically altered the premium cap language we had agreed to a couple weeks ago. Because the bill completely fails to address my concerns, I feel compelled to remove my name from the list of cosponsors unless it is changed to reflect our earlier agreement.

As currently drafted, the bill differs from our agreement three respects.

1. The bill requires that Congress vote to approve the National Health Board's recommendations. We had specifically agreed that the recommendations would automatically go into effect unless Congress voted to disapprove the proposal.

2. The bill requires the report by the National Health Board to include subjects unrelated to eliminating the difference in practice patterns. Our agreement specified that the proposal would only discuss the variation in per capita premiums due to practice pattern differences.

3. Our agreement specified that "the proposed method may take into account regional variations in demographic or health status and in health care input prices, based on the availability of accurate proxies for measuring price variation. In taking into account health care input prices the Board must explain what percentage of variation found should be adjusted and what percentage of the premium should be adjusted." This language was not included in the current draft.

Two separate reports. 

MAX BAUCUS
MONTANA

P. 4/5

WASHINGTON, DC
(202) 224-2051MONTANA TOLL FREE NUMBER
1-800-333-8106

United States Senate

WASHINGTON, DC 20510

October 19, 1993

Hillary Rodham Clinton
Chairperson
Task Force on National Health Care Reform
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Ms. Clinton:

We are pleased to hear that you have developed an alternative proposal for determining state global budgets under President Clinton's national health reform plan.

It is our understanding that you intend to include the following language in your proposal:

1. By July 1, 1995, the National Health Board would be required to propose a methodology for eliminating the differences in alliance premium targets due to practice patterns within eight years after enactment.
2. The proposed method may take into account regional variations in demographic or health status and in health care input prices, based on the availability of accurate proxies for measuring price variation. In taking into account health care input prices the Board must explain what percentage of variation found should be adjusted and what percentage of the premium should be adjusted.
3. Allow the Board's recommendations to go into effect unless Congress passes and the President signs a resolution of disapproval within 45 days from when the Board submitted its proposal. Rules for consideration of this resolution would be modeled after the Base Closure procedure.

We are pleased to let you know that this language would largely address our concerns regarding the allocation of global budgets. We are especially pleased that the Board will be required to report to Congress by 1995 and that their methodology would be fully phased in within eight years. The proposal would be severely weakened if these deadlines were any later.

Page 2

Thank you for the time you have spent developing this language. We appreciate your efforts to address our concerns and look forward to working with you on this historic initiative.

Sincerely,

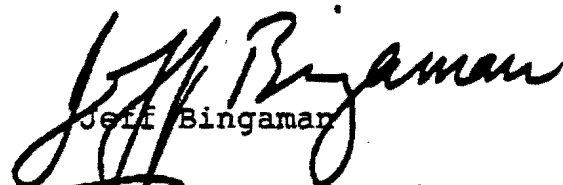

Max Baucus

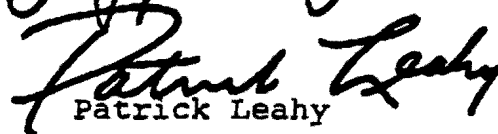

Kent Conrad


David Pryor

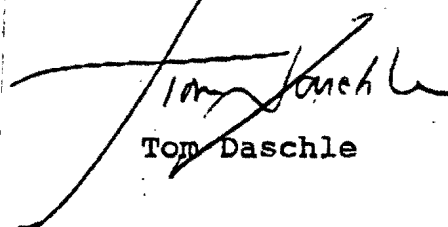

Robert Kerrey


Byron Dorgan


Jeff Bingaman


Patrick Leahy


Tom Harkin


Tom Daschle

MAX BAUCUS
MONTANA

Sen.

United States Senate

WASHINGTON, DC 20510

October 19, 1993

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Task Force on National Health Care Reform
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

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Post-It™ brand fax transmittal memo 7671		# of pages
To	Chris Jennings	From
Co.		Maureen Tesher
Dept.		Co.
Fax #	456-7739	Phone #
		Fax #

WASHINGTON, DC
(202) 224-2861
42651
MONTANA TOLL FREE NUMBER
1-800-822-6100

Page 2

I have attached a letter we sent to Ms. Clinton confirming our earlier agreement. I was assured by Chris Jennings that this language, which is a compromise from my original position, would be included in the bill. I am extremely disappointed with the bill's current language.

Sincerely,


Max Baucus

MAX BAUCUS
MONTANA

P. 3/4

WASHINGTON, DC
(202) 224-2651MONTANA TOLL FREE NUMBER
1-800-332-8108**United States Senate**

WASHINGTON, DC 20510

October 19, 1993

Hillary Rodham Clinton
 Chairperson
 Task Force on National Health Care Reform
 The White House
 1600 Pennsylvania Avenue, N.W.
 Washington, D.C. 20500

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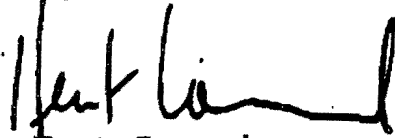
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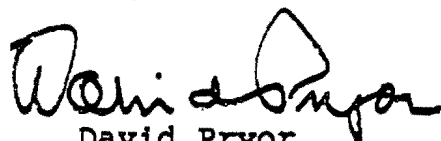
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Max Baucus



Kent Conrad



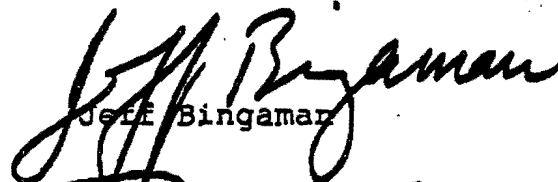
David Pryor



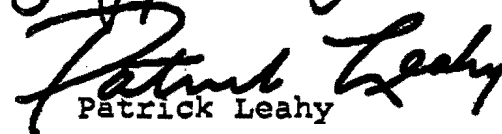
Robert Kerrey



Byron Dorgan



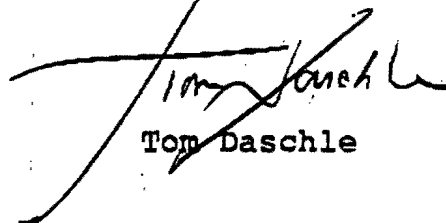
Jeff Bingaman



Patrick Leahy



Tom Harkin



Tom Daschle

cc: Kiechelt
Melanne

WASHINGTON, DC
(202) 224-3861

MONTANA TOLL FREE NUMBER
1-800-332-8108

United States Senate

WASHINGTON, DC 20510

SPAM NOV 8 1993

October 19, 1993

Hillary Rodham Clinton
Chairperson
Task Force on National Health Care Reform
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

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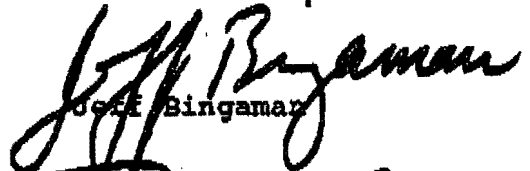

Max Baucus

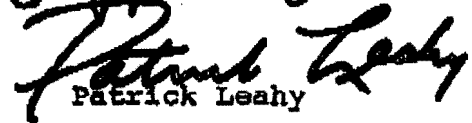

Kent Conrad


David Pryor

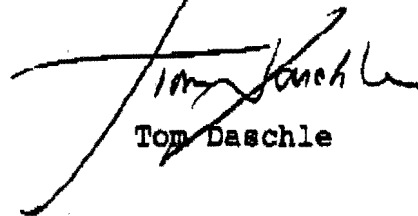

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Tom Daschle