me recently and say, they are going to have to leave San Diego and California because they cannot live with this uncertainty.

So we have the power. The power is there. By the way, when we asked them why they produce, a Texas firm had talked to one of the people working there, and they revealed the logs and they said, they just turned it off. First they told me, well, we turned it off because there was environmental problems, restrictions, and we went to the air conditioner and there is no restriction, that is a lie, there is no restrictions. They said there were mechanical problems, but the mechanics there said there were none. Then they said the system operator in the State did not ask them; it turned out that they did.

So we have this incredible situation.

Mr. SHERMAN. Mr. Speaker, a stage-3 alert is a desperate situation where we are asking everybody to conserve and goofy.

Mr. FILNER. And, the blackouts occurred at a time when our capacity for production theoretically is 45,000 megawatts, the demand in the winter-time when air-conditioning is not on is about 30,000, so we have a 30,000 megawatt power plant with a 45,000 megawatt capacity. Economics 101 says there ought to be sufficient supply at a reasonable price. We had blackouts, and we had blackouts because of the situation that the gentleman described earlier.

If we had a power plant, the gentleman might share with us also the experience of those with public power; that is, there are 3,000 communities around this country that have public power. The City of Los Angeles, which the gentleman knows very well, produces its own power and distributes it. The City of Sacramento I think has its own power supply. Those cities and those municipalities, those areas that have public power are not under the control, for the most part, of this energy cartel.

Mr. SHERMAN. Mr. Speaker, it works just fine. In the City of Los Angeles, and I live within the city limits, the prices are the same, no blackouts; we have no problems. Our city produces a little bit more electricity than it needs and sells it to the gentleman’s city and others in the west. Occasionally, somebody will say, maybe L.A. is charging San Diego too much or too little, and somebody will write a letter about it on page 6 of the newspaper. But the overwhelming story, the headline story is, no story here.

Mr. Speaker, regulated electricity, that is to say privately owned but subject to rate regulation, cost plus profit, works fine in our State and virtually every other State for 80 to 100 years. Something even more regulated, that is to say privately owned but subject to rate regulation, cost plus profit worked fine in the City of Los Angeles, the City of Burbank.

Unregulated power seems to work well in some of the States where their economy is not growing at all and their population relative to the rest of the country is contracting. But in a State like ours that is growing a bit, surrounded by other States that are also experiencing growth, an unregulated market, and there is no mechanism to be gouged. The theorists may not have realized that at the time. It seems apparent now, when we try something and it does not work, we should go back to what we had before that was working pretty well.

Mr. Speaker, the Federal Government will not let us. We get lectures from the White House, lectures about how, if only we had elected Republicans, this would not have happened. But we are having a hard time hearing the lecture, because we are bound and gagged by Federal law that will not allow us to go back to the same system that worked so well for us.

Mr. FILNER. Mr. Speaker, if I can sum up from my perspective and then give the gentleman a similar chance, California is being bled dry by a cartel of energy wholesalers. We are being charged at a rate of $3 billion a month, and the State is purchasing that because the utilities are bankrupt. Our first degree pass through those prices. We have legislation which virtually all of the Democrats and some Republicans from the States of California, Washington, and Oregon are supporting, which establishes rates for economic situation and the western region. That will bring down the prices and stop the hemorrhaging, while the governor is programmed to build new plants and conserve more has its effect. We must bring down those prices. This Congress has refused to act and is going home for its Memorial Day recess without doing that.

We have to move in addition, for the long range, and it really comes back to the same problem, because these cartels will not do the research for renewable resources, for sustainable energy. We could in California be pretty self-sufficient with photovoltaic cells if we brought down the cost and purchased in mass. We have to do more work in that. San Diego, as are other regions in the State, are moving toward a public power authority so we can have our own plant like the one that I described earlier. We can build and have some leverage in the system. We do not have to pay the premium for the San Diego Gas and Electric distribution system. At their rate, they will be very happy to do it. But we need some leverage of our own electricity and our own capacity so we can take control of our own future from this cartel.

Whether you looked at gasoline in Chicago or whether we looked at electricity in California or natural gas as it flows, as the gentleman described, from Texas into California, the economic situation is the same. There is no competition, there is no market, there is a manipulated and controlled situation by a small group of major corporations. We must bring them under control, and we as different communities must establish our own sources to get out of their control.

So I thank the gentleman, and I will give him the last word in the few minutes that we have left.

Mr. SHERMAN. Mr. Speaker, the gentlemen might want to bring up the natural gas prices.

As I indicated, the price of moving natural gas went up by 1,200 percent. That happened right after the Federal Energy Regulatory Commission, the deregulators, deregulated the pipelines and allowed them to charge, through a loophole, to charge as much as they wanted to charge. Imagine your home is burning down. You might have one neighbor who, for some reason, does not help you. But only the most malevolent of neighbors would seize your hose, watch your home burn down, hold on to your hose and lecture you about how it is your fault, you should not let the fire burn out to begin with.

California is burning. The Federal Government is holding our hose, and we are being hosed by Washington, which will not give us the rate regulation that virtually all Californians want, and will not let us do it ourselves.

Mr. FILNER. Mr. Speaker, we call on the President and this Congress to act today. I thank the gentleman from California, and I thank our colleagues from Illinois.
People stood up, applauded, and clapped for the sentiment that Ms. Hunt was expressing about her HMO.

In fact, we know the sentiment is widespread when we start to see the news. Hey, even if it is black humor. Here we have a cartoon about HMOs. We have the HMO bean counter next to the doctor saying, "scalpel." The HMO bean counter says "pocket knife." The doctor says "suture." The HMO bean counter says "bandaid." The doctor says, "call a cab."

Now, members may think that is just a joke, it is just funny, except for the fact that down in Texas there was a suicidal man. His doctor recommended anti-freeze and he committed suicide. Sure enough, he drank half a gallon of anti-freeze and he committed suicide. This case ended up being covered on the front cover of one of the national news magazines as an example of HMO abuse.

Now, this is really black humor. Here we have an HMO receptionist saying, "Cuddly Care HMO. How can I help you? You are at the emergency room and your husband needs an approval for treatment? Oh, he is gasping, writhing, eyes rolled back in his head? Doesn’t sound like a surgery. Could this be dying?"

Then the reviewer says, "Well, have you heard about an inhaler?" Then the next one is "He is dead!" And the next one says, "Well, then he certainly should have been admitted."

And finally, the reviewer looks at us and says, "People are always trying to rip us off." How about the case where this young woman fell 40 feet off a cliff about 70 miles from her hometown. She had to be evacuated to an emergency room and intensive care. She had a broken pelvis, a fractured skull, a broken arm. Her HMO would not pay her bill. She had not phoned ahead for prior authorization. I guess she was supposed to know she was going to fall off a cliff.

Gee, it would be just like that prior cartoon, the HMO saying, "Those patients, they are always trying to rip us off."

Speaking about emergency care, this little boy, when he was 6 months old and needed emergency care in the middle of the night, he had a temperature of about 105, 104, 105, mom phoned the 800 number and was told to take him to one specific hospital, the only one the HMO contracted with. Mom said, "Where is it?"

The answer on the telephone, "I don’t know. Find a map." It turned out it was 70 miles away. "But we are only going to authorize that one hospital."

So they passed several other hospitals, not knowing how sick their little boy is. He has a cardiac arrest. En route, they are lucky, they manage to keep him alive. His mom leaps out of the car carrying the little baby. When they finally get to the emergency room, they put an IV in. They save his life, but they do not save all of this little baby, because he ends up with gangrene of both hands and both feet, which have to be amputated, because they are not covered under this Federal law.

Instead of saying, "Take that little boy to the nearest emergency room right away," they said, "We do not think it is that important. Take him to this one that is 70 miles away, because we can save money that way. We have got a contract with that emergency room."

Before coming to Congress, I was a reconstructive surgeon. I took care of little babies with cleft lips and palates like this baby. Guess what, 50 percent of the surgeons in this country that do this kind of surgery in the last 2 years have had cases denied like this because this is, according to the HMO, a cosmetic condition.

How did we get to this sorry state? We got to this because 25 years ago, Congress passed a law called the Employee Retirement Income Security Act, which was primarily a pension law meant to be for the benefit of the employee. But somehow or other, health plans got included in this, and along came managed care, which was much more intrusive, and all of a sudden we now have a situation where, under employer plans, health plans do not have to follow any State regulations.

Furthermore, they are not liable or responsible for any of their decisions. Think about this. As far as I know, there is only one group of people or an institution in this country that is free of any responsibility for their decisions, that is foreign diplomats, except for the HMOs and employer health plans.

That little boy who lost both hands and his feet, under Federal law that plan is responsible for nothing except the cost of his amputations. That means, for instance, that the little child that had the cleft lip that I just showed my colleagues would not be able to get that. The HMO could deny a surgical correction which is standard of care. Maybe we would just put a piece of plastic in the roof of his mouth, because after all that would be the cheapest least expensive care.

Mr. Speaker, that is the way it works under this Federal law, which took the oversight away from States. It basically says that a health plan can define medical necessity in any way they want to. They can say in their contract that we define medical necessity as the cheapest, least expensive care. That means, for instance, that the little child that had the cleft lip that I just showed my colleagues would not be able to get that. The HMO could deny a surgical correction which is standard of care. Maybe we would just put a piece of plastic in the roof of his mouth, because after all that would be the cheapest least expensive care.

I think that is unconstitutional. I think that is an abridgement of the 10th amendment, but it is incumbent on Congress to fix that, because it was Congress that created this problem 25 years ago.

Now, I am not the only one who thinks this. The Federal judiciary
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Mr. Speaker, what are the courts doing? They are remanding these medical judgment cases back to the States.

The Supreme Court in Pегram v. Herdrich said decisions involving benefits stay in ERISA, but decisions involving medical judgment should go to the States where they have traditionarily resided, where we have 200 years of case law. That is what they should be doing. That is what is in the Ganske-Dingell-Breaux-Frist bill, that should come before the House and before the Senate.

But there is an alternative. The alternative is, oh, let us just move all of that into the Federal courts. I cannot believe that Republicans would propose federalizing an entire area of health care.

Are we not the party that traditionally says this should be a purview for States? There are about how many States in the United States where they have traditionarily resided, where we have 200 years of case law. That is what they should be doing. That is what is in the Ganske-Dingell-Breaux-Frist bill, that should come before the House and before the Senate.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(For the following Members (at the request of Mr. Green of Texas) to revise and extend their remarks and include extraneous material:)

Mr. Liepinski, for 5 minutes, today.
Mr. Sherrman, for 5 minutes, today.
Mr. DeFazio, for 5 minutes, today.
Mr. Engel, for 5 minutes, today.
Mr. Rush, for 5 minutes, today.
Mr. Underwood, for 5 minutes, today.
Mr. Kind, for 5 minutes, today.
Mr. Honda, for 5 minutes, today.
Mr. Green of Texas, for 5 minutes, today.
Ms. Norton, for 5 minutes, today.

(For the following Members (at the request of Mr. Wicker) to revise and extend their remarks and include extraneous material:)

Mr. Schaffer, for 5 minutes, today and May 24.
Mr. Horn, for 5 minutes, May 24.